Cipla

1st June, 2026

(1) BSE Ltd.
Listing Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 500087

(2) National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza, 5th floor
Plot no. C/1, G Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Scrip Code: CIPLA

(3) SOCIETE DE LA BOURSE DE LUXEMBERG
Societe Anonyme
35A Boulevard Joseph II
L-1840 Luxembourg

Sub: Notice of the 90th Annual General Meeting ("AGM") along with Integrated Annual Report for FY 2025-26

Dear Sir / Madam,

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following documents:

1. Notice of the 90th AGM ("AGM Notice");
2. Integrated Annual Report for FY 2025-26; and
3. Copy of the letter containing the QR code, path and web-link to access the AGM Notice and the Integrated Annual Report to be sent to those members who have not registered their email address with the Company / KFin Technologies Limited, the Registrar and Share Transfer Agent ("RTA") or with the National Securities Depositories Limited / Central Depositories Services (India) Limited ("Depositories").

The important information w.r.t the 90th AGM and e-voting is as follows:

- The 90th AGM of the Company is scheduled to be held on Thursday, 25th June, 2026, at 2:00 p.m. (IST) through Video Conferencing ("VC").
- The AGM Notice and the Integrated Annual Report are also available on the Company's website at https://www.cipla.com/investors/annual-reports and are being sent by email to all the eligible members, whose email address is registered with the Company / RTA or with the Depositories.
- The Company has provided e-voting facility to its members to exercise their voting rights on the resolutions set forth in the AGM Notice.
- Only those members, whose names appear in the Register of Members / list of beneficial positions furnished by the Depositories as on the cut-off date i.e., Thursday, 18th June, 2026, will be entitled to vote on the resolutions as mentioned in the AGM Notice.
- Remote e-voting will commence on Sunday, 21st June, 2026 at 9:00 a.m. IST and will end on Wednesday, 24th July, 2026 at 5:00 p.m. IST.

- E-voting facility will also be available during the AGM to those members who have not cast their vote through remote e-voting.
- Other information, including instructions on e-voting and process to attend the AGM, have been provided in the AGM Notice.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For **Cipla Limited**

RAJENDRA CHOPRA Digitally signed by RAJENDRA CHOPRA Date: 2026.06.01 23:24:25 +05'30'

Rajendra Chopra
Company Secretary

Encl: As above

Prepared by: Simona Dsouza

Cipla Limited

Registered Office: Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013
Phone: +91 22 4191 6000, **Email:** cosecretary@cipla.com , **Website:** www.cipla.com
Corporate Identity Number: L24239MH1935PLC002380

Notice of 90th Annual General Meeting

NOTICE is hereby given that 90th Annual General Meeting of Cipla Limited will be held on Thursday, 25th June, 2026 at 2.00 PM (IST) through Video Conferencing ("VC") to transact the following businesses:

Ordinary Business(es):

To consider and if thought fit, to pass the following resolutions as ordinary resolutions:

1. **To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31st March, 2026 and the reports of the Board of Directors and Statutory Auditor thereon**

   "Resolved that the audited standalone financial statements of the Company for the financial year ended 31st March, 2026 and the reports of the Board of Directors and Statutory Auditor thereon as circulated to the members with the notice of the Annual General Meeting, be and are hereby received, considered and adopted."

2. **To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2026 and the report of the Statutory Auditor thereon**

   "Resolved that the audited consolidated financial statements of the Company for the financial year ended 31st March, 2026 and the report of Statutory Auditor thereon, as circulated to the members with the notice of the Annual General Meeting, be and are hereby received, considered and adopted."

3. **To declare dividend on equity shares**

   "Resolved that the final dividend of ₹ 13/- (Rupees Thirteen only) per equity share (i.e. 650% on the face value of 2/-), as recommended by the Board of Directors, for the financial year ended 31st March, 2026, be and is hereby declared."

4. **To re-appoint Mr Adil Zainulbhai as a director liable to retire by rotation**

   "Resolved that pursuant to the applicable provision(s) of the applicable law(s) (including any amendments thereto or re-enactment thereof for the time being in force), in accordance with the Articles of Association of the Company and upon recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr Adil Zainulbhai (DIN: 06646490), Non-Executive Director, who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. **To appoint the Statutory Auditors of the Company and fix their remuneration**

   "Resolved that pursuant to the applicable provision(s) of the applicable law(s) (including any amendments thereto or re-enactment thereof for the time being in force), and upon recommendation of the Audit Committee and the Board of Directors, M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-1 00022) be and is hereby appointed as the Statutory Auditor of the Company for the first term of five (5) consecutive years with effect from conclusion of 90th Annual General Meeting ("AGM") until the conclusion of 95th AGM at such remuneration as set out in the explanatory statement annexed to this Notice.

   Resolved further that, the Board of Directors or the Audit Committee be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper, or expedient to give effect to the above resolution."

Special Business:

To consider and if thought fit, to pass the following resolution as ordinary resolution:

6. **To ratify the remuneration of the Cost Auditor for the financial year ending 31st March, 2027**

   "Resolved that pursuant to the applicable provision(s) of the applicable law(s) (including any amendments thereto or re-enactment thereof for the time being in force), and upon recommendation of the Audit Committee and the Board of Directors, the remuneration of ₹ 12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses to be paid to M/s Joshi Apte & Associates (Firm Registration No. 000240), the Cost Auditor of the Company, to conduct audit and submit the cost audit report for the financial year ending 31st March, 2027, as approved by the Board of Directors, be and is hereby ratified and confirmed.

   Resolved further that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper, or expedient to give effect to the above resolution."

For **Cipla Limited**

Rajendra Chopra
Company Secretary
(Membership No. A12011)

Date: 13th May, 2026
Place: Mumbai

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has, vide its Circular nos. 20/2020, 14/2020, 17/2020, 02/2021, 02/2022, 10/2022, 09/2023, 09/2024, the latest being 03/2025 dated 22nd September, 2025 and the Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 and other applicable circulars issued in this regard, (hereinafter collectively referred to as "the Circulars"), have permitted holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC"). Hence, the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the registered office of the Company, i.e. Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

2. The Notice of 90th AGM ("Notice") was approved by the Board of Directors at its meeting held on 13th May, 2026 and the Company Secretary was authorised to issue the Notice.

3. The members can join the AGM through VC 15 minutes before the scheduled time or any time thereafter till the conclusion of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 members on a first-come-first-serve basis. This will not include large shareholders (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel and auditors, among others, who are allowed to attend the AGM without restriction on account of a first-come first- serve basis and can connect with the Company at cipla.agm@cipla.com.

4. The Board of Directors of the Company has appointed Ms Anshu Agarwal, Managing Partner, ANGC & Co. LLP, Practicing Company Secretary (Membership No.F9921; Certificate of practice no. 27897) as the Scrutiniser to scrutinise the remote electronic voting ("e-voting") process and e-voting in a fair and transparent manner.

5. Since this AGM is being held through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("Act").

6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote in the AGM. In compliance with the provisions of Section 113 of the Act, Corporate/Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF/JPG format) of the board resolution/ power of attorney/authority letter etc. to the Scrutiniser at e-mail id: ciplascrutinizer@gmail.com with copy marked to evoting@nsdl.com to attend the AGM through VC and to vote through remote e-voting.

7. In compliance with the Circulars, Notice along with the Integrated Annual Report 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ National Securities Depository Limited and Central Depository Services (India) Limited ('Depositories')/ KFin Technologies Limited ("RTA").

8. A letter containing the weblink and QR code for accessing the Notice and Integrated Annual Report for the FY 2025-26 will be sent to those shareholders who have not registered their email address with the Company/Depositories/RTA.

9. Since the AGM will be held through VC, the route map, proxy form and attendance slip are not applicable and therefore not attached to this Notice.

10. Members will be provided with the facility of e-voting and attending the AGM through VC by the National Securities Depository Limited ("NSDL").

11. Notice of the AGM along with the Integrated Annual Report FY 2025-26 is available on the website of the Company at www.cipla.com, on websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and also on website of NSDL (i.e. www.evoting.nsdl.com).

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the Certificate from the Secretarial Auditor of the Company under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for inspection in electronic mode by the members during the AGM. All documents referred to in the Notice will also be available for inspection in electronic mode without any fee by the members from the date of circulation of this Notice up to the date of AGM on Thursday, 25th June, 2026 during business hours. Members who wish to inspect such documents may send a request on the email id cipla.agm@cipla.com at least one working day before the date on which they intend to inspect the document.

13. The explanatory statement pursuant to Section 102 of the Act forms part of the Notice. As required under the Secretarial Standard – 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the relevant information of the director seeking re-appointment is attached as Annexure I.

14. **Important instruction for shareholders holding shares in physical form.**

    i. SEBI, vide its circular no. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed company to issue the securities in dematerialised form only while processing investor service requests viz. issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

       As per SEBI circular no. HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated 30th January, 2026, the requirement of issuance of a Letter of Confirmation ("LOC") by the Company/ RTA has been dispensed with for the aforesaid investor service requests with effect from 2nd April, 2026. Accordingly, securities will be credited directly to the shareholder's demat account upon submission of latest Client Master List with duly filled demat conversion request form to the RTA. In view of the same and to eliminate the risks associated with physical shares and to avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

    ii. Members are requested to update their email address, choice of nomination and KYC records by submitting duly filled and signed relevant form along with the relevant proofs listed in the forms, to KFin Technologies Limited, Registrar and Share Transfer Agent, Unit: Cipla Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Alternatively, members can also send digitally signed documents from their registered email address at einward.ris@kfintech.com. Details of the relevant forms are provided herein below:

Form	Particulars
ISR-1	Request for registering PAN, KYC or changes/updating thereof
ISR-2	Confirmation of signature of the securities holder by the banker
ISR-3	Declaration form for holders of physical securities in listed companies to opt out of nomination
ISR-4	Request for issue of Duplicate Certificate and other Service Requests
ISR-5	Request for Transmission of Securities by Nominee or Legal Heir
SH-13	Nomination form
SH-14	Cancellation or variation of Nomination

15. Members holding shares in demat form who wish to update any of the details mentioned above can contact their depository participant for the same.

16. SEBI has introduced Online Dispute Resolution ("ODR") portal for dispute resolution in addition to the existing SEBI Complaints Redress System ("SCORES") platform, which can be utilised by the investors and the Company for dispute resolution. The SMART ODR Portal can be accessed at: https://smartodr.in/login. The detailed circulars and process are also available on the website of the Company at https://www.cipla.com/investors/corporate-governance.

17. **Record Date and Dividend:**

    i. The dividend for the year ended 31st March, 2026 as recommended by the Board, upon declaration at the AGM, will be paid to those members whose names will appear in the Register of Members on the record date i.e., as at the close of business hours on Friday, 5th June, 2026. With effect from 1st April, 2024, as per the SEBI Circular dated 10th June, 2024 read with SEBI Master Circular dated 6th February, 2026, shareholders holding shares in physical form and who have not completed any of their KYC, will be eligible to receive dividend, only upon completion of KYC. Members are therefore advised to update their KYC details on priority, if not done already, following the procedure as mentioned in point 14(ii).

    ii. Members holding shares in dematerialised form may please note that, in accordance with the direction of the Stock Exchanges, bank details as furnished by the respective depositories will be used for the purpose of distribution of dividend.

    iii. Pursuant to the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") dividends that remain unpaid or unclaimed for a period of seven year or more, are mandatorily required to be transferred to the Investor Education and Protection Fund ("IEPF"). Accordingly, unpaid or unclaimed dividends up to the financial year 2017-18 have been transferred to the IEPF.

As per the provisions of Section 124(6) of the Act read with the IEPF Rules as amended, all shares in respect of which dividends have remained unclaimed for seven consecutive years or more for the financial year ended 31st March, 2018 were transferred by the Company to the IEPF in October 2025. The Company had sent individual communications to the concerned shareholders whose shares were liable to be transferred to the IEPF.

Members may note that unclaimed final dividend for the financial year ended 31st March, 2019 will become due for transfer to the IEPF on Saturday, 19th September, 2026. Those members who have not claimed dividend for the said period and also for the subsequent years are requested to claim the dividend. The member can contact our Registrar and Share Transfer Agent, KFin Technologies Limited at einward.ris@kfintech.com /Shares Department of the Company at cosecretary@cipla.com to claim the dividend.

We have uploaded the details of such members on website of the Company, i.e., www.cipla.com, under the 'Investors section'. Please note that no claim shall lie against the Company in respect of unclaimed dividend and shares transferred to the IEPF pursuant to the said Rules.

As per the provisions of Section 125 of the Act and the IEPF Rules, members whose unclaimed dividend, unclaimed redemption amount of preference shares, unclaimed sale proceeds of fractional shares and equity shares have been transferred to IEPF, may claim the refund by making an application to the IEPF Authority in web form IEPF-5 available on www.mca.gov.in.

TDS on Dividend Amount

18. As per the Income Tax Act, 2025 ("the IT Act"), dividends paid or distributed by the Company is taxable in the hands of the shareholders. Accordingly, companies are required to deduct tax at source from dividends paid to shareholders.

- The rate of deduction of tax depends on:
  a. Residential status of the shareholder
  b. Valid tax registration (PAN or equivalent tax payer identification)
  c. The documents/declarations submitted by the shareholder and accepted by the Company.

For resident individual shareholders:

- As per section 393(1) [Table: Sr. No. 7] of the IT Act, any domestic company making payment to a resident shareholder shall deduct tax 10% at the time of payment of dividend to shareholder if it exceeds ₹ 10,000 and who has provided valid PAN. However, on submission of any lower withholding tax certificate under provision of the Act for Tax Year 2026-27, the withholding tax shall be at the rate mentioned in the certificate issued by the Authority.
- As per section 393(4) [Table: Sr. No. 10], no tax shall be deducted if the amount or aggregate of amounts of such dividend distributed or paid or likely to be distributed or paid during the tax year does not exceed ₹ 10,000 and the dividend is paid in any mode other than in cash.
- As per section 393(6) of the IT Act, if shareholder provides duly filed declaration in Form 121 for relevant tax year (T.Y. 2026-27) complete in all respects and all the required eligibility conditions are met then, NIL tax will be deducted at source.
- The new taxation regime under Section 202 of the IT Act is the default tax regime as per Income Tax Provisions. Accordingly, we shall consider the forms for exemption only in cases where estimated total income for individual whose age is below 60 years is <= ₹ 4,00,000 and in case of individual exceeding age of 60 years is <= ₹ 12,00,000 as per provisions of Section 393(6) of the IT Act.
- In case of invalid or non-availability of PAN, tax will be deducted at the rate of 20%.

For resident shareholders other than individual (HUF/LLP/AOP/Companies/Firm/Trust):

- At 10% on the entire amount of dividend to be received by the shareholder without any threshold. However, on submission of any lower withholding tax certificate or any exemption status under provision of the IT Act obtained by shareholders for Tax Year 2026-27, the withholding tax shall be at the rate mentioned in the certificate issued by the authority.
- In case of invalid or non-availability of PAN, the withholding tax shall be at 20%.
- The User Manual for filling and submission of declarations on the above link is available on the website of the Company at https://www.cipla.com/sites/default/files/TDS-on-dividend-FY-2026-27.pdf.

For other category shareholders, viz. Mutual Fund, Insurance Company, Alternate Investment Fund ("AIF") Category I and II, Government (Central/State Government) etc:

In order to provide exemption from withholding the taxes on dividend payable, shareholders are required to provide self-declaration along with their registration with concerned authority about their category, such as:-

- Declaration and registration certificate by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938.
- Declaration and registration certificate by Mutual Fund shareholder eligible for exemption under Schedule VII (Table: S. No. 20 and 21) of the IT Act.
- Declaration and registration certificate by Category I/II AIF registered with SEBI.
- Self-attested copy of valid approval granted by approving authority as per relevant Income Tax Rules of Schedule XI of Act to Recognised Provident Fund / Approved Gratuity Fund/ Approved Superannuation Fund.
- The aforesaid declarations are to be submitted through the link: https://easydividend.nexdigm.com/Shareholders.

For non-resident shareholders including Foreign Portfolio Investor ("FPI")/("FII") Category:

At 20% (plus applicable surcharge and cess) on the entire amount of dividend to be received by the shareholder without any threshold. However, as per Section 159 of the IT Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (tax treaty) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail a lower rate of deduction of tax at source under an applicable tax treaty read with multilateral instruments, if applicable, such non-resident shareholders must provide the following:

- Self-attested copy of the PAN allotted by the Indian Income Tax authorities, if any.
- Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident for Tax Year 2026-27 and containing TRC number., if available.
- Self-attested copy of acknowledgement and copy of Form 41 filed online for Tax Year 2026-27 in https://www.incometax.gov.in/iec/foportal/.
- Self-declaration, certifying the following points that no PE declaration should cover points given below:

  i. Non-Resident is and will continue to remain a tax resident of the country of residence during Tax Year 2026-27.

  ii. Non-Resident is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company.

  iii. Non-Resident has no reason to believe that the claim for the benefits of the DTAA is impaired in any manner.

  iv. Non-Resident is the ultimate beneficial owner of the shareholding in the Company and Dividend receivable from the Company.

  v. Non-Resident does not have a taxable presence or a permanent establishment in India during Tax Year 2026-27.

  vi. The aforesaid declarations are to be submitted through the link: https://easydividend.nexdigm.com/Shareholders.

  Note : *As per the IT Act and rules thereto, for generating certificate for foreign remittances to non-resident shareholder (i.e., Form 145 and/ or 146), mentioning Tax Identification No. ("TIN") or equivalent unique identification number is mandatory irrespective whether DTAA benefit claimed or not. Thus request every non-resident shareholder to provide TIN or equivalent unique identification number.*

Benefit under Rule 203

If dividend income on which tax has been deducted at source is assessable in the hands of a person other than the shareholder, then declaration needs to be provided by shareholder as per Rule 203 of the Income-tax Rules, 2026. The aforesaid declaration is to be e-mailed to dividend.cipla@nexdigm.com.

General Instructions:

- All the documents submitted by the shareholder will be verified by the Company / its Authorised Representative and the Company will consider the same while deducting appropriate taxes, if they are in accordance with the provisions of the IT Act.
- For resident shareholders, the rate of TDS would not be increased by surcharge and cess. For non-resident shareholders, the rate of TDS would be increased by applicable surcharge and cess.

- The Company shall not obligated to apply the beneficial DTAA rates at the time of withholding tax on the dividend amount. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholder.

- If for any reason the tax on dividend is deducted at a higher rate for the shareholder, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

- In the event of any income-tax demand (including interest, penalty etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such shareholders will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and cooperate in any proceedings before any income tax/appellate authority.

- The above withholding tax is in summarised form of law and not detailed analysis nor any tax advice. For detailed tax advice related to their tax matters, shareholders are advised to seek professional guidance.

19. We are pleased to provide the facility of live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the website at https://evoting.nsdl.com by following the instructions mentioned in the notice below or on the website of the Company, i.e., www.cipla.com , under the 'Investors section'.

20. The Chairman authorised the Company Secretary and failing him the Global Chief Financial Officer to receive and countersign the scrutiniser's report and declare the results, along with the consolidated scrutiniser's report within the timeframe prescribed under the Act and the SEBI Listing Regulations. 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.

21. The results declared along with the scrutiniser's report will be placed on the website of the Company, i.e., www.cipla.com, under the 'Investors section' and on the NSDL website i.e. https://evoting.nsdl.com. The results will also be disclosed on the stock exchanges.

22. SEBI, vide Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January, 2026, has opened a special window to facilitate re-lodgement of transfer and dematerialisation of physical securities. The window will remain open for a period of one year, i.e., from 5th February, 2026 to 4th February, 2027.

    This special facility will be available for transfer and dematerialisation of physical shares that were sold or purchased prior to 1st April, 2019. Additionally, the facility extends to transfer requests that were submitted earlier but were rejected, returned, or not attended to due to deficiencies in documents, process issues, or for any other reason.

    Eligible shareholders who wish to avail the opportunity are requested to submit the requisite documents to KFin Technologies Limited, Registrar and Share Transfer Agent, Unit: Cipla Limited, Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.

    Investors are informed that the securities re-lodged for transfer pursuant to the above circular, shall only be issued in demat form. In case of any queries, shareholders are requested to raise a service request at einward.ris@kfintech.com or cosecretary@cipla.com.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC through the NSDL e-voting system. Members may access by following the steps mentioned below for Access to NSDL e-voting. After successful login, you can see link of "VC link" placed under "Join meeting" menu against the Company name. You are requested to click on this link. The link for VC will be available in Shareholder/ Member login where the EVEN of the Company i.e. 139523 will be displayed. Please note that the members who do not have the User id and Password for e-voting or have forgotten the User id and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. For convenience and proper conduct of the AGM, members will be allowed to login and join 15 minutes before and anytime thereafter till conclusion of AGM. The login facility will remain open throughout the proceedings.

    Members who need technical assistance before or during the AGM can:

    - Send a request at evoting@nsdl.com or use Toll Free no. 022 - 4886 7000; or

    - Contact Mr Amit Vishal or Ms Pallavi Mhatre, NSDL at the designated email id: evoting@nsdl.com

3. Please note that members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connections to avoid any kind of glitches.

4. Members who want to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending a request from their registered email-id mentioning their name, DP id and Client id/ folio number, PAN and mobile number at cipla.agm@cipla.com by Wednesday, 24th June, 2026 up to 5.00 pm. The members may send their questions in advance within the stipulated period to enable the management to respond to these queries objectively at the AGM. Only those members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

VOTING THROUGH ELECTRONIC MEANS:

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations and the aforementioned Circulars, the Company is providing the facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

2. The members, whose names appear in the Register of Members/ Beneficial Owners as on Thursday, 18th June, 2026, are entitled to vote on the resolutions set forth in this notice. A person who is not a member as on the cut-off date should treat this notice of AGM for information purpose only.

3. The remote e-voting period begins on Sunday, 21st June, 2026 at 9.00 am and ends on Wednesday, 24th June, 2026 at 5.00 pm. The remote e-voting module shall be disabled by NSDL for voting thereafter. Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date for e-voting i.e., Thursday, 18th June, 2026 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

4. In addition, the facility for voting through electronic voting system will also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting will be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting will be eligible to attend the AGM, however, they will not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Type of shareholders	Login Method
	2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "**Access to e-voting**" under e-voting services and you will be able to see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or **e-voting service provider i.e. NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited ("CDSL")	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then user your existing my easi username and password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 139523 then user ID is 139523001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period.

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to ciplascrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-voting**" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr Amit Vishal or Ms Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide a signed request letter mentioning folio number, name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhaar/ utility bill (not older than 3 months) by email to einward.ris@kfintech.com.

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card and Aadhar/ Utility bill (not older than 3 months) to einward.ris@kfintech.com.

2. Alternatively, shareholders/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

3. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.

4. Any person holding shares in physical form and non-individual shareholders who acquire shares of the Company and become members of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Thursday, 18th June, 2026, may obtain the login id and password by sending a request at evoting@nsdl.com or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user id and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000. In case of individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, 18th June, 2026 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

Instructions for members for e-voting on the day of the AGM:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those members/ shareholders who will be present in the AGM through VC facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, will be eligible to vote through e-voting system in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM will be the same person mentioned for remote e-voting.

STATEMENT SETTING OUT ALL MATERIAL FACTS CONCERNING EACH OF THE BUSINESS(ES) TO BE TRANSACTED AT THE 90TH ANNUAL GENERAL MEETING AS STATED IN THE NOTICE DATED 13TH MAY, 2026: [Pursuant to Section 102 of the Companies Act, 2013]

Item Nos. 1 and 2: Ordinary Resolution

As per the applicable statutory provisions, the Company submits its standalone and consolidated financial statements for the financial year for adoption by members at the AGM.

The Board of Directors ('Board'), on the recommendation of the Audit Committee, has approved the standalone and consolidated financial statements for the financial year ended 31st March, 2026.

The standalone and consolidated financial statements of the Company along with the reports of the Board and Statutory Auditors' thereon have been:

- sent to the members at their registered email address; and
- uploaded on the website of the Company, i.e. www.cipla.com under the 'Investors section'.

The Board confirms compliance with applicable accounting standards in preparation of the financial statements, adoption of consistent and prudent accounting policies, maintenance of adequate records and internal financial controls, and preparation of accounts on a going concern basis, thereby presenting a true and fair view of the Company's financial position and performance.

The Statutory Auditor has issued unmodified reports on the financial statements and has confirmed that both standalone and consolidated financial statements represent the true and fair view of the state of affairs of the Company.

In case members have any query or question on the financial statements, they are requested to send their queries or questions to the Company Secretary at the email id cipla.agm@cipla.com by Wednesday, 24th June, 2026 to enable the management to objectively respond to these queries at the AGM.

The Board recommends the resolutions as set out in item nos. 1 and 2 for approval by the members as ordinary resolutions.

None of the directors and the key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in these resolutions.

Item No. 3: Ordinary Resolution

As per the applicable statutory provisions, the dividend is required to be declared by the members of the Company, on the recommendation of the Board.

In accordance with the Dividend Distribution Policy of the Company, the Board has recommended a final dividend of ₹ 13/- per equity share (i.e. 650% on the face value of 2/-), for the financial year ended on 31st March, 2026. In case the shares are held in physical form, the dividend recommended by the Board, if approved, will be paid to those members whose name will appear in the Register of Members on the record date i.e., as at the close of business hours on Friday, 5th June, 2026 and in respect of shares held in dematerialised form, the dividend will be paid to the beneficial owners whose name appears in the Register of Beneficial Owners as per the records of the National Securities Depository Limited and the Central Depository Services (India) Limited as on Friday, 5th June, 2026.

The Company will endeavour to pay the dividend within 7 working days from the date of the declaration but not later than 30 days from the date of the ensuing AGM.

The Board recommends the resolution as set out in item no. 3 for approval by the members as an ordinary resolution.

None of the directors and the key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution except as a member to the extent of their shareholding in the Company.

Item No. 4: Ordinary Resolution

As per the applicable statutory provisions, at least two-thirds of the total number of directors (excluding independent directors), are liable to retire by rotation, out of which one-third of the total number of such directors shall retire at every AGM.

In compliance with this requirement, Mr Adil Zainulbhai, Non-Executive Director of the Company, is liable to retire by rotation and being eligible, has offered himself for re-appointment.

Mr Adil Zainulbhai was appointed as Non-Executive Director, of the Company on 3rd September, 2024 and is liable to retire by rotation.

Mr Zainulbhai is a Mechanical Engineering graduate from the Indian Institute of Technology and an MBA from Harvard Business School. He retired as the Chairman of McKinsey India after a distinguished 34 year career with the global firm, including leadership roles in its Washington and Minneapolis offices. His influence extends beyond McKinsey, serving as

Chairman of the Quality Council of India and as a Board Advisor to the US-India Strategic Partnership Forum. He has been a director on the boards of prominent corporates in India like Larsen and Toubro, Reliance Industries etc. and is the Chairman of Network 18 Media and Investments Limited. He has also been on the Advisory Boards of various international organisations and a member of various high-powered economic groups, advisory committees, and task forces of the Government of India.

Detailed profile of Mr Adil Zainulbhai is also available on the website of the Company at www.cipla.com in the 'Investors section'. Details as required under Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Standard – 2 and other applicable provisions have been provided in Annexure I to the explanatory statement.

Based on the performance evaluation of Mr Zainulbhai, the Board recommends the resolution as set out in item no. 4 for approval by the members as an ordinary resolution.

Except Mr Zainulbhai and his relatives, none of the other directors and the key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution.

Item No. 5: Ordinary Resolution

M/s Walker Chandiok & Co. LLP, (Firm Registration No. 001076N/ N500013), the present statutory auditors would be completing their second term as statutory auditors upon conclusion of the ensuing 90th Annual General Meeting i.e. on 25th June, 2026.

As per the applicable statutory provisions, the Company is required to appoint another firm of Chartered Accountants as the new statutory auditors, in place of retiring auditors. The new auditors need to be appointed for a period of 5 years.

The Management, under the supervision of the Chairman - Audit Committee initiated the process for selection of new statutory auditor. Leading firms were invited to participate in the process. After an extensive evaluation considering various factors such as basic eligibility conditions, independence, industry experience, technical skills, audit tools, suitability for diverse business landscape, use of technology, agility, geographical presence, size of the audit team and overall audit capability, order or proceedings before the Institute of Chartered Accountants of India and before any Courts of Law, the firms were short listed and invited for interaction with the Audit Committee and the Board of Directors. On the recommendation of the Audit Committee, the Board recommended the appointment of M/s B S R & Co. LLP as the Statutory Auditors of the Company for a term of 5 years from the conclusion of 90th AGM until the conclusion of 95th AGM. It is proposed to pay remuneration of ₹ 3,15,00,000/- (Rupees Three Crore Fifteen Lacs Only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ending 31st March 2027. The remuneration for the remaining period of the term shall be fixed by the Board of Directors, based on the recommendation of the Audit Committee.

The Company will not avail any services prohibited under Section 144 of the Companies Act, 2013 from the Statutory Auditors. The fees, if any, for the permitted non-audit services shall not exceed 20% of the annual audit fees.

There is no material change in the proposed amount of remuneration to be paid to M/s B S R & Co. LLP vis-à-vis the remuneration paid to M/s Walker Chandiok & Co. LLP, the retiring Statutory Auditors.

M/s B S R & Co. was originally constituted on 27th March, 1990 as a partnership firm and was subsequently converted into limited liability partnership i.e. B S R & Co. LLP, on 14th October, 2013. The firm is registered with the Institute of Chartered Accountants of India under Registration Number 101248W/W-100022. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

The firm has a strong national presence with offices across 14 locations, supported by a professional workforce of over 4,000 staff and 170+ Partners. B S R & Co. LLP provides audit and assurance services to a broad range of companies listed on Indian stock exchanges, including entities operating in the pharmaceutical sector.

M/s B S R & Co. LLP have (i) consented to accept the appointment upon approval; (ii) confirmed that they satisfy the criteria of independence provided under the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder; and (iii) provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

The Board recommends the resolution as set out in item no. 5 for approval by the members as an ordinary resolution.

None of the directors and the key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution.

Item No. 6: Ordinary Resolution

The Board, on the recommendation of the Audit Committee, has re-appointed M/s Joshi Apte & Associates – Cost Accountants (Firm Registration No. 000240) as the Cost Auditor to audit the Company's cost records for the financial year ending 31st March, 2027 at a remuneration of ₹12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of reasonable out-of-pocket expenses.

As per the statutory provision, the remuneration payable to the cost auditor is required to be ratified by the members of the Company.

The Board recommends the resolution as set out in item no. 6 for ratification by the members as an ordinary resolution.

None of the directors and the key managerial personnel and/ or their relatives are in any way, financially or otherwise, interested or concerned in this resolution.

For **Cipla Limited**

Rajendra Chopra
Company Secretary
(Membership No. A12011)

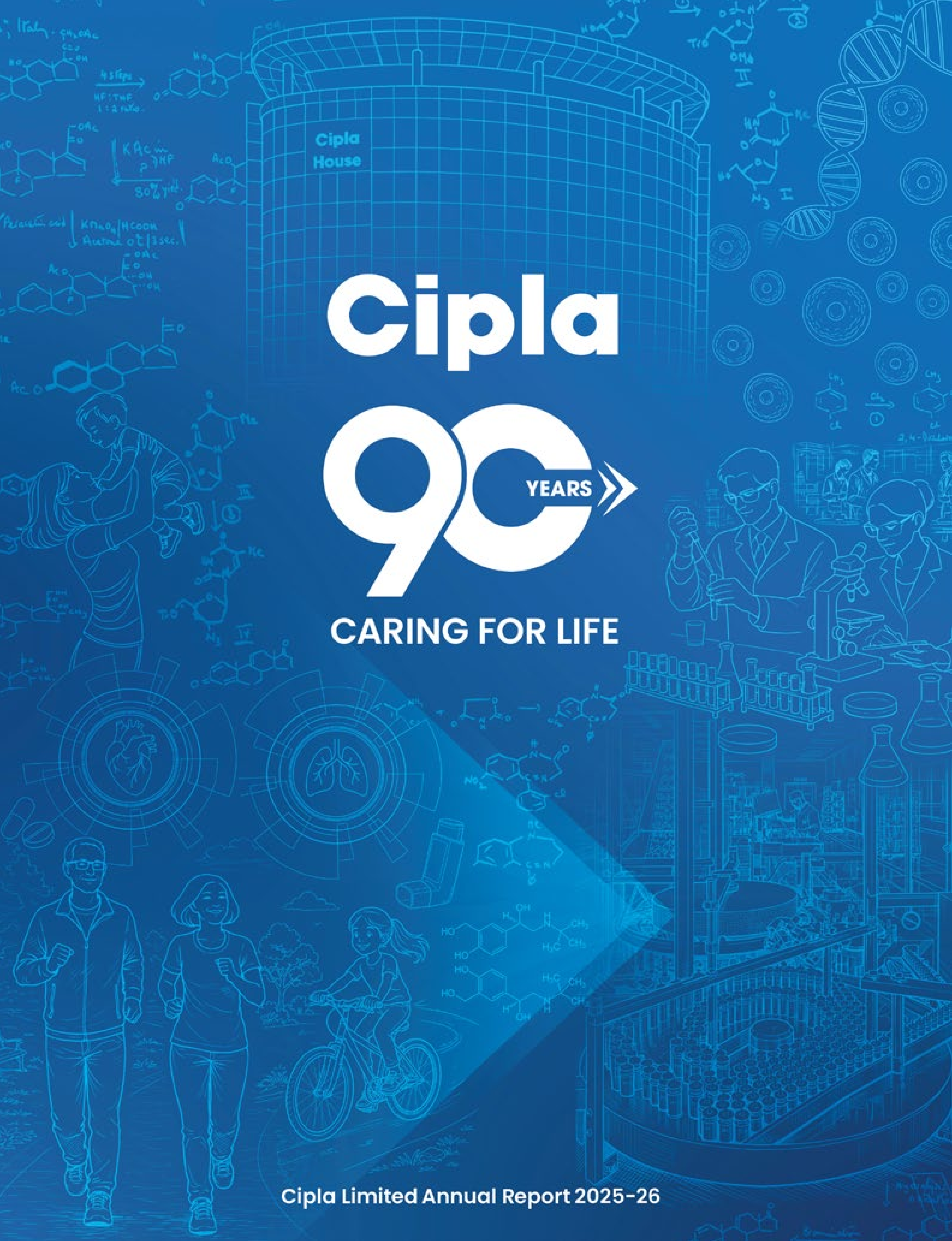
Date: 13th May, 2026
Place: Mumbai

ANNEXURE I

PROFILE OF DIRECTOR

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings]

Full Name	**Mr Adil Zainulbhai**
Director Identification Number (DIN)	06646490
Age	72 years
Date of first appointment on the Board	3rd September, 2024
Qualification	PGDM (Harvard Business School), Mechanical Engineering (IIT Mumbai)
Experience and nature of expertise in specific functional areas / Brief resume	Corporate Governance, Global Economics and Business, General Management and Leadership, Operations, M&A, Risk Management, Finance, Pharmaceutical, Science and Technology. For detailed profile please refer item no. 4 of explanatory statement and website of the Company at www.cipla.com.
Remuneration last drawn (including sitting fees)	Mentioned in the Report on Corporate Governance.
Remuneration to be paid	
Number of board meetings attended during FY 2025-26	
Terms and conditions of re-appointment	Mr Adil Zainulbhai is liable to retire by rotation. The detailed terms and conditions of his appointment have been mentioned in the Postal Ballot notice dated 3rd September, 2024 available on the Company's website. There is no change to the existing terms and conditions of his appointment.
Shareholding including shareholding as beneficial owner (Equity Shares)	Nil
Member/ Chairperson of committees of the Company	**Member** • Corporate Social Responsibility Committee • Nomination and Remuneration Committee • Stakeholders Relationship Committee • Operations and Administrative Committee
Directorships held in other companies	• Network18 Media & Investments Limited • Reliance Retail Limited • Unnati Employment Network • C3 Medicare Private Limited
Relationship with other directors and key managerial personnel	None
Chairperson and Membership of committees held in other Indian companies	• **Network18 Media & Investments Limited** - Stakeholders Relationship Committee - Chairperson - Risk Management Committee – Chairperson - Corporate Social Responsibility Committee - Chairperson - Audit Committee – Member - Nomination and Remuneration Committee – Member
Listed entities from which the person has resigned in the past three years	Mr Adil Zainulbhai has completed his maximum permissible term of 10 years as an Independent Directors in the following Companies in last three years and had accordingly ceased to be the Independent Directors in these companies. He did not resign from any listed entity during the last three years: • Larsen and Toubro Limited • Reliance Industries Limited • Reliance Jio Infocomm Limited Pursuant to the amalgamation of TV18 Broadcast Limited with Network18 Media & Investments Limited with effect from 3rd October, 2024, Mr Adil Zainulbhai ceased to be an Independent Director of the TV18 Broadcast Limited.



Cipla

90 YEARS

CARING FOR LIFE

Cipla Limited Annual Report 2025-26

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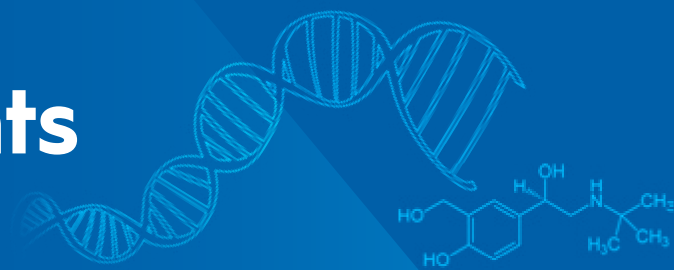

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Scan this code to know more about us

Website: **www.cipla.com**

About this Report

Engaging with our Stakeholders through the Integrated Report for FY 2025-26

Cipla's ninth Integrated Report marks another step in our commitment to purposeful and transparent disclosure. This Report offers a cohesive narrative that links our financial strength, operational progress and the broader impact we create, connecting the numbers with the strategic thinking that drives them.

More than a compliance document, this Report is designed to give our stakeholders a meaningful window into how Cipla navigates complexity, allocates resources and makes strategic choices that shape its long-term value. In a world where healthcare needs are increasingly diverse and urgent, we believe that open, connected reporting is not just a good practice but a responsibility we owe to every stakeholder who places their trust in us.

Our Reporting Guidelines

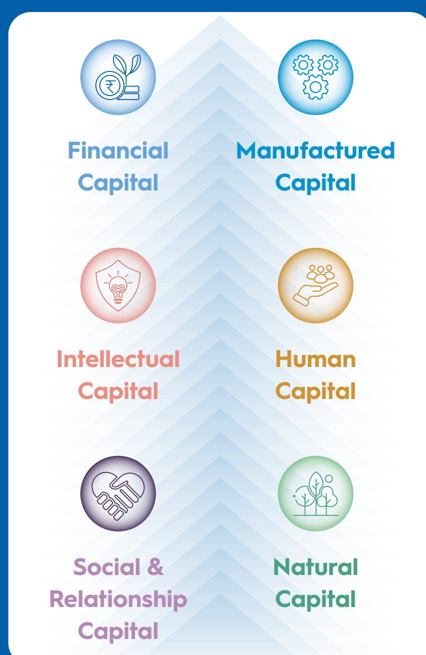
This Report has been prepared in line with the principles and content elements of the International Integrated Reporting Council's ("IIRC") International Integrated Reporting <IR> Framework. Our non-financial disclosures are prepared in accordance with the Global Reporting Initiative ("GRI") Standards and we have continued to map our programmes and commitments against the United Nations Sustainable Development Goals.

All financial and statutory information presented herein complies with the provisions of the Companies Act, 2013, the Indian Accounting Standards, the Secretarial Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws and regulations. We also draw on evolving global best practices to strengthen the relevance and rigour of our disclosures year on year.

Our Core Elements to Enhance Value Creation

At the heart of this Report lies a simple question: How does Cipla create and sustain value for its stakeholders?

To answer this, we present our business model, strategic priorities, governance architecture and material risks alongside performance across the **six capitals** of the <IR> Framework:



Together, these capitals offer an interconnected view of the resources, relationships and capabilities that power our ability to deliver on our purpose, **'Caring for Life'**.

Reporting Boundary & Scope[1]

This Report encompasses the financial and non-financial disclosures for the period 1st April, 2025 to 31st March, 2026. Financial disclosures in this Report are made on a consolidated basis. Complete list of entities is available on page no. 331. Non-financial disclosures cover Cipla Limited and its subsidiaries unless otherwise specified in relevant sections.

Responsibility Statement[2]

The Board confirms that this Report presents a truthful, balanced and comprehensive account of the Company's financial, sustainability and operational performance for FY 2025-26 and its outlook beyond. The contents have been shaped through cross-functional collaboration and reviewed under the direction of the Management Council to ensure accuracy and completeness.

Assurance[3]

Our financial statements have been audited by our statutory auditor - Walker Chandiok & Co LLP, whose report appears on page nos. 233 and 323. Independent assurance on selected non-financial disclosures has been provided by DNV Business Assurance India Private Limited, The Independent Assurance Statements are available on page nos. 424 and 430.

Your Feedback Matters[4]

Stakeholder dialogue is central to how we evolve as an organisation. We invite you to share your views on this Report and on Cipla's performance. Your feedback directly strengthens our future disclosures.

Name: Mr Rajendra Chopra
Designation: Company Secretary
E-mail: cosecretary@cipla.com
Telephone: +91 22 41916000

[1]GRI 2-2, GRI 2-3
[2]GRI 2-14
[3]GRI 2-5
[4]GRI 2-3

About Cipla[1]

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

We proudly stand as the third largest pharmaceutical company in India[2] and hold the second position in the prescription market in South Africa[3]. We rank as the second largest Indian exporter to emerging markets[4], the fourth largest Indian exporter to Europe[4] and the third largest by prescription for generic inhalation products in the US[5]. Our 48 manufacturing sites worldwide produce over 50+ dosage forms and more than 1,500 products, utilising advanced technology platforms to serve 69 markets[6].

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

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

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

For more details, please visit: www.cipla.com or connect with us on , and .

[1]GRI 2-1, GRI 2-6
[2]IQVIA MAT March 2026
[3]IQVIA MAT March 2026
[4]EXIM February 2026
[5]IQVIA NPA MAT March 2026
[6]Represents countries/markets where sales are more than USD 0.5 million

Cipla

OneCipla Credo

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

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

This is our **OneCipla Credo**

OUR WINNING ASPIRATION

OUR FIRST PRINCIPLES

CIPLA LEADERSHIP ESSENTIALS

PATIENTS

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

LEADERSHIP IN CORE MARKETS

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

COMMERCIAL EXCELLENCE

- Accelerated revenue growth and sustainable margin expansion

COLLABORATE TO SUCCEED

INNOVATE TO EXCEL

PERFORM WITH ACCOUNTABILITY

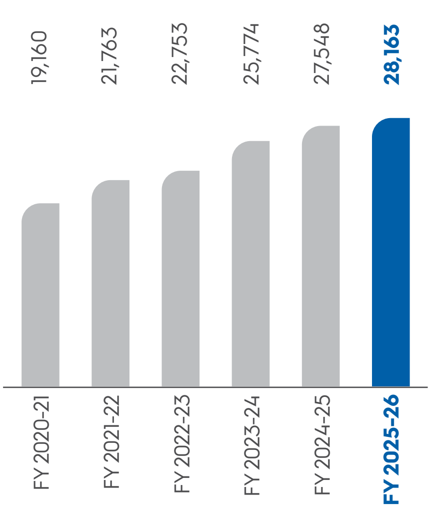
LEAD WITH EMPATHY

ACT WITH AGILITY

Financial Highlights

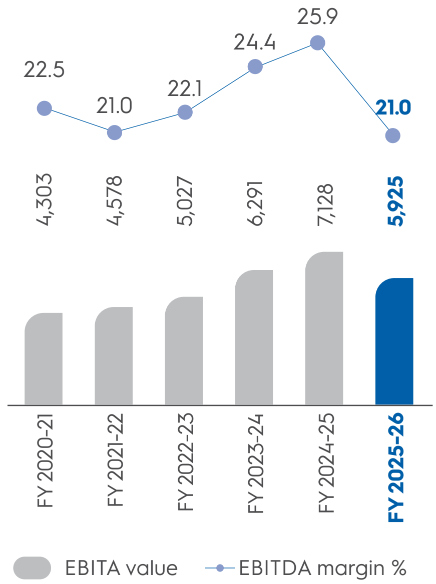
Revenue from Operations

(in ₹ crores)



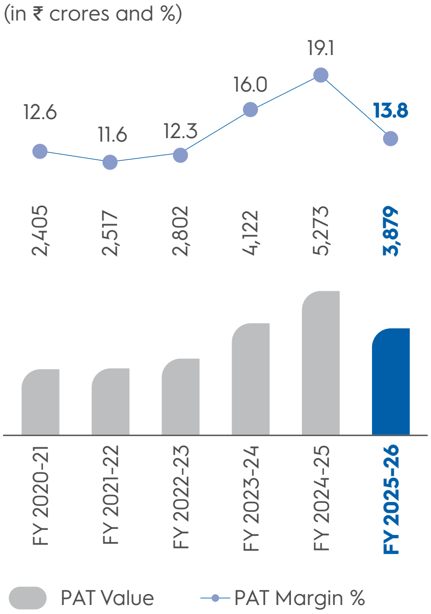
EBITDA and EBITDA margin[1]

(in ₹ crores and %)



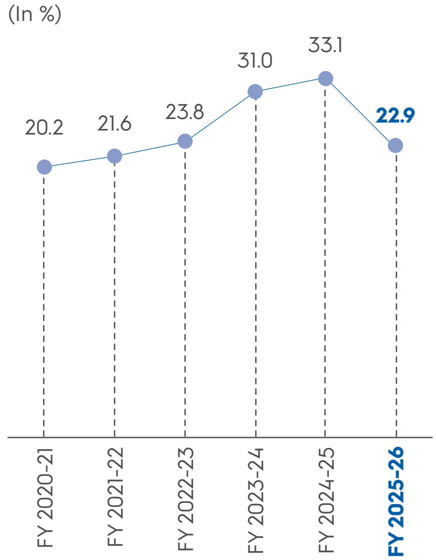
PAT and PAT Margin[2]

(in ₹ crores and %)



Return on Invested Capital (RoIC)[3]

(In %)



FY 2025-26

Revenue

₹28,163 crores

EBITDA

₹5,925 crores

PAT

₹3,879 crores

ROIC

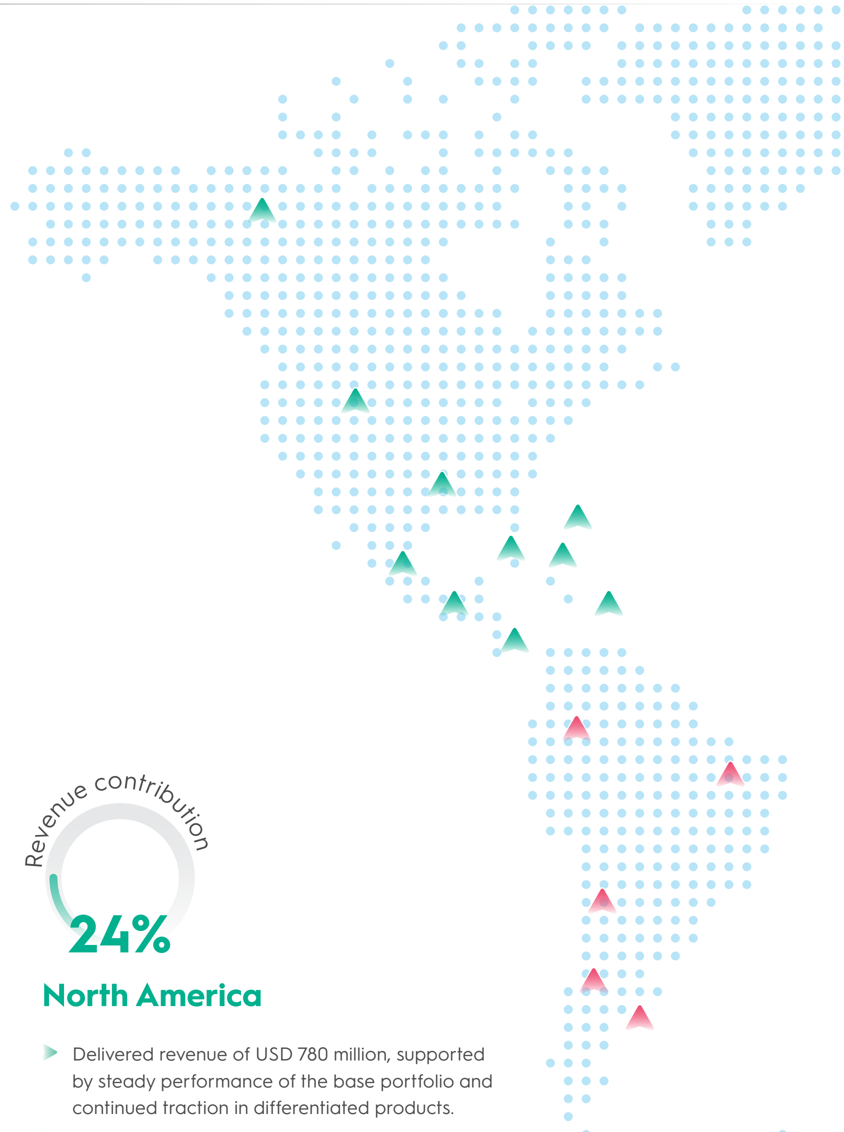
22.9%

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

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

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

Global Reach[1]



Revenue contribution

45%

One-India (Branded Prescription, Trade Generics and Consumer Health)

1. India Branded Prescription

- India prescription business has scaled into ₹ 9,500 crores+ portfolio.
- Growth[2] was primarily driven by strong performance across major therapies such as Respiratory, Diabetes and Cardiac.
- Introduced India's first rapid acting inhaled insulin Afrezza for Diabetes management. Launched Yurpeak in partnership with Eli Lilly for treatment of Obesity and Type 2 Diabetes.
- Strengthened the portfolio with innovative products including XTIKTR (minimally invasive regenerative urethral stricture therapy), non-antibiotic and advanced antibiotic drugs addressing Antimicrobial Resistance and Ciplostem for Osteoarthritis.
- Sustained discipline on scaling large brands, with 33 brands surpassing the ₹ 100 crores mark in the market[2].
- Foracort crossed the ₹ 1,000 crores milestone, further reinforcing its position as one of the leading brands in the Indian Pharmaceutical Market ("IPM")[2].

2. India Trade Generics:

- Cipla operates the largest trade generics business in India, with a strong focus on building category-leading volume brands; seven brands now generate over ₹ 50 crores in annual revenue, with three of them crossing ₹ 100 crores.
- The retail footprint has been strengthened significantly, deepening reach to 1.5 lacs+ retailers to ensure seamless availability of high-quality medicines across markets.
- The business diversified into high-potential growth segments, expanding its presence in ortho-support and sexual wellness categories.
- Several customer-centric initiatives were rolled out, like Swarna Shikhar, Retail Mela, Retail Loyalty Program, Achievers Club Program enhancing experience and loyalty while delivering measurable improvements in satisfaction across retail and trade partners.

3. India Consumer Health:

- Continuous focus on strengthening the consumer health business by maintaining the brand equity of top brands.
- Nicotex, Omnigel and Cipladine maintained leadership positions in their respective segments.
- Continued to drive illness to wellness theme led by brand building initiatives, deepening distribution, and category innovations.
- Strong emphasis on continued EBITDA margin improvement.

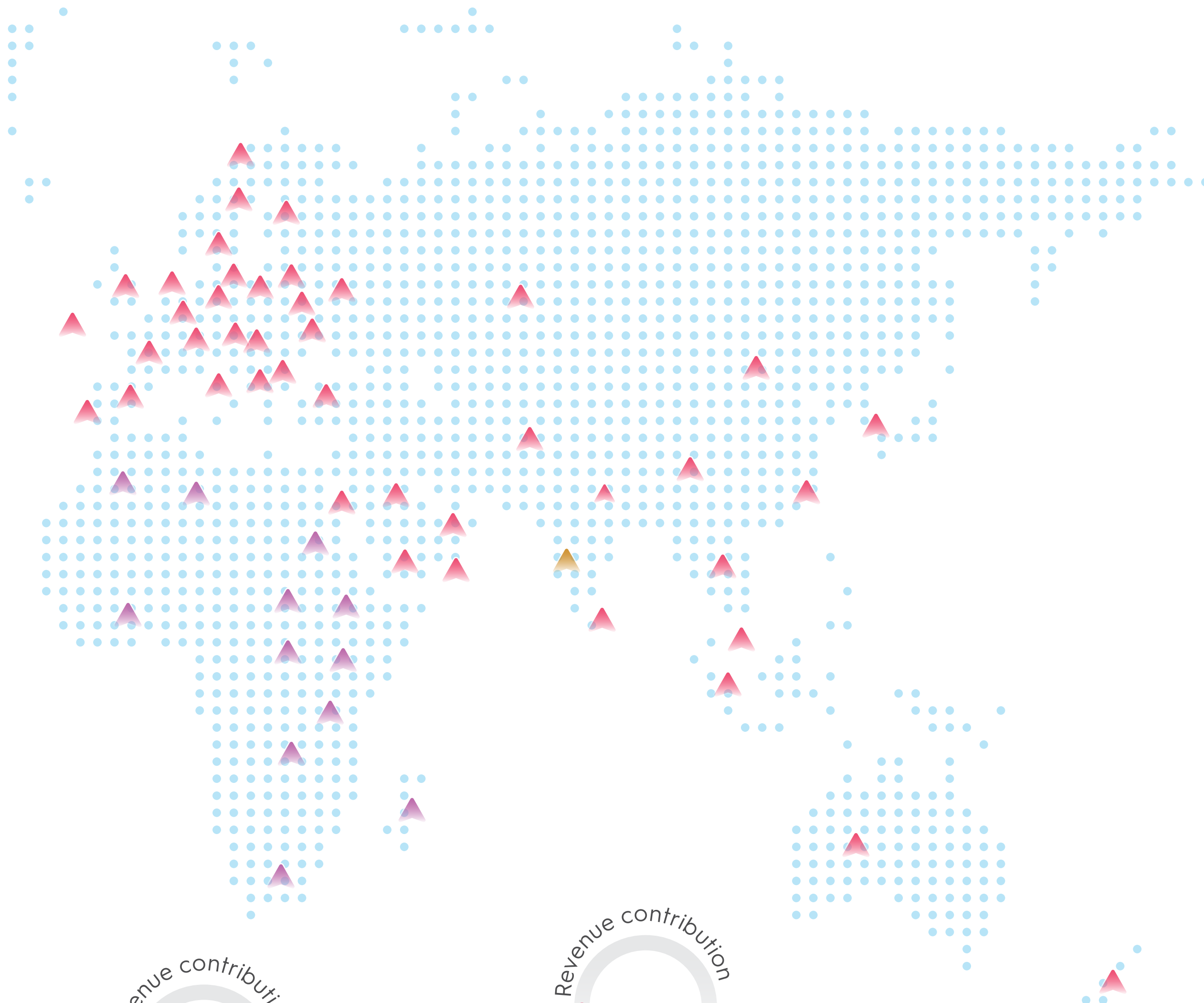
Revenue contribution

24%

North America

- Delivered revenue of USD 780 million, supported by steady performance of the base portfolio and continued traction in differentiated products.
- Cipla continues to strengthen its presence in the US generics market[2] with a share of 1.57% and a top 20 ranking, reflecting strong customer partnerships and supply reliability.
- Respiratory therapies remain a key pillar of the US business, with the Albuterol franchise maintaining a strong presence in the US inhalation market.
- Expanded the portfolio through differentiated launches across peptides, complex oncology injectables, biosimilars and specialty therapies, strengthening our presence across multiple therapeutic segments.
- 10 filings with the US FDA during FY 2025-26, strengthening the pipeline in respiratory inhalation products, peptide-based injectables and complex generics.
- Strategic focus remains on achieving market leadership in Respiratory, supported by upcoming launches including gVentolin, gSymbicort and gAdvair.

[1]GRI 2-1, GRI 2-6
[2]Market data as per IQVIA MAT March 2026



Revenue contribution
15%

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

- Second largest player in the pharma prescription market[2] by consistently outpacing market growth from the past few years.
- Cipla's private market business continues to outperform the market[2] with a growth of 7.1%, growing at ~1.4 times faster than the market with healthy performance across Central Nervous System, Anti-infectives, Respiratory, Oncology and Cardio-vascular and Metabolic therapies.
- 27 new brands launched across multiple therapies during the financial year.
- The private market business share is 76% in South Africa overall market.

Revenue contribution
13%

Emerging Markets and Europe

- Ranked third in Sri Lanka and ninth in the Nepal market.[3]
- Foracort becomes the third leading brand in Nepal market.[2]
- First Salbutamol pMDI with Dose indicator launched in Malaysian market.
- Levothyroxine was successfully launched in China, marking a strategic expansion and strengthening portfolio presence.
- Secured the Dapagliflozin VBP, ensuring strong volumes and sustained market presence.
- Launched Eltrombopag in the Germany market, gaining rapid traction.
- Beclomethasone + Formoterol ranked second in Germany and Spain, and third in the UK market.[3]

Revenue contribution
2%

API

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

[3]Market data as per IQVIA MAT December 2025

Note: Balance % contribution to sales over and above the geographies mentioned pertain to other operating income I Figures have been rounded off I Revenue growth numbers are in local currency

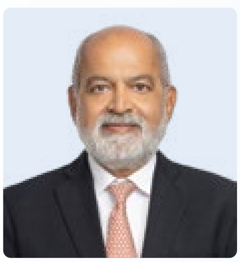
Board of Directors

Dr Y K Hamied
Non-Executive Chairman

Mr P R Ramesh
Vice-Chairman and
Lead Independent Director
AC IRMC

Mr Kamil Hamied
Non-Executive
Director
IRMC OAC

Mr Achin Gupta
Managing Director and
Global Chief Executive Officer
OAC CSR IRMC



Mr Adil Zainulbhai
Non-Executive
Director
SRC NRC CSR OAC

Mr Abhijit Joshi
Non-Executive
Director
IRMC

Dr Balram Bhargava
Independent Director
CSR SRC AC

Dr Mandar Vaidya
Independent Director
SRC IRMC NRC

Ms Maya Hari
Independent Director
NRC AC

Ms Sharmila Paranjpe
Independent Director
NRC AC CSR

Committees	Chairperson	Member
Audit Committee	AC	AC
Nomination and Remuneration Committee	NRC	NRC
Investment and Risk Management Committee	IRMC	IRMC
Stakeholders Relationship Committee	SRC	SRC
Corporate Social Responsibility Committee	CSR	CSR
Operations and Administrative Committee	OAC	OAC

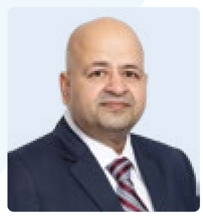
Management Council

Mr Achin Gupta
Managing Director and
Global Chief Executive Officer

Mr Ashish Adukia
Global Chief Financial Officer

Mr Arun Kakatkar
Global Chief People Officer

Mr Sushrut Kulkarni
Global Chief - Integrated
Product Development

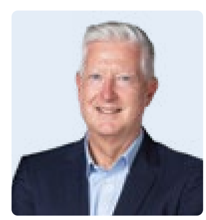


Mr Vijayasarathi Ramaswami
Global Head of Quality

Mr Prabhakaran Nair
Global Chief Manufacturing Officer

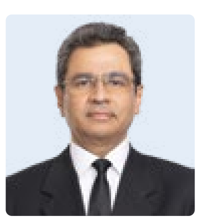
Mr Marc Falkin
CEO – North America

Mr Swapn Malpani
CEO – Emerging Markets
and Europe

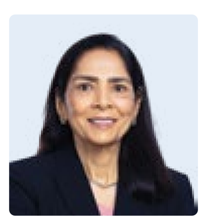


Mr Paul Miller
CEO Cipla South Africa and
Regional Head Africa and Access

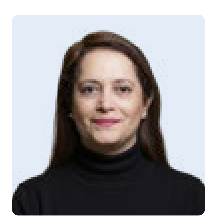
Mr Sai Mungara
Global Head Supply Chain



Dr Jaideep Gogtay
Global Chief Medical Officer



Ms Sneha Hiranandani
Chief Information Officer



Ms Meera Vanjari
Chief General Counsel (Global)

Ten-Year Highlights

Consolidated

(in ₹ crores)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Income Statement Data										
Revenue from operation	28,163	27,548	25,774	22,753	21,763	19,160	17,132	16,362	15,219	14,630
Profit for the year^	3,879	5,273	4,122	2,802	2,517	2,405	1,547	1,528	1,411	1,006
Dividend	1,292.4	1,050**	686	404	403	-	564^^	242	161	161
Balance Sheet Data										
Total equity attributable to owners	34,432	31,193	26,706	23,408	20,842	18,327	15,763	15,012	14,229	12,525
Property, plant and equipment - Net block	5,587	4,814	4,642	4,584	4,839	4,618	4,805	5,114	5,315	5,009
Cash and cash equivalents#	11,140	10,807	8,267	6,273	4,965	3,756	2,018	2,747	2,074	1,463
Total debt$	614	438	560	803	1,055	2,014	3,089	4,316	4,098	4,113
Additional Data										
Earnings per share - Diluted (₹)	48.00	65.24	51.01	34.69	31.17	29.79	19.16	18.93	17.5	12.5

^profit after tax attributable to the shareholders
#Includes cash and cash equivalents including fixed deposits, current investments, margin deposits and excluding unclaimed dividend balances
^^includes interim dividend for FY 2019-20
**includes special dividend for FY 2024-25
$From 2020 onwards lease liabilities have been considered in total debt

Corporate Information[1]

Founder
Dr K A Hamied
(1898-1972)

Chairman
Dr Y K Hamied

Vice - Chairman and Lead Independent Director
Mr P R Ramesh

Non-Executive Directors
Mr Abhijit Joshi
Mr Adil Zainulbhai
Mr Kamil Hamied

Independent Directors
Dr Balram Bhargava
Dr Mandar Vaidya
Ms Maya Hari
Ms Sharmila Paranjpe

Managing Director and Global Chief Executive Officer
Mr Achin Gupta

Global Chief Financial Officer
Mr Ashish Adukia

Company Secretary and Compliance Officer
Mr Rajendra Chopra

Statutory Auditor
M/s Walker Chandiok & Co LLP

Chief Internal Auditor
Mr Deepak Viegas

Secretarial Auditor
M/s BNP & Associates

Cost Auditor
M/s Joshi Apte & Associates

Corporate Identity Number
L24239MH1935PLC002380

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

X / Cipla_Global
f / Cipla
in / Cipla

Registrar and Share Transfer Agent
KFin Technologies Limited
(Unit: Cipla Limited)
Selenium, Tower B, Plot No. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana
Tel. No.: +91 40 79615565
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

[1]GRI 2-1

Chairman's Message

Over the past seven decades, I have been involved with Cipla and have seen the response to the changing needs of patients and the healthcare systems prevailing worldwide. Cipla began with a commitment to indigenous manufacture of medications, self-reliance and self-sufficiency.

Dear Shareholders,

As we conclude another eventful year, Cipla stands at a significant moment in its history, to reflect on the past 90 years. It was in August, 1935 that our founder, Dr K A Hamied embarked on a journey guided by science, self-reliance and an unshakeable belief that healthcare must ultimately serve humanity. As we commemorate nine decades of Caring for Life, I see this milestone not merely as a measure of time, but as a reaffirmation of our purpose, one that has guided Cipla at every step of the way.

The lessons we have learnt, over the past 90 years, have shaped the enterprising and enduring spirit of Cipla. The release of a commemorative stamp by the Department of Posts, Government of India, is a national recognition of Cipla's contribution to public health. The special Amar Chitra Katha edition that narrates Cipla's story also holds a special significance for me. It captures our legacy in a form that speaks to younger generations and reminds us that science, when guided by compassion, has the power to transform lives.

Over the past seven decades, I have been involved with Cipla and have seen the response to the changing needs of patients and the healthcare systems prevailing worldwide. Cipla began with a commitment to indigenous manufacture of medications, self-reliance and self-sufficiency. Cipla has now grown into a broader global resolve to address medical needs in totality. We are focused on areas where we can make meaningful changes. We have built leadership in respiratory care, advanced complex generic drugs and specialty medicines. We have also strengthened Cipla's presence across major global markets, such as the US, China, Africa, etc. This continuous journey has been guided by the practical understanding of where science and access to medicines can have the maximum impact.

Alongside this evolution, Cipla's ability to deliver quality medicines on a large scale has been supported by sustained investments in research and development, manufacturing skills and scientific innovation. Whether it has been in expanding access to essential therapies, supporting healthcare systems during times of crisis, or advancing sustainability and change initiatives, Cipla has always acted as a responsible and forward-looking organisation. This approach is based on scientific excellence and is guided by empathy and humility. It continues to define our role in serving patients, communities and healthcare in general, not only in India, but globally.

The real strength of Cipla has always been its people. From a small group driven by conviction in our early years, we have grown into a global organisation with over 31,000 members who all share Cipla's strong purpose of Caring for Life. Our progress has been the outcome of collective team effort rather than any individual contribution. We thank all employees, both past and present, whose commitment, integrity and adherence to Cipla's values have shaped the Company's journey.

The success of a company cannot be judged by financial performance alone. What truly matters is the quality of the journey and the contribution made to society. Over the last 90 years, Cipla has sought to improve access to medicines and respond to critical healthcare needs. Our pioneering efforts during the HIV/AIDS crisis in the early 2000s, particularly across Africa, remain a defining example of this philosophy in action.

For Cipla, caring for patients has always meant going beyond the boundaries of treatment alone. Through our work in palliative care, we have sought to uphold dignity, comfort, compassion and humanity, for those at the most vulnerable stages of life. This reflects the deeper meaning of Caring for Life, the responsibility to stand by patients and their families with humanity, even when cure may not be possible.

This milestone 90th year is therefore a moment of shared pride for all who are part of the Cipla family - our employees, partners, the medical community and pharmacists. We express our gratitude to all of them, to the Board, the management team and our shareholders, for their continued support, stewardship and trust.

As we reflect on the past and look towards the future, this year also marks important leadership transitions that ensure continuity of our purpose and vision. We are pleased to welcome Mr P R Ramesh as the Vice-Chairman of Cipla. His experience and association with the Board will serve the Company well as we enter the next phase of our journey. We also welcome Mr Achin Gupta as the new Managing Director and Global Chief Executive Officer of Cipla. We are confident that he will lead Cipla with clarity, responsibility, integrity and vision, while remaining firmly anchored to the values on which this Company was built.

As Cipla completes 90 years, we do so with a sense of pride. This milestone is a reminder of the responsibility we carry forward. As we look ahead to our centenary in 2035, my belief remains unchanged, that Cipla will continue to serve society with integrity, innovation and care, staying true to its purpose of Caring for Life and striving always to improve the quality of life for people everywhere.

Warm regards,

Y K Hamied
Chairman

MD & GCEO's Message[1]

In a dynamic environment, agility, disciplined execution, and acting early will define our next phase of growth. Our purpose of 'Caring for life' is the heartbeat of Cipla. It shapes every innovation we pioneer, every partnership we forge and every life we touch.

[1]GRI 2-22

Dear Shareholders,

I am pleased to write to you as the Managing Director and Global Chief Executive Officer of Cipla. This role carries a deep sense of responsibility, to our patients, our people, and you, our shareholders, which I accept with humility. As we build on Cipla's enduring legacy of Caring for Life, I am energised by the opportunities ahead and the collective strength with which we continue our journey as One Cipla.

The year under review was particularly meaningful as we marked 90 years of Caring for Life. This legacy is not only a reflection of our past, but also the foundation of our credibility and relationships, guiding our ambition to remain a trusted healthcare partner of global relevance.

The Year That Was: Consistent Execution and Strategic Progress

FY 2025-26 was a milestone year across our key markets, One India, North America, One Africa and Emerging Markets and Europe ("EMEU") reflecting disciplined execution and our commitment to diversified growth.

In India, our One India business surpassed ₹ 12,500 crores in revenues, underscoring the resilience of our domestic franchise. North America saw a strategic inflection with the approval of gVentolin from our US facility, reinforcing our R&D and manufacturing capabilities. One Africa delivered market-beating growth, while our EMEU operations scaled meaningfully to become a USD 400 million+ business unit.

Drilling down further, our One India business grew 9% year-on-year. Our flagship brand, Foracort, surpassed ₹ 1,000 crores in revenue, while 33 of our brands each crossed the ₹ 100 crore mark. Dytor, our in-house cardiac brand, established itself as a ₹ 650 crore+ franchise, delivering 25% year-on-year growth. Our Trade Generics business sustained its momentum through distribution expansion and technology enablement, while Consumer Health continued to grow with improving profitability.

In North America, performance remained stable, supported by strong demand in our differentiated portfolio and an improved market share in Albuterol. In parallel, we are progressing remediation efforts for Lanreotide with our partner while evaluating alternate pathways for filing.

One Africa continued to outperform, particularly in the private segment, while EMEU remained resilient despite geopolitical challenges and crossed an important revenue milestone.

Advancing Science with Purpose

We continue to make strong progress in expanding our global filings portfolio, supported by a robust and diversified pipeline across key markets. We are advancing next-generation modalities, including oligonucleotides and biosimilars, supported by focused R&D investments and strategic collaborations. These efforts reinforce our shift towards complex, science-led therapies while remaining anchored in our generics foundation.

Our leadership in respiratory and metabolic care was reinforced through differentiated offerings such as Afrezza® and the launch of Yurpeak® (tirzepatide) in partnership with Lilly. We also expanded access to advanced respiratory diagnostics through Breathefree Lung Wellness Centers.

To strengthen India's respiratory health ecosystem through early diagnosis, advanced research, and skill development, Cipla Foundation has partnered with Tata IISc Medical School in Bengaluru for setting up of a state-of-the-art Pulmonary Medicine Centre. The Centre aims to ensure that innovation translates into meaningful, lasting impact for communities.

This integrated approach ensures we consistently translate science into meaningful and scalable healthcare solutions.

Cipla as a Partner of Choice

A defining feature of the year was the strengthening of Cipla's position as a partner of choice for global pharmaceutical innovators. Collaborations across respiratory care, metabolic diseases, oncology, biosimilars and advanced therapies underscore the trust in our ability to commercialise complex science at scale while maintaining the highest standards of quality and compliance.

We strengthened our portfolio through partnerships with Eli Lilly (Yurpeak), MannKind (Afrezza), and Pfizer, while enhancing our presence in paediatrics and wellness through the Inzpera acquisition. This ecosystem-driven approach enables us to expand access to globally benchmarked therapies while creating sustainable value for patients and shareholders.

Operational Excellence and Quality

Operational excellence and quality continue to be foundational to our performance and long-term competitiveness. We have accelerated our Industry 4.0 journey by integrating advanced analytics, Artificial Intelligence ("AI") / Machine Learning ("ML") driven decision systems, and digital platforms across manufacturing, quality and engineering, improving visibility, agility and compliance. These efforts are complemented by approved capital investments of more than ₹ 4,000 crores over the past two years, expanding capacity, upgrading technology, and adopting digital manufacturing to build flexible, future-ready operations. This includes the commissioning of our greenfield respiratory Active Pharmaceutical Ingredient ("API") facility at Kurkumbh, ongoing expansion of our oncology API block at Bommasandra, and capacity augmentation across key dosage forms in Sikkim, Patalganga, and Goa. In respiratory, we have strengthened throughput through new respule lines in Goa and China, with additional lines being commissioned to meet growing demand. In the US, we have reinforced our manufacturing footprint with the commissioning of our Metered-Dose Inhaler ("MDI") facility in Fall River, Massachusetts, now approved for gProventil and gVentolin and continued investments to scale capacity, alongside our Dry Powder Inhaler ("DPI") facility in Long Island to support the commercialisation of gAdvair and other products. Together, these initiatives strengthen our global manufacturing network while upholding our unwavering commitment to quality and compliance.

We made meaningful progress in manufacturing and supply chain transformation through capacity expansion, digitalisation, network optimisation and selective insourcing. These initiatives enhanced resilience and responsiveness across geographies.

Quality and compliance remain non-negotiable pillars of our operations, with all USFDA inspections during the year successfully completed.

Sustainability: A Holistic Approach[2]

Sustainability is integral to how we operate and create long-term value. In India manufacturing operations[3], we have achieved an 82% reduction in Scope 1 (energy based) and Scope 2 emissions against target of 80% reduction from FY 2019-20 baseline, with 84% renewable electricity use. We have maintained our water-positive status at 2.6 times through inhouse measures and impactful community-led initiatives and continue to strengthen circularity with Zero Waste to Landfill certification across all India manufacturing operations[3] and two warehouses. Our progress in climate, biodiversity and antimicrobial resistance is reflected in a DJSI score of 81 and our inclusion in the 2026 Dow Jones Best-in-Class World Index. Having successfully met our 2025 target, we are now advancing our commitment to Caring for Nature by building this momentum and setting up a new, more comprehensive set of sustainability goals to be achieved by 2030 and Net-Zero by 2050. We are also advancing green propellants for our respiratory portfolio, supported by manufacturing capabilities in India and the US. Through these efforts, we remain committed to reducing our environmental footprint while prioritising patient health and safety.

On employee safety, we continue to reinforce our safety culture through disciplined adherence to life-saving rules, stronger hazard identification and risk management practices, and deeper leadership engagement across our sites. We remain unwavering in our commitment to the highest safety standards.

Our People: Our Power

Cipla's progress is powered by over 31,000 colleagues united by a shared purpose. Our continued recognition as a Great Place to Work® reflects a culture of curiosity, collaboration and execution excellence.

Our people also bring Caring for Life alive through action, contributing over 1.1 lac volunteering hours across healthcare, education, environment and disaster relief initiatives.

Strengthening Communities through Care

Through Cipla Foundation, we continue to expand access to quality palliative care, anchored by the Cipla Palliative Care and Training Centre in Pune and supported by strong public healthcare partnerships.

Our initiatives also span diverse areas of community health including mobile health van, thalassemia support, respiratory rehabilitation, and strengthening public private health care models in South Africa. This reinforces our belief that sustainable impact is built through robust care systems and not medicines alone.

[2]Information in line with BRSR Q7 of Section B

[3]India Manufacturing Operations includes manufacturing units of Cipla Limited and all its wholly owned subsidiaries in India

Our Future: Direction, Agility and Growth

Looking ahead, our focus remains on strengthening execution to sustain growth while building leadership across India, US, EMEU, and Africa.

In India, we will deepen our presence in key chronic therapies while sustaining leadership in respiratory. We will continue to invest in biosimilars and scale our complex inhalation capabilities in the US. In South Africa, we will prioritise the private segment, while in EMEU we will drive growth through deeper market penetration with disciplined margins.

We are also accelerating our AI-led transformation, supported by investments in data and technology platforms, to enhance efficiency, strengthen decision-making, and unlock long-term value.

In a dynamic environment, agility, disciplined execution, and acting early will define our next phase of growth.

Purpose as Our True North

Our purpose of 'Caring for Life' is the heartbeat of Cipla. It shapes every innovation we pioneer, every partnership we forge and every life we touch.

As we look towards the horizon, this purpose remains our true north. I am grateful for your trust and inspired by the relentless spirit of our people who bring this purpose to life every day.

I would like to thank Dr Hamied and the Board for their invaluable guidance and confidence. Together, we look forward to writing Cipla's next chapter with courage, curiosity, and care.

Thank you for your continued support.

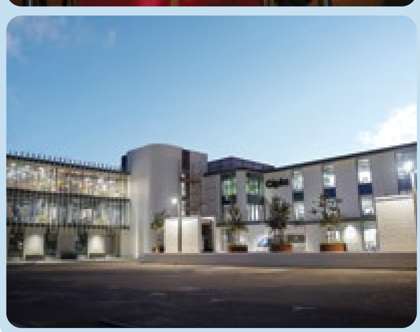
Warm regards,

Achin Gupta
Managing Director and Global Chief Executive Officer

Celebrating a legacy of 90 years, built on the foundation of care.

01 Celebrating 90 Years of Caring for Life

02 A New Beginning in South Africa



03 A New Office and Renewed Energy

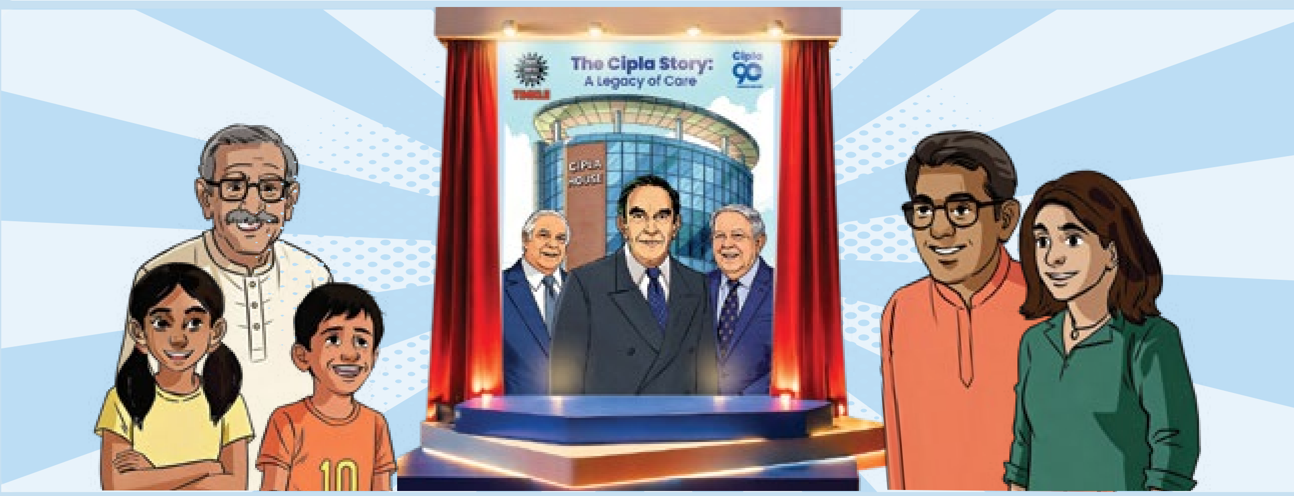
04 Enhancing Access to Quality Respiratory Care

05 Running for a Cause

06 Advancing Care Through Innovation

07 Commemorating 90 Years of Care

08 The Cipla Story: Inspiring the Next Generation



1. Marking nine decades of Caring for Life and a purpose that continues to inspire every step forward at Cipla.
2. Opening Cipla's new headquarters in Cape Town, South Africa to support the Company's continued growth.
3. A new office space in Mumbai, India, designed to encourage collaboration, renewal and growth.
4. Introducing the Breathefree Lung Wellness Center, a first-of-its-kind initiative by Cipla advancing integrated respiratory care in India.
5. Cipla associates across India and South Africa turn purpose into action through participation in races.
6. Cipla introduces India’s first inhaled insulin, advancing patient-centric diabetes care.
7. The Department of Posts, India, marks Cipla’s 90-year journey with a customised My Stamp, celebrating a legacy of care and commitment.
8. Launching, The Cipla Story: A Legacy of Care in collaboration with Amar Chitra Katha, using the power of comics to bring Cipla’s journey to life and spark curiosity and purpose.

Awards and Accolades

Featured in the **Leadership category** on the **Indian Corporate Governance Scorecard 2025** by Institutional Investor Advisory Services

Gold Shield in Large Manufacturing and Trading Sector category by The Institute of Chartered Accountants of India at the **ICAI Awards for Excellence in Financial Reporting 2024-25**

Certified as Great Place to Work for eighth year in a row by the Great Place to Work Institute, India - January 2026 to January 2027

Goa sites awarded **Gold** for **National Award for Manufacturing Competitiveness** for FY 2024-25 by International Research Institute for Manufacturing

Gold in **'Outstanding Achievement in Environment Management Pharmaceutical Sector'** and **Platinum** in **'Outstanding Achievement in Water Management Pharmaceutical Sector'** Categories at the 10th Annual Grow Care India EHS & Excellence Awards

Recognition of **Cipla's Global Supply Chain** at the **Institute of Supply Chain Management (ISCM) Pharma**

AmbitionBox Employee Choice Awards 2025 for the second consecutive year in two categories - Top Rated Large Company and Top Rated Pharma Company

Recognised for **'Breathefree' campaign** in **Top Healthcare Awareness Campaign** category at the 16th Elets Healthcare Innovation Awards 2025

'Pink of Health' initiative recognised for creating awareness and supporting holistic health and wellness at ET Digiplus Awards 2025

Digital Innovation in Operations Award at the 7th Edition - Future of Manufacturing Summit & Awards 2026

Cipla OneAfrica's Distribution Gateway (CDG) received **Zero Waste to Landfill (ZWTL)/ Net Zero waste certification** by the Green Building Council of South Africa (GBCSA)

Awarded **'Outstanding Pharma Project Culture (Organization)'** at the 9th Annual Pharma Project Portfolio Management 2026 Awards

Awarded with **Excellence in R&D** at CPHI India Pharma Awards 2025

Safe India Hero Plus Award 2025 for **excellence in Fire safety measures** by Department of Fire & Emergency Services, Goa

Awarded **'Winner for the Sustainable Manufacturing'** Award at the Global Manufacturing Leadership Awards 2026

Recognised with the **Seven Star Platinum HSE Award** by Safety Council of Madhya Pradesh

Champion of Quality Award for participation in **USP's standards by the US Pharmacopeia** (USP)

Tuffies - Helping Kids of India Breathefree' campaign **recognised in the Health and Wellness Sector Campaign category** at the ET Trendies Awards 2025

Our Value Creation Model[1]

Drivers

Inspiration and Ethos

- Patient centricity
- Innovation

Operating Environment

- Market trends
- Regulatory demands
- Global developments

Stakeholder Demands

- Internal stakeholder
- External stakeholder

Risks & Opportunities

- Leveraging opportunities
- Management and mitigation of risk

Inputs

Financial Capital

- Capital Expenditure: ₹ **3,079 crores**
- Working Capital: ₹ **8,987 crores**
- Net-debt to equity: **- 0.31**

Manufactured Capital

- **48** manufacturing facilities
- **17%** capex in environmentally and socially responsible processes

Intellectual Capital

- **6** state-of-the-art R&D Centres
- **₹ 1,974 crores** R&D expenditure
- **1,750+** strong IPD team
- Initiated **42 clinical studies,** involving **more than 30,000 patients**

Human Capital

- **31,000+** permanent employees and workers across 18 countries and six continents
- **15.85 lac+** total training hours
- **80%** succession cover to critical senior manager roles

Social & Relationship Capital

- **₹ 103.76 crores** spent on corporate social responsibility
- **Scaling the Breathefree Programme** through the launch of two Lung Wellness Centers in India
- Engaged with **2.65 lac+ HCPs**
- **67%** procurement budget spent on local suppliers.

Natural Capital

- **₹5.54 crores** invested in energy efficiency initiatives
- **84% renewable** electricity used
- **67% of manufacturing** sites are zero liquid discharge
- **100% Zero Waste to Landfill** Sites

OneCipla Credo

PURPOSE - INSPIRED

RESPONSIBILITY - CENTERED

INNOVATION - DRIVEN

EXCELLENCE - FOCUSSED

INTEGRITY & TRUST - ANCHORED

Strategic Objectives

Achieve excellence in our **PASSION AREAS**

Focus on **INNOVATION**

PIONEERING – Thinking beyond pharma

EXECUTION – Focus on key geographies and key business functions

CHAMPIONING CARE – **AMR** and **ESG**

[1]GRI 2-6

Outputs

Financial Capital

- Revenue: ₹ **28,163 crores;** EBITDA: ₹ **5,925 crores**
- PAT: ₹ **3,879 crores**
- Return on Equity: **11.8%**
- Diluted EPS: ₹ **48**

Manufactured Capital

- Annual production of:
  25 billion tablets and capsules, **569 million** respules, **0.15 million** Lyophilised injections, **46.5 milion** oral liquids, **45.3 milion** nasal sprays, **150.3 million** Aerosol pMDI, **3.4 million** dry powder inhalers, **792** tonnes API

Intellectual Capital

- Launched **166** products globally
- **281** patents as on **31st March 2026**
- Filed **2,824** cumulative **DMFs** and **285** cumulative **ANDAs & NDAs**
- **8** completed clinical trials

Human Capital

- Certified as **Great Place to Work** eighth time in a row
- **16.85%** women in workforce

Social & Relationship Capital

- **2.55 lac+** people impacted through social impact initiatives
- **65,000+** patients served through palliative care partnerships
- Access to drugs for **~45%** of diseases on the WHO EML
- **10 million+** patients screened through Breathefree Programme
- Audited suppliers accounted for **21.61%** of our total procurement expenditure.

Natural Capital

- **39%** scope 1 (energy based) and 2 reduction from FY 2024-25
- Recycled and re-used **7,28,700 KL** of water
- Achieved energy savings of **19,911 GJ** across manufacturing locations
- **~98%** waste disposed is sent for recycling and re-use

Outcomes

Financial Capital

- Strong cash flow generation and a healthy balance sheet enabling disciplined capital allocation

Manufactured Capital

- Agile, future-ready manufacturing ecosystem with enhanced operational reliability
- Technology-enabled quality culture embedded across all facilities

Intellectual Capital

- Investments in R&D facilitated continuous improvement in operational efficiency and enhanced R&D capabilities

Human Capital

- A purpose-driven, engaged workforce with stronger productivity
- Robust talent pipelines and succession planning fortifying long-term organisational resilience
- A safe, inclusive and diverse workplace where every individual is empowered to grow

Social & Relationship Capital

- Measurable improvement in community wellbeing through strategic deployment of CSR resources
- Strengthened trust with local communities, healthcare ecosystems and civil society partners
- Improved access to high quality medicines to drive positive healthcare outcomes, through reliable supply chain management and strong relationships with all stakeholders.

Natural Capital

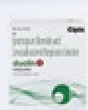
- Demonstrable environmental stewardship delivering a positive impact on climate and natural resources
- Steady advancement on renewable electricity, water neutrality and zero waste to landfill commitments across our India manufacturing operations[2]

Impact

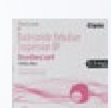
Refer 'Global Reach' on page no. 6

Key brands[3]


Foracort


Duolin


Dytor


Budecort


Urimax

[2]India Manufacturing Operations includes manufacturing units of Cipla Limited and all its wholly owned subsidiaries in India
[3]IQVIA MAT March 2026, sub brands have been grouped

Evolving our Strategy to meet Emerging Patient Needs

For ninety years, Cipla has had unwavering commitment to 'Caring for Life', constantly evolving with the shifting landscape of patient needs. From pioneering India's API manufacturing to introducing the country's first indigenously developed inhaler and launching the world's first triple combination therapy (Stavudine + Lamivudine + Nevirapine) for HIV/AIDS at less than $1 a day (compared to over $12,000 annually), Cipla has consistently expanded access to life-saving medicines.

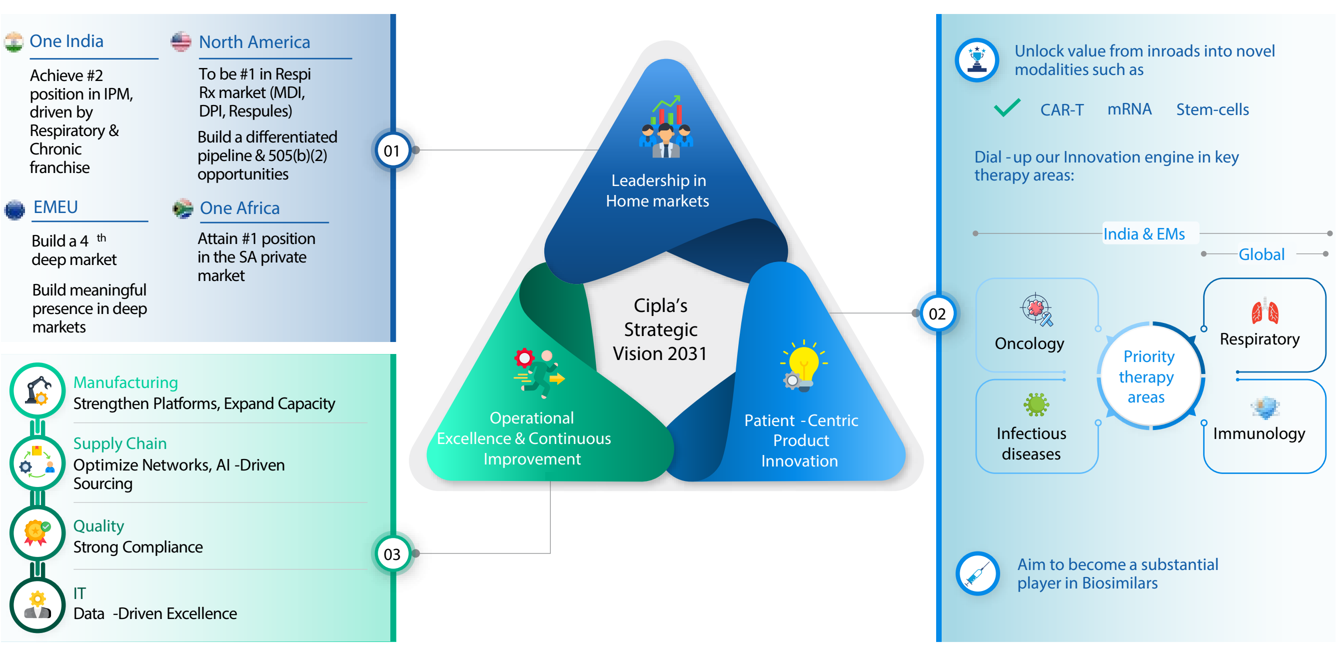
Our leadership in respiratory care continues to evolve. We are focused on deepening our respiratory portfolio by expanding care across core and emerging disease areas, strengthening our presence in Asthma and Chronic Obstructive Pulmonary Disease ("COPD"), and advancing into newer segments such as Idiopathic Pulmonary Fibrosis, Interstitial Lung Disease and Cystic Fibrosis. Driven by strong evidence generation, our device pipeline continues to advance with next generation drug-device combinations like Ciphaler and Synchrobreathe. This is further supported through targeted initiatives that improve awareness and patient access such as Tuffies, Berok Zindagi and our new single specialty advanced diagnostic centers viz. Breathefree Wellness Centers.

Healthcare today stands at a turning point. Modern lifestyles have led to a rise in chronic diseases, increasingly affecting younger populations, while the continued recurrence of communicable diseases highlights the ongoing need for early diagnosis and prevention. As these health challenges evolve, so does the role of the patient. Healthcare is becoming increasingly consumer driven, with rising expectations for care that is personalised, continuous and convenient. Digitisation, supported by expanding diagnostics and public healthcare reforms, is enabling earlier detection and more accessible care.

In parallel, pharmaceutical innovation is evolving beyond traditional therapies toward advanced modalities of cell & gene therapies, mRNA technologies and targeted biologics, all aimed at improving outcomes, access, and patient experience. Together, these shifts are shaping a healthcare ecosystem that is more proactive, connected and patient centric.

Our commitment to the motto "None Shall Be Denied" continues to anchor our mission of making high quality healthcare accessible to all. As we sharpen our strategic priorities, efforts are being directed towards deepening our work across the respiratory care continuum by building on our decades long Respiratory legacy and strengthening our presence across key therapies with a clear focus on Next Generation Innovation and differentiated solutions. This will strengthen our foundation for the future, enabling us to build with purpose, ambition and resilience for the next ninety years and beyond.

Against this backdrop of rapid transformation, we embarked on our strategy journey with Project Prism to sharpen our priorities and build a future ready, patient centric organisation.



A Strengthening Leadership in Home Markets

India Rx **Aspiration: Aspire to become #2 in the Indian Pharmaceutical Market ("IPM")**

Aim & Strategy:

01	02	03	04
Respiratory: Uphold our #1 rank and continue gaining market share.	Therapy leadership: Strengthen our chronic care portfolio and advance leadership across key therapies by consolidating #1 in respiratory, #1 in urology, top 2 in diabetes and top 3 in cardiometabolic care.	Big brands bigger: Strengthen leadership by accelerating flagship brand growth and increasing the number of ₹ 100 crore brands.	Enhance patient support ecosystems through our programmes like Mitra, Hridayam, Win Over Weight and Breathefree.

Key achievements in the past year:

We maintained our leadership position in respiratory therapy in India, with ~26% market share overall, ~62% share in our covered inhalation and ~75% in covered nebulisation segment[1]. Foracort created history by becoming the 1st brand in IPM to cross ₹ 1,000 crore milestone and consistently held the #1 position in the IPM throughout the year[2]. New launches opened significant growth avenues, including triple therapy respiratory launches such as Foracort G and Voltido Trio with Ciphaler.

With our cost effective pneumotach portable spirometer, Spirofy, we are focused on democratising access to diagnosis. Currently, we are proud to have over 1,300 installations across India[3]. Complementing this, CipAir, our AI powered early screening app for asthma, is enabling earlier detection and more timely intervention for patients.

FY 2025-26 marked a major step forward with the opening of the Breathefree Wellness Centers, India's first of its kind Diagnostic Center in Delhi and Mumbai. These centres enhance access to advanced diagnostics, equip practitioners through training and support, early detection, nutrition and rehabilitation services. Our patient centric programme, Breathefree, screened 10 million+ patients with support from more than 1,500 educators and Tuffies engaging more than four lac children and parents across over 1,000 schools to dispel myths around childhood asthma[4].

Expanding across therapies such as diabetes, we have introduced Afrezza, the world's first inhaled insulin, bringing a differentiated, needle free solution to diabetes care. In partnership with Lilly, we launched Yurpeak (Tirzepatide), a first-in-class dual GIP and GLP-1 agonist for type 2 diabetes and chronic weight management, available in a multidose pen and supported by a nationwide patient programme.

We also strengthened our critical care portfolio with the launch of AMR products in Urology – Huena and Plazomycin for Urinary Tract Infections ("UTI").

We further cemented our standing as a partner of choice for in-licensing, widening our presence across key therapies. During the year, Cipla entered a multi-year exclusive partnership with Pfizer to market four established brands across respiratory, pain & inflammation, gastroenterology, and anti infectives.

We completed the acquisition of in-licensed brand Galvus during the year and going forward, we will continue to focus on portfolio acquisitions in chronic care to fuel our expansion.

[1]IQVIA MAT March 2026
[2]IQVIA MAT February 2026
[3]Internal estimates
[4]Internal estimates

India Gx

Aspiration: Build strong brands through deeper consumerisation, stronger retail activation, accelerated new launches, and enhanced customer connect

Aim & Strategy:

01

Strengthening leadership position:

Advance our Gx leadership through strong brands built through innovative marketing, and impactful digital engagement.

02

Market penetration:

Enhance last mile impact with stronger engagement across 1.5 lac retailers.

03

Consumerisation Initiatives:

Scale our consumerisation initiatives to bring a broader portfolio of products closer to users.

Key achievements in the past year:

In FY 2025-26, we sustained strong brand momentum with key brands nearing ₹ 200 crore mark and continued to post double digit growth in the retail business. This performance was supported by an expanded footprint of over 1.5 lac retail and pharmacy outlets[5]. The business also expanded its portfolio into high potential consumer health categories such as ortho support and sexual wellness.

Consumer Health

Aspiration: Aspire to hold #1 position by value & volume in the consumer health market. (currently #2 by value)

Aim & Strategy:

01

Aspire to maintain leadership across key brands in the portfolio: Omnigel, Cipladine, Nicotex, Cofsils and Prolyte.

02

Build new growth fronts by exploring inorganic opportunities and strengthening the business' presence across digital channels.

Key achievements in the past year:

Anchored by five core ₹ 100 crore plus brands, we sustained leadership across key franchises and continued to expand our engagement across priority consumer touchpoints. During the year, Cipla Health Limited ("CHL") also entered the sexual wellness category, further broadening its portfolio. Leveraging its established omni channel distribution presence across chemists, grocers, cosmetic stores, modern trade, e-commerce, quick commerce and D2C channels, the business delivered profitable growth underpinned by its strong brand building capabilities.

[5]Internal estimates

North America

Aspiration: Aspire to be #1 in Respiratory Prescription market (Metered-dose inhaler ("MDI"), Dry powder inhaler ("DPI"), Respules)

Aim & Strategy:

01	02	03	04
Deepen our presence in generics through strong launches across respiratory assets such as gAdvair and gSymbicort.	Drive innovation and complexity by launching IP driven assets, complex injectables and leveraging 505(b)(2) opportunities.	Augment our biosimilar program through partnerships and own development.	Build a differentiated, future ready inhalation portfolio through green propellant inhalers.

Key achievements in the past year:

We delivered revenue of USD 780 million in FY 2025-26, supported by steady base business performance and continued leadership in Albuterol with a 19.6% market share[6].

We strengthened our portfolio with key launches across priority segments. This included expanding our metabolic care offering with generic Saxenda (Liraglutide injection) for the treatment of obesity, enhancing our oncology portfolio through the complex injectable Paclitaxel Nano for the treatment of metastatic breast cancer, locally advanced or metastatic Non - Small Cell Lung Cancer ("NSCLC") and metastatic adenocarcinoma of the pancreas, and marking a strategic entry into the high potential US biosimilars space through Filgrastim. We also launched generic Nintedanib capsules for the treatment of Idiopathic Pulmonary Fibrosis ("IPF"), extending our respiratory portfolio beyond COPD and Asthma.

In April 2026, Cipla received approval for the first AB-rated gVentolin, indicated for the treatment of Asthma and COPD. Additionally, approval was received for generic Dapagliflozin, indicated for the treatment of type 2 diabetes and cardiovascular conditions.

Emerging Markets & Europe

Aspiration: Build meaningful presence in deep markets by accelerating base business growth and complementing it with inorganic moves

Aim & Strategy:

01	02	03
Strengthen leadership in existing markets and expand presence in three to five new markets.	Build a differentiated portfolio pipeline with targeted partnerships, while scaling up commercial presence.	Continue to improve operational agility and maximise new launches.

Key achievements in the past year:

Our Emerging Markets and Europe ("EMEU") business sustained its growth momentum in FY 2025–26, delivering USD 405 million in revenue and achieving 8% year on year growth.

We strengthened our global footprint through the establishment of a front end commercial entity in Mexico.

Across key markets, we reinforced leadership positions: Foracort became the 3rd largest brand in Nepal[7], we launched Malaysia's 1st Salbutamol pMDI with a dose indicator, and Beclometasone + Formoterol emerged as the 2nd leading brand in Germany[8]. We also expanded our portfolio with 20+ new molecule launches across Emerging Markets and Europe, including Liraglutide in Australia, the generic of Saxenda, a complex multidose injectable peptide for the treatment of obesity.

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[6]IQVIA MAT March 2026
[7]IQVIA MAT March 2026
[8]Insight Health

One Africa

Aspiration: Become Africa's leading pharmaceutical company, serving the most patients, by building a differentiated and innovative portfolio, while delivering sustainable and profitable growth

Aim & Strategy:

01	02	03	04
South Africa: Attain #1 position in the private market by strengthening core therapy leadership, scaling consumer health, and expanding access.	North-West Africa: Build a strong 2nd hub by accelerating growth, enhancing local capabilities and diversifying beyond respiratory and CNS.	Sub - Saharan Africa: Drive disciplined execution in priority cities and high potential therapies.	Cipla Global Access ("CGA"): Protect and grow the access business by diversifying the portfolio and ensuring long term sustainability.

Key achievements in the past year:

In FY 2025-26, South Africa remained the growth centre and profit anchor for One Africa, outperforming the private market by 185 bps, supported by strong momentum across both Rx and OTC[9]. The business held the #2 rank in the prescription market and deepened leadership across six major therapies representing ~75% of private prescriptions, including #1 rank in CNS and anti infectives and #2 rank in respiratory[10]. In OTC, Cipla ranked 3rd, driven by strong brand equity in pain, allergy, cough & cold and gastro-intestinal health[11].

North-West Africa grew 320 bps ahead of the market, emerging as a second regional hub with strong leadership in respiratory and CNS therapies[12]. FY 2025-26 also marked Cipla's entry into oncology in the region with the introduction of Lenalidomide for multiple myeloma and Fulvestrant for breast cancer, expanding access to critical cancer treatments.

Sub-Saharan Africa continued to post execution-led growth across core cities and therapies, with Kenya maintaining market-beating momentum, retaining leadership in gastroenterology and building a growing presence in cardiovascular and diabetes. The CGA business maintained its share with key agencies.

[9] IQVIA MAT March 2026
[10] IQVIA MAT March 2026
[11] IQVIA MAT March 2026
[12] Morocco IQVIA MAT March 2026

B Patient-centric Product Innovation

Aim to dial-up our innovation engine and build a bold, future ready organisation

Over the years, we have advanced from offering generics to developing complex generics, and we have taken early steps into innovative therapies. Our partnership with ImmunoACT aims to bring CAR-T therapy for blood cancers to Republic of South Africa, Algeria and Morocco, while our Cell and Gene Therapy ("CGT") portfolio of Ciplostem (a regenerative treatment for knee osteoarthritis), Regenacip (critical limb ischemia) and Xtiktr (urinary stricture) is gaining traction in India. We have also set-up an mRNA R&D lab in Europe to support the development of our future mRNA assets.

With rising disease complexity and the growing need for personalised care, the demand for new therapeutic modalities is accelerating, making innovation a strategic imperative for us. Globally, our focus will centre on respiratory and immunology, while in India and Emerging Markets we will prioritise oncology and anti-infectives. Going ahead, we will expand our pipeline through both organic and inorganic pathways to bring forth meaningful innovations.

Aim to become a substantial player in Biosimilars

The global healthcare landscape is shifting rapidly, with innovative therapies now contributing over 70% of global prescription sales[13]. Biosimilars offer a significant opportunity to expand access to expensive biologics, with 118 biologics expected to lose exclusivity between 2025 and 2034, opening an estimated USD 234 billion market[14]. With evolving FDA guidelines, such as the removal of switching study requirements for interchangeability and the waiver of Phase 3 trials in certain cases, regulatory barriers for biosimilars are easing.

We currently have a few assets in development through our joint venture with Kemwell and will continue building a high value portfolio through in-house R&D and strategic partnerships.

C Capital Allocation

Our approach to capital deployment is guided by a dual focus on targeted mergers and acquisitions and continued capital investment to strengthen our pipeline and capabilities.

We intend to deploy capital selectively towards mergers and acquisitions in our home markets of India and the US while continuing to deepen our presence across the EMEU region. Our focus remains on strengthening priority therapy areas such as Respiratory, Cardiology, Diabetology, Urology, Oncology, Dermatology, Gastroenterology and Central Nervous System ("CNS") in India. In other markets, we will prioritise opportunities in Respiratory and select allied categories that build on our existing capabilities and support a future ready portfolio.

In parallel, our continued investments in capex will support the advancement of a differentiated development pipeline, enabling progress across 505(b)(2) assets, injectables and peptides.

[13] IQVIA Global Use of Medicines Outlook Through to 2029
[14] Assessing the Biosimilar Void in the US – IQVIA 2025

D Operational Excellence and Continuous Improvement

Manufacturing

Aspiration: Strengthening manufacturing performance and resilience to deliver growth with sustained quality and cost competitiveness.

Aim & Strategy:

01	02	03
Strengthen core manufacturing platforms across critical dosage forms to assure reliable supply.	Build ahead-of-curve capacities through disciplined capex delivery and execution excellence.	Accelerate digitisation, analytics and automation to improve productivity, compliance and decision-making.

Key achievements in the past year:

Industry 4.0 initiatives continued to deliver significant yield gains through Artificial Intelligence ("AI") / Machine Learning ("ML") decision systems, while digital interventions improved product robustness, including analytics projects at Patalganga that decreased document closure time by 12%, improved on-time closures by 37% and reduced repeat issues by 40%. We also executed DPI batches in US and MDI batches in US and Morocco, expanding global respiratory capacity.

Supply Chain

Become top pharma supply chain globally, enabling profitable revenue growth through margin expansion, resilience and execution excellence

Aim & Strategy:

01	02	03
Optimise global manufacturing and distribution networks to improve cost efficiency, compliance, service excellence, and market agility, while reducing Cost of Poor Execution ("CoPE") through better planning.	Develop an AI-driven sourcing and planning engine with real-time market benchmarks, prescriptive negotiations, supplier integration, and end-to-end visibility.	We aim to unlock sustainable cost leadership by accelerating alternate vendor development and compressing timelines.

Key achievements in the past year:

We advanced our ambition of building a high performing, resilient global supply chain through a focused transformation agenda that reduced total lost sales and CoPE. Best in class planning, capability building, technology enablement and cross functional collaboration improved execution, while we optimised our global distribution footprint to drive cost efficiencies supported by value engineering, alternate sourcing, better export-import logistics and data driven supplier collaboration. Compliance and readiness were further strengthened through 100% Fire NOC compliance across warehouses and increased adoption of digital tools such as robotic process automation and chatbots to build a future ready workforce.

Quality

Aspiration: Achieve 100% compliance and improve operational efficiency with process robustness by harnessing predictive analytics, automation, ML and AI

Aim & Strategy:

01

Strengthen quality and operational performance through AI-enabled, predictive and automated processes across manufacturing and quality.

02

Improve enterprise efficiency by expanding automation and digital workflows across critical review and documentation processes.

Key achievements in the past year:

We advanced paperless lab initiatives with GenAI-based complaint management nearing completion and the first phase of the GenAI Audit Trail Review System deployed at two sites. Additional AI projects, including the Chromatographic Data Review System and Method of Analysis to Test Data Sheets, are underway. Rapid Sterility Testing was introduced for select markets, reducing turnaround time and enabling faster batch release.

IT

Aspiration: Responsibly scale AI from pilot to enterprise, embedding advanced analytics across core functions to strengthen decision making and compliance, anchored in strong privacy, integrity and security

Aim & Strategy:

01

Deepen AI-led digital transformation across core functions to enhance decision making, efficiency and resilience.

02

Embed data driven insights and automation into critical processes to strengthen quality, compliance, and operational excellence.

03

Strengthen security through a risk and resilience-led, security-by-design approach across cloud, data, AI and manufacturing.

Key achievements in the past year:

Cipla strengthened its digital and analytical backbone by embedding AI across R&D, supply chain, manufacturing and quality to improve planning, yields and early deviation detection. We further automated core quality and compliance processes on secure digital platforms and reinforced information security through Zero Trust, enterprise wide data loss prevention controls and disciplined AI governance.

HR: Please refer 'Human Capital' section forming part of this Report on page no. 72.

Advancing our Sustainability Vision[1]

Sustainability at Cipla is driven through our core purpose of 'Caring for Life'. Guided by this philosophy, we continue to advance our sustainability journey through purposeful actions that strengthen our environmental, social and governance impact.

With FY 2019-20 as the baseline year, we had established a set of ambitious sustainability goals for our India manufacturing operations[2] to be achieved by December 2025. The progress against these targets is outlined below.

Goals (India manufacturing operations[1]) 2025	Progress FY 2025-26
80% reduction in absolute Scope 1 (energy based) and Scope 2 emissions from baseline year FY 2019-20	**82% reduction** by December 2025
Water Neutrality	**Achieved 2.6 times** water positive
Zero Waste to Landfill ('ZWTL')	**All India manufacturing operations[1]** are ZWTL certified with 24 units advanced from Platinum to Platinum+ certification. Two warehouses—one domestic in Pune and one international, Cipla Distribution Gateway ("CDC") in South Africa are ZWTL certified.
50% Renewable Electricity	**84%** Renewable Electricity
Continuing Zero Fatality in our manufacturing operations	**Achieved Zero Fatality** in our manufacturing operations
Full Compliance with safe discharge targets established by Antimicrobial Resistance ("AMR") Industry Alliance ("AMRIA")	**Achieved full Compliance** with the safe discharge targets

[1]Information in line with BRSR question 5 and 6 of Section B
[2]India Manufacturing Operations includes manufacturing units of Cipla Limited and all its wholly owned subsidiaries in India

Having successfully met these targets, we are now advancing our commitment to Caring for Nature by building this momentum and setting up a new, more comprehensive set of sustainability goals to be achieved by 2030.

Embracing these renewed and enhanced commitments reflects our continued focus on responsible growth while amplifying our positive impact on society and the environment.

Environment

ASPECTS	NEAR-TERM 2030 GOALS
Renewable Electricity share	80% for India manufacturing operations[2]
GHG Emission (Scope - 1 & 2)	30% absolute reduction (Scope - 1 energy based and Scope 2) from baseline of FY 2023-24 for Global Operations Build capacity infrastructure for green propellants used in MDI
Water Neutrality	Water Neutral year-on-year for India manufacturing operations[2]
Zero Waste to Landfill	Maintain ZWTL status for India manufacturing operations[2] and expand coverage for ZWTL to overseas sites for US and One Africa
AMR	One Antibiotic Product per Cipla India site certified as per AMR manufacturing standard

Social

ASPECTS	NEAR-TERM 2030 GOALS
Occupational Health & Safety	Zero Fatality year-on-year in manufacturing operations
Diversity, Equity and Inclusion	Representation of women in Cipla Leadership Group at 20% or above, from a baseline year of FY 2024-25 at 17%

Governance

ASPECTS	NEAR-TERM 2030 GOALS
Responsible Procurement	80% of our critical Indian suppliers to comply with Cipla ESG framework

Environment

ASPECTS	LONG-TERM 2050 GOALS
Net Zero 2050	To achieve Net Zero by 2050

The details on Environment, Social and Governance ("ESG") goals is provided in the Natural Capital on page no. 110.

Governance for Sustainability[3]

Execution of ESG initiatives is led by the Management. The Board of Directors provides overall oversight, supported by the Investment and Risk Management Committee ("IRMC"), which reviews key ESG initiatives, identifies critical risks and oversees the development of mitigation plans for the same. The Sustainability Council, chaired by the Global Chief Manufacturing Officer ("GCMO"), plays a central role in managing and overseeing sustainability performance.

The Sustainability Council includes members of the Management Council and heads of departments from various functions. The Council meets on a quarterly basis and provides regular updates to IRMC. There is a dedicated Central Sustainability Team who reports directly to the GCMO and provides regular updates to the Management and is responsible for end-to-end implementation of our sustainability initiatives. The Council operates under a formal Charter that defines its purpose, scope, governance and member responsibilities.

The ESG goals at the organisation level are then cascaded down to relevant leadership positions with significant weightage. At the end of the year, the performance of the organisation against these targets is reviewed and approved by the Nomination and Remuneration Committee and the Board. The performance is also assessed at a functional level. Positive performance on these environmental KPIs vis-à-vis targets is incentivised through variable pay for the relevant business leaders. For further information on ESG roles and responsibilities, please refer to the Natural Capital on page no. 112 of this Report.

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

SDG Mapping of Initiatives at Cipla

3.4

10 million+ patients screened under Breathefree; 5.5 million patients supported in India through 1,500+ educators.

Saath-Saath palliative helpline: 15,000+ individuals reached, 5,000+ referred since 2021; 38-partner network across 31 cities.

3.b

Exclusive license and supply agreement for commercialisation of India's first indigenously developed CAR-T cell therapy, in South Africa, Algeria and Morocco.

Cipla Foundation has partnered with Tata IISc Medical School for setting up of a Centre for Pulmonary Medicine.

3.c

2.65 lac+ HCP interactions in FY 2025-26 through CMEs, conferences, regional webinars and advisory boards.

3.3, 3.8

We produce medications covering nearly 45% of diseases on the WHO Essential Medicines List. 30 products are listed in the WHO list of Prequalified Medicinal Products.

4.1

266 children (incl. orphans) supported with continuous scholarships for educational continuity (with Pratham Mumbai Education Initiative).

22 schools supported with digital-learning infrastructure; 3,000+ students benefited through digital classrooms and libraries.

460+ students supported through multi-activity learning centres; 16,000+ students reached through experiential learning programmes.

4.a

Provision of tables with regional learning content, aligned with the state board curriculum in four states, supporting inclusive learning.

4.b

900+ academic achievers supported through merit-based scholarships

5.1, 5.2, 5.5

16.85% women in total permanent workforce.

We have set a clear 2030 Commitment: Representation of women in the Cipla Leadership Group at 20% or above.

Our Women Inspired Network ("WiN") connects women across the organisation through mentorship and networking, while advocating for greater leadership representation, inclusive policies, and the elimination of unconscious bias.

5.c

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

5.b

Our community-based watershed projects supported the empowerment of 371 women.

Diversity dashboards help track workforce trends in real time across dimensions including gender, enabling data-driven action on women's representation and progression.

6.1, 6.b

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

We are expanding our water stewardship commitment into Himachal Pradesh, building infrastructural development alongside ongoing community engagement to promote responsible water use and water-efficient agricultural practices.

Bommasandra site initiated AWS (Alliance for Water Stewardship) pilot certification.

6.3

67% of our India manufacturing operations have implemented Zero Liquid Discharge.

42% of our global water withdrawal was recycled and reused.

We implemented two Sewage Treatment Plants (20 KLD and 35 KLD at Sikkim Unit) to enhance domestic wastewater treatment efficiency and on-site water reuse.

6.4, 6.5, 6.6

Sustained water positive status for India manufacturing operations[1] in FY 2025-26, achieving 2.6 times water positivity relative to the Water Neutrality target. This achievement has been certified by independent third party.

By implementing watershed development structures (farm bunds, check dams), we enhance water retention and agricultural productivity. These efforts are supported by community engagement through Water User Groups ("WUGs").

7.2

In FY 2025-26, our global renewable energy consumption reached 10,96,818 GJ, accounting for 52% of our total energy consumption, a continued acceleration from 41% in FY 2024-25. For India manufacturing operations[1], renewable energy stood at 61%, building on the leap from 48% in FY 2024-25.

Indore ACCS system delivered ~923 MWh energy savings; Sikkim grid migration reduced ~52,000 litres diesel (~1,987 GJ), saving ₹ 47 lacs.

7.3

We invested ₹ 5.54 crores in energy-efficiency initiatives across India manufacturing operations[1], delivering energy savings of approximately 19,911 GJ.

Our EV fleet collectively covered 2,55,262 kilometers which is 49% more kilometres compared to FY 2024–25.

7.a

Partnered with Juniper Green Cosmic Private Limited to secure access to 112 MWp of solar capacity in Bikaner, Rajasthan, connected to India's Central Grid. This long-term strategic alliance enables us to receive 1,85,000 I-RECs annually, translating to an estimated reduction of 1,31,350 tCO_2e per year.

7.b

As of 31st March 2026, our total operational capacity was:

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

46 MWp captive solar plant in Tuljapur and a 4 MWp captive solar plant for JPPL at Vasai.

Captive 9 MWp solar and 2.7 MVA wind projects, complemented by third-party sourcing, collectively powered 96% of electricity requirements at Virgonagar and Bommasandra.

[1]India Manufacturing Operations includes manufacturing units of Cipla Limited and all its wholly owned subsidiaries in India

8.5

Our Equal Opportunity Policy, aligned with The Rights of Persons with Disabilities Act, 2016, safeguards the rights and ensures equal access to growth and advancement for differently abled individuals.

100% of permanent employees and workers paid more than legally mandated minimum wages.

15.85 lac+ total training hours delivered; 29.8 average training hours per employee; ₹ 4,425 average L&D investment per employee.

8.6

NEEV Work-Integrated Learning Programme with BITS Pilani and Manipal Institute of Technology – 95% retention rate.

3,974 girls enrolled into government schools through Educate Girls partnership in MP.

1,175 beneficiaries supported through skill-development & vocational training.

8.7, 8.8

Zero cases of child labour or forced labour reported in FY 2025-26.

Zero cases of workplace discrimination or wage violations reported in FY 2025-26.

100% of security personnel in India received human rights training.

Worker representation across India and One Africa region; National Labour Relations Act compliance in the US.

9.4

17% of total capex on initiatives mitigating environmental and social impacts of operations.

We are transitioning to Green Propellants (with low Global Warming Potential) to reduce emissions and support environmentally responsible product innovation.

9.5

₹1,974 crore R&D expenditure; 1,750+ R&D professionals.

10.2

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

10.3

We are an Equal Opportunity Employer and apply principles of merit in all our employment processes.

Anti-harassment and anti-discrimination policies; accessibility compliance across offices and sites.

11.6

Our initiatives to regulate greenhouse gas emissions, manage pollutants, and adopt responsible water and waste management practices are expected to contribute meaningfully to reducing the overall environmental footprint, where we operate.

12.2

Our community-based watershed projects support efficient use of natural resources through the establishment of 272 rain water harvesting structures.

12.5

Maintained track record of collecting 100% of both pre and post-consumer plastic waste, totaling 24,930 MT of the collected waste, 11,884 MT was recycled and 13,046MT was co-processed.

12.4

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

12.6, 12.7

Our Supplier Code of Conduct and Sustainable Supply Chain Management policy govern our sustainability aspirations for our value chain. 1881 vendors confirmed alignment to Cipla's Supplier Code of Conduct , 21.61% of our total procurement expenditure is from ESG audited suppliers.

13.1, 13.3

TCFD Risk assessment confirms that Cipla is not exposed to high physical or transition risks in the immediate future.

By 2030, our target is to achieve a 30% absolute reduction in Scope 1 (energy-based) and Scope 2 emissions from an FY 2023-24 baseline for Global Operations, alongside sourcing 80% renewable electricity for India manufacturing operations[1]. These near-term milestones chart a pathway towards our Net Zero 2050 ambition.

In FY 2025-26, achieved 39% Scope 1 (energy-based) and Scope 2 emissions reduction for global operations.

Combined Scope 1+2 emission intensity improved to 0.25 tCO_2e/lac of revenue (from 0.33 in FY 2024-25); avoided 1,88,037 tCO_2e through renewable energy.

15.1

We are a signatory to the India Business and Biodiversity Initiative ("IBBI") and established objectives for our India manufacturing units to assess and mitigate biodiversity risks. We have formalised a Biodiversity Policy and developed a Technical Standard on Biodiversity and detailed Action Plan.

We developed our Taskforce on Nature-related Financial Disclosures ("TNFD") report covering 37 manufacturing units across India and their surrounding areas, analysing potential impacts against IUCN RET species classifications, IFC Performance Standard 6 and the TNFD Framework.

15.2, 15.3

Cipla Foundation launched Project Sanjivani at the Ujjani Dam wetland in Maharashtra.

Created a 1,000-sapling Miyawaki miniforest over a 434 sq. m in FY 2025-26 – densely planting multiple layers of indigenous species with drip irrigation and soil enrichment, restoring native biodiversity, improving air quality and microclimate, and enhancing natural carbon sequestration.

17.17

Research / academic partnerships: IIT Hyderabad, Institute of Chemical Technology ("ICT"), Chest Research & Training Private Limited ("CREST"), Indian Chest Society ("ICS"), PACS Foundation etc.

16.2, 16.b

We have established robust policies and processes to safeguard human rights and prevent any instances of violation across our operations and value chain. Our Human Rights Policy and Global Code of Conduct set clear expectations for upholding human rights and preventing all forms of abuse.

16.5

Cipla maintains a strict zero-tolerance stance towards all forms of bribery and corruption, as outlined in our Anti-Bribery and Anti-Corruption Policy.

During FY 2025-26, no instances or complaints of bribery or corruption were reported

Stakeholder Engagement[1]

At Cipla, engaging with stakeholders is a key foundation of our sustainable business approach, enabling us to incorporate a range of viewpoints, priorities and expectations of stakeholders into our decision-making. By actively engaging with patients, healthcare professionals, regulators, suppliers and local communities, we gain a deeper insights into the social, economic and environmental challenges linked to our activities. This knowledge is integrated into our learning process to develop products that enhance the health and wellbeing of our end users.

By maintaining open communication, fostering collaboration, and promptly addressing stakeholder needs, we build trust and credibility, enabling us to successfully fulfill our mission. Additionally, strong engagement helps us foresee and manage risks, uncover innovation opportunities, and improve operational efficiency, ultimately supporting sustained value creation.

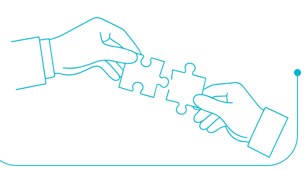
Our Stakeholder Engagement Methodology

Prioritise

We begin by identifying all potential stakeholders and evaluating their interest and influence. This helps us prioritise engagement efforts, focusing on those who can significantly impact or be affected by our initiatives.

Connect

After identifying stakeholders, we tailor engagement plans to their interests and communication preferences, selecting the best channels to foster meaningful connections.

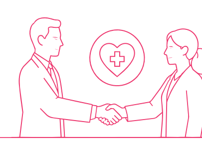


Listen

We actively listen to stakeholder feedback, gathering valuable insights. We evaluate how well our engagement strategies work and adapt our approach to meet their expectations.

Act

Our focus is on linking engagement to action. We leverage the insights we collect to better understand emerging priorities and risks. These inputs guide our planning and ensure our actions stay aligned with the expectations of stakeholders.



In FY 2024-25, the Company conducted a Double Materiality Assessment to identify key sustainability issues, impacting both its external environment and internal risk and opportunity landscape. A crucial part of this process involved engaging with our essential stakeholders to incorporate their expectations and insights into our sustainability strategy and initiatives. Additional details are available on page no. 42 of this Report.

[1]GRI 2-16, GRI 2-25, GRI 2-26, GRI 2-29, Information in line with BRSR Question no. 1 and 2 under essential indicators of Principle 4 and Question no. 3 under leadership indicators of Principle 4

The table below highlights our primary stakeholders and the different aspects of our engagement with them:

Patients

Stakeholder Interest	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement, including key topics and concerns raised during such engagement	Capital Linkage / Material Issues
▸ Access to a diverse range of pharmaceutical products and point-of-care diagnostics for effective medical treatment ▸ Quality and safety of pharmaceutical products ▸ Accessing reliable information about various diseases	Yes[2]	Our patients represent the very purpose of our existence and help us deliver on our commitment of 'Caring for Life'. We are committed to meeting their expectations	**Event based:** ▸ Patient care campaigns/ patient support programmes ▸ Influencer awareness campaign - Gaas, Baas, Kapas Ra Saas ▸ 1935 Se Desh Ki Sehat Ke Saath: Celebrating Cipla's 90 Years of Purpose-Led Healthcare Impact ▸ Digital educator initiative in Nepal, Sri Lanka ▸ Influencer awareness campaign in Sri Lanka - Hari Husmak **Continuous:** ▸ Berok Zindagi, Tuffies, Breathefree, Anti-Microbial Resistance Awareness, Seek Edema, Seek Help, Inhale the Change Initiatives ▸ Pharmacovigilance / Drug safety helpline ▸ Websites ▸ Marketing & Communication	▸ Understanding our patients' needs ▸ Raising awareness and combating misinformation about diseases and treatments ▸ Ensuring access to palliative care ▸ Addressing patient inquiries and feedback ▸ Resolving concerns related to our products ▸ Encouraging positive behavioural change ▸ Advocating for early diagnosis and timely medical consultation for chronic conditions ▸ Educating patients and communities on responsible medicine use, including antibiotics and newer therapies ▸ Supporting responsible health practices and community screening initiatives to enable early identification of health conditions	**Capital Linkage:** **Material Issues:**

Channel Partners

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

Manufactured Capital | Relationship Capital | Financial Capital | Intellectual Capital | Social Capital | Natural Capital | Human Capital

Access and Affordability of Medicines | Sustainable Supply Chain | Resource Management | Climate Action | Corporate Governance and Business Ethics | Occupational Health and Safety | Human Resource Development | Innovation and Research and Development | Product Quality and Safety | Technology and Digitalisation

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

Suppliers

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

Government and Regulators

Stakeholder Interest	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement, including key topics and concerns raised during such engagement	Capital Linkage / Material Issues
• Deliver high quality, safe, effective and affordable medicines • Ensuring compliance with legal and regulatory requirements • Contribute through taxes, job creation and innovation • Assess and mitigate social and environmental impacts • Influence healthcare policy at national and state levels • Promote research and development for therapeutic advancement	No	Engagement with various ministries, policy makers on policies and regulatory matters that impact our operations and long-term business objectives	**Event based:** • Strategic interactions with research institutions, industry chambers, and pharmaceutical associations. • Representation at national and international conferences and technical forums • Participation in expert panels and high-level stakeholder meetings • Preparation and dissemination of formal communications, position papers and regulatory submissions • On-site facility inspections and operational assessments **Periodic:** • Active participation in industry associations, advisory boards and committee meetings	• Participating in informed discussions and knowledge-sharing on public healthcare, leveraging our expertise to shape meaningful outcomes • Contributing to policy development and strategic interventions that enhance the overall healthcare framework. • Facilitating timely and equitable availability of safe, effective and high-quality medicines • Showcasing Cipla's expertise through conferences, high-level discussions and strategic forums on respiratory health, antimicrobial resistance, wellness, and other critical healthcare topics	**Capital Linkage:** **Material Issues:**

Manufactured Capital | Relationship Capital | Financial Capital | Intellectual Capital | Social Capital | Natural Capital | Human Capital

Access and Affordability of Medicines | Sustainable Supply Chain | Resource Management | Climate Action | Corporate Governance and Business Ethics | Occupational Health and Safety | Human Resource Development | Innovation and Research and Development | Product Quality and Safety | Technology and Digitalisation

Shareholders and Investors

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

B2B and Institution Partners

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

Manufactured Capital | Relationship Capital | Financial Capital | Intellectual Capital | Social Capital | Natural Capital | Human Capital

Access and Affordability of Medicines | Sustainable Supply Chain | Resource Management | Climate Action | Corporate Governance and Business Ethics | Occupational Health and Safety | Human Resource Development | Innovation and Research and Development | Product Quality and Safety | Technology and Digitalisation

Employees

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

Communities

Stakeholder Interest	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement, including key topics and concerns raised during such engagement	Capital Linkage / Material Issues
• Wellbeing and positive community outcome through ethical business conduct • Benefits through health, environmental sustainability, education and skilling initiatives	Yes	Strengthening shared value creation and demonstrating social responsiveness through CSR initiatives designed to positively impact local communities	**Event based:** • Need assessment with communities through our CSR partners **Periodic:** • Impact assessments of CSR initiatives **Continuous:** • CSR initiatives • Grievance redressal mechanism • Website • Social media	• Assessing community needs to design and implement projects that deliver essential and impactful support to the communities served • Supporting a range of initiatives spanning health, environmental sustainability, education, and skilling to strengthen the sustainable ecosystem around our manufacturing sites • Maintaining a dedicated emphasis on palliative care programmes that provide care and support to patients suffering from any serious illnesses across the country • Nurturing positive relationships with diverse communities from vulnerable and marginalised groups	**Capital Linkage:** **Material Issues:**

Manufactured Capital | Relationship Capital | Financial Capital | Intellectual Capital | Social Capital | Natural Capital | Human Capital

Access and Affordability of Medicines | Sustainable Supply Chain | Resource Management | Climate Action | Corporate Governance and Business Ethics
Occupational Health and Safety | Human Resource Development | Innovation and Research and Development | Product Quality and Safety | Technology and Digitalisation

Healthcare Professionals

Stakeholder Interest	Whether identified as vulnerable and marginalised group (Yes/No)	Relevance	How we engage and frequency	Purpose and scope of engagement, including key topics and concerns raised during such engagement	Capital Linkage / Material Issues
• Gain access to valuable educational resources • Access to practical insights and networking opportunities • Provides a convenient platform for accessing reliable medical information and contributing insights on unmet medical needs and future product portfolio • Report product side effects, quality concerns and availability issues effectively • Test the efficacy and safety of a new molecule to be marketed for the first time, and serve as an investigator in the clinical trial programme • Provide real-world data on the efficacy and safety of the marketed product	No	Provides valuable insights into product usage, trends in disease management, and unmet patient needs	**Quarterly:** • National and regional conferences and seminars • Knowledge sharing series • Advisory meetings • Visits by sales personnel • Disease celebration days / months • Phase 3 / Phase 4 / Post Marketing Surveillance / Real World Evidence / Investigator Initiated Studies **Continuous:** • Digital connect platforms • Grievance redressal mechanisms	• Sharing ideas and expertise on medicines, diseases and healthcare solutions • Understanding the needs of the patients and the market • Understanding the disease management, validation of new product ideas, seeking feedback regarding brand campaign, and scientific promotion of the brands • Educating and creating awareness among patients about various diseases, thereby facilitating early diagnosis • Providing a platform to report product side effects, quality issues, and availability aspects • Identifying the changing needs and trends within the healthcare sector • Providing information regarding the efficacy and safety of a new molecule to be marketed or an existing marketed product by being an investigator in Phase 3 / Phase 4 / Post Marketing Surveillance and Real-World study	**Capital Linkage:** **Material Issues:**

Manufactured Capital | Relationship Capital | Financial Capital | Intellectual Capital | Social Capital | Natural Capital | Human Capital

Access and Affordability of Medicines | Sustainable Supply Chain | Resource Management | Climate Action | Corporate Governance and Business Ethics | Occupational Health and Safety | Human Resource Development | Innovation and Research and Development | Product Quality and Safety | Technology and Digitalisation

Double Materiality Assessment[1]

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

During FY 2024-25, we conducted our maiden Double Materiality Assessment ("DMA"). This process involved assessing the impacts of our business activities on the external environment and society, and how sustainability-related risks and opportunities could impact our financial performance, taking into account the views and concerns of key stakeholders including suppliers, customers, investors and employees.

Approach to Double Materiality

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

We conducted a contextual analysis of our business activities, using the EFRAG IG 1 guidance as a reference. Based on this, and through research using global sustainability frameworks, peer comparisons, and expert input, we shortlisted 17 material topics for further assessment and validation. Through stakeholder mapping and engagement, we prioritised 10 material topics most relevant to our business and value chain. While these 10 topics form our core focus, all 17 identified topics are addressed across our six capitals framework.

The identified topics were reviewed for their associated Impacts, Risks and Opportunities ("IROs") and further discussed with Cipla's Management Council to develop comprehensive financial and impact pathways. Each IRO was then assessed for both impact and financial materiality in line with EFRAG IG 1 including their presence across our operations and upstream and downstream value chain. Identified potential financial risks were also aligned with our Enterprise Risk Management ("ERM") framework, ensuring consistency with the Company's internal risk register and overall risk ratings.

Our DMA approach and process has also undergone third party assurance. The assurance statement is available on page no. 424.

Continuity in FY 2025-26[2]

The material issues identified through our maiden DMA continue to guide our sustainability priorities in FY 2025-26. We continue to monitor our material topics for any significant shifts in our operating context, stakeholder expectations, or regulatory landscape that may warrant an earlier review.

During the current year, we further reviewed our material topics to assess their continued relevance and relative priority in light of evolving business and regulatory context.

Based on this review, we have made the following changes:

- Resource Management (Waste, Water and Land), previously categorised as an important material topic has been elevated to Critical, reflecting its growing significance to our operations and value chain.
- Occupational Health and Safety, previously categorised as Critical, has been recalibrated to important, while continuing to remain a key area of focus for us.
- In the pharmaceutical industry, Product Quality and Safety are non-negotiable. Given Cipla's global footprint highly regulated markets and its complex product portfolio), Product Quality and Safety directly underpins our licence to operate, patient trust and financial continuity, warranting its elevation to Critical.
- Given Cipla's globally distributed and multi-tiered supply chain, any disruption or lapse in supplier performance, traceability, or compliance can directly impact product availability, regulatory standing and reputation. With tightening global regulations,

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

vulnerable geopolitical situations, dependence on Active Pharmaceutical Ingredient ("API") and drug suppliers in China and rising stakeholder expectations on ethical and resilient sourcing, Sustainable Supply Chain has been elevated to Critical, reflecting its growing strategic significance.

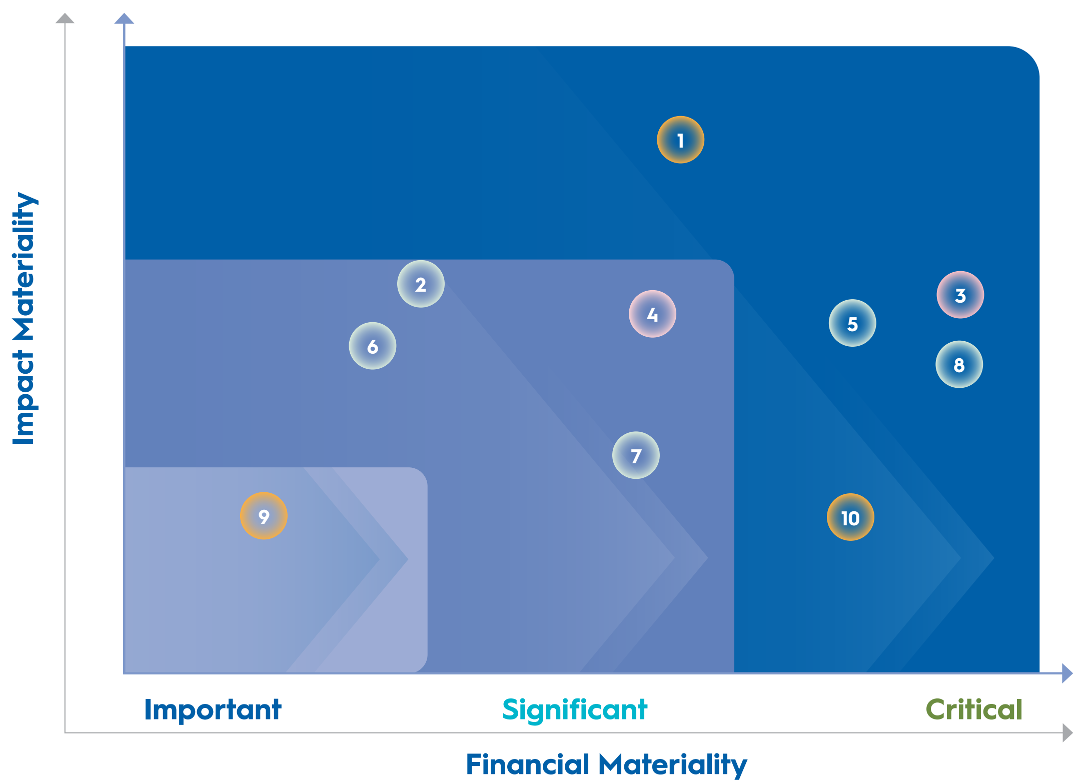
- Corporate Governance remains a foundational pillar at Cipla, supported by a mature Board structure, robust compliance frameworks, and well-institutionalised ethics and disclosure practices, that are deeply embedded in our operating model. Reflecting this maturity and the relative elevation of more dynamic emergent topics, Corporate Governance has been recalibrated to Significant, while continuing to remain a non-negotiable enabler of long-term value creation and stakeholder trust.

These refinements are reflected in the updated materiality matrix below and ensure that our prioritisation remains dynamic and responsive to shifts in our operating context, stakeholder expectations and regulatory landscape.

Outcome of the Double Materiality Assessment

The results of our DMA are closely aligned with our business strategy. As a healthcare provider, we are committed to delivering high-quality, safe, affordable and accessible care. The assessment also highlights potential environmental risks, reinforcing our focus on reducing greenhouse gas emissions and improving resource efficiency through responsible environmental practices. The detailed report on our DMA is uploaded on our website at https://www.cipla.com/sustainability.

Our priority material issues are depicted below:[3]



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

Environment | Social | Governance

[3]GRI 3-2

Material Impacts, Risks and Opportunities

The following table presents the results of the Double Materiality Assessment we conducted in FY 2024-25. It describes the material impacts, risks and opportunities for our top 10 material issues.

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation measures in case of Risk
Access and Affordability of Medicines	S		As a generics company, we play a crucial role in enhancing access to life saving medication. This is particularly significant in underserved markets and patient communities. We implement targeted efforts, focusing on areas of therapy where we excel. Our aim is to holistically contribute to a sustainable health ecosystem.	**Risks:** Disruption in supply chain due to manufacturing issues, geopolitical conflicts, natural calamities, quality non-conformance, and failure in anticipating surges in demand can result temporary lack of access to certain medicines in certain geographies.	−	Refer Enterprise Risk Management on page no. 48
				Opportunities: Focused efforts to enhance access to affordable healthcare in underserved regions strengthens our brand reputation and equity. It supports demonstration of the commitment to social responsibility, attracting discerning customers and investors who prioritise socially responsible business practices.	+	
Technology and Digitalisation	G	All	We actively leverage technology in our organisational processes to optimise our operations, improve patient experiences through digital solutions and expand our reach in delivering healthcare services on a global scale. We continue to invest in technological solutions that support responsible and smooth operations, consequently creating sustainable positive outcomes for all our stakeholders.	**Opportunities:** Automation enhances operational efficiency, allowing us to focus on innovation, strategic priorities, and customer needs. By embedding technology into our products, we create a distinct competitive edge that sets us apart in the market. Additionally, automation facilitates broader access to new markets and geographies, supporting scalable growth.	+	-
Resource (Waste, Water and Land) Management	E		We recognise the importance of prioritising resource conservation in our own operations and across the value chain. As a resource intensive industry, we make focused efforts to reduce our water consumption and waste generation, increase water recycling and reuse, ensure safe waste disposal and conserve available natural resources.	**Risks:** Non-compliance with permissible air emission limits and absence of waste, water and land management, can attract fines, penalties, legal actions and reputational loss. Additionally, limited availability of freshwater can lead to operational disruptions, and hinder business continuity.	−	Refer Enterprise Risk Management on page no. 48
				Opportunities: Our focused efforts for water stewardship supports business continuity and enables a reduction in operational costs. Further, ensuring Zero Waste to Landfill reduces disposal costs, and enhances competitive advantage. We have also made strategic investments in green chemistry, supporting streamlining of manufacturing processes and cost efficiency. Through effective management of AMR, we can differentiate ourselves in the market. It also supports in encouraging stakeholder collaboration, leading to shared investment costs, access to new markets and enhanced innovation through combined expertise.	+	

Linkage with the IR

Manufactured Capital
Social Capital
Financial Capital
Intellectual Capital
Relationship Capital
All — All Capital
Human Capital
Natural Capital
CG — Corporate Governance Report

ESG Dimension

E — Environment
S — Social
G — Governance

Financial implications of the risk or opportunity (Indicate positive or negative implications

+ Positive
− Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation measures in case of Risk
Climate Action (Energy and Emissions)	E	Natural Capital	As a pharmaceutical company, we are cognizant of the potential adverse impact of our operations on global warming and climate change. We strive to maintain responsible and ecofriendly operations. Our efforts are driven by our strategic targets that support a reduced carbon footprint. We have been investing in energy efficient technology, renewable energy and alternative sources of energy.	**Opportunities:** Use of sustainable energy sources and investments in initiatives for increased efficiency and reduced emissions, strongly support operational efficiency and reduced costs. Additionally, transition to Green Propellants (with low Global Warming Potential) as compared to traditional propellants, can help us gain greater access to better markets, that are subject to stringent requirements on the environmental impact of products.	Positive	-
Sustainable Supply Chain	G, S	Relationship Capital	We rely on a global supply chain and are committed to ensuring its sustainability. We recognise the importance of addressing issues such as working conditions, wages and the impact of climate change in our supply chain, and addressing any risks that we may be exposed to because of supply chain disruptions. Responsible and effective supply chain management is central to our ability to deliver on our commitment to patients.	**Risks:** Our dependence on API and drug suppliers in China, along with inhaler valve suppliers in Europe, makes us vulnerable to geopolitical and supply chain disruptions. This may be heightened by a lack of diversified suppliers, especially amid changing global market conditions. Furthermore, ineffective practices can result in financial penalties, increased regulatory scrutiny, diminished brand value and reduced investor confidence.	Negative	Refer Enterprise Risk Management on page no. 48
				Opportunities: Implementing efficient practices can enable cost savings, increased profitability, increased investor confidence, competitive advantage and business continuity. Further, technological integration enables enhanced tracking, monitoring and efficiency, allowing for better inventory management and responsiveness to demand changes, positively impacting our revenue stream and overall financial growth.	Positive	
Innovation and Research and Development	G	Intellectual Capital	The generic pharmaceutical industry is facing intense competition and dynamic pricing. It has become highly commoditised and is facing major market erosion. Regulators have significantly tightened guidelines surrounding bio-equivalence and impurities. R&D capabilities are required to build robust and compliant product dossiers that can withstand regulatory scrutiny. The market is also shifting to chronic and lifestyle disease, requiring companies to innovate their pipeline to match changing global healthcare requirements.	**Risks:** Navigating the applicable regulatory requirements for approval of complex products can lead to extended timelines and increased costs. R&D investments are inherently volatile and capital-intensive, with cycles that differ significantly from standard manufacturing operations. They are subject to longer gestation periods, higher litigation exposure, high failure rates, and dependence on availability of specialised talent. Failures in late-stage trials or patent challenges can materially impact returns.	Negative	Refer Enterprise Risk Management on page no. 48
				Opportunities: Robust R&D pipeline can unlock significant long term drive and sustainable margin expansion. Transitioning to biologics, complex generics and New Chemical Entity ("NCE") can provide substantial revenue streams, especially while developing innovative products that address unmet medical needs. It also supports product differentiation by offering innovative therapies not available within traditional pharmaceuticals.	Positive	

Linkage with the IR

Manufactured Capital · Social Capital · Financial Capital · Intellectual Capital · Relationship Capital · All Capital · Human Capital · Natural Capital · CG Corporate Governance Report

ESG Dimension

E Environment · S Social · G Governance

Financial implications of the risk or opportunity (Indicate positive or negative implications)

Positive · Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation measures in case of Risk
Corporate Governance and Business Ethics	G	CG	Corporate governance and business ethics guide compliance with regulations and ethical standards, vital in an industry where patient safety and drug efficacy are paramount. Ethical practices help mitigate risks of litigation and scandals, protecting the Company's reputation and financial stability.	**Risks:** Regulatory non-compliance can result in fines, penalties, lawsuits, loss of share value and restricted access to markets. It can also hamper brand reputation, decrease investor and employee confidence.	Negative	Refer Enterprise Risk Management on page no. 48
				Opportunities: Ethical business practices strongly support enhanced investor confidence. This can lead to better returns and greater investments in the Company. It also enables attraction of quality talent, creating a workforce that is responsible and supports smooth and transparent relationships with regulators.	Positive	
Product Quality and Patient Safety	G, S	Manufactured Capital	As a healthcare company, our primary commitment is to our patients. We endeavour to provide them with high quality medicines, that positively impact their health and wellbeing.	**Risks:** Inconsistent or non-compliance with regulatory standards can lead to increased scrutiny during inspections. This could severely hinder the ability to launch new products, affecting market competitiveness and revenue generation. Additionally, poor quality raw materials, sterility issues, human errors and lack of robustness in processes can lead to low quality products and product recalls. This could negatively affect our revenues, brand value and stakeholder trust.	Negative	Refer Enterprise Risk Management on page no. 48
				Opportunities: The integration of AI, robotics, and advanced analytics can revolutionise the manufacturing and testing processes, supporting enhanced productivity, reduced operational costs, and improved product quality. These technologies can expedite processes, reduce human error, improve data accuracy, and provide deeper insights into production metrics.	Positive	

Linkage with the IR

Manufactured Capital | Social Capital | Financial Capital
Intellectual Capital | Relationship Capital | All Capital
Human Capital | Natural Capital | Corporate Governance Report

ESG Dimension

E Environment | S Social | G Governance

Financial implications of the risk or opportunity (Indicate positive or negative implications

Positive | Negative

Material Issue	ESG Dimension	Linkage with the IR	Rationale for Identification	Identified Risk and Opportunity	Financial implications of the risk or opportunity (Indicate positive or negative implications)	Mitigation measures in case of Risk
Occupational Health and Safety	S		Ensuring a safe and healthy workplace is crucial to protect employees from potential hazards such as exposure to toxic compounds, ergonomic risks, and accidental injuries. Moreover, a robust health and safety programme helps in maintaining regulatory compliance, avoiding legal liabilities, and minimizing operational disruptions caused by safety incidents.	**Risks:** Serious incidents such as personal injuries, process safety events at operational sites or road accidents during the transportation of chemicals and gases pose significant risks to the safety of workers and surrounding communities. These events can lead to legal liabilities, financial losses, and damage to the Company's reputation. Additionally, failure to comply with health and safety regulations may result in substantial fines, legal action and loss of brand reputation.	−	Refer Enterprise Risk Management on page no. 48
Human Resource Development	S		Our approach to Human Capital reflects our commitment to fostering a supportive and empowering environment for all stakeholders. We rely on skilled and dedicated individuals who drive positive outcomes for patients and the broader community. To support them, we focus on creating a workplace that enables growth, engagement and wellbeing.	**Opportunities:** We are committed to continuous investment in capability building, contributions to global labour market competitiveness. Led by our Talent Review Board and overseen by the Nomination and Remuneration Committee, our succession planning aims to strengthen our talent pipeline for seamless leadership and business continuity. This further supports the availability of the right talent for the right job.	+	Refer Enterprise Risk Management on page no. 48

Linkage with the IR

Manufactured Capital | Social Capital | Financial Capital
Intellectual Capital | Relationship Capital | All Capital
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ESG Dimension

E Environment | S Social | G Governance

Financial implications of the risk or opportunity (Indicate positive or negative implications

+ Positive | − Negative

Enterprise Risk Management[1]

Cipla places a strong and continuous emphasis on risk management, recognising its critical role in securing long-term sustainability and resilience of the business. In an evolving and increasingly complex global environment, proactive risk management remains central to our strategy, enabling us to anticipate challenges, respond to uncertainties and safeguard the interests of our stakeholders.

Enterprise Risk Management ("ERM") involves a structured, proactive approach to identifying, assessing and mitigating risks across our value chain. We operate in a complex landscape that includes stringent regulatory requirements, global supply chain dependencies, evolving market dynamics, intellectual property considerations and operational risks across research, manufacturing and distribution. To address these challenges, we follow a systematic ERM process that includes risk identification, risk assessment and prioritisation, development of mitigation and control measures, continuous monitoring and periodic reporting to senior management.

This process is embedded within the organisation's strategic and operational planning framework, ensuring that potential risks are evaluated alongside business opportunities. The ERM function works closely with key functions, including Research and Development, Regulatory Affairs, Quality Assurance, Manufacturing, Supply Chain, Finance, Information Technology, Legal, Compliance and Commercial teams, to identify function-specific risks and implement appropriate mitigation strategies. This cross-functional engagement provides comprehensive risk visibility, strengthens internal controls and promotes a culture of risk awareness.

Governance of risk management and fostering a risk-aware culture

We have developed a detailed governance framework that supports a top-down approach to managing key risks throughout all business areas. This structure assures that leadership leads the processes of risk identification, assessment and mitigation, with these activities connected throughout the entire organisation. By placing accountability and supervision at the highest levels, we promote proactive decision-making and cultivate an environment where risk awareness is a collective responsibility across the Company.

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

Constituents	Responsibility
Board of Directors	• Approval of the Risk Management Policy. • Oversight of the risk management framework and governance structure. • Periodic review of key enterprise risks and mitigation effectiveness.
Investment and Risk Management Committee	• Review and monitoring of the implementation of the Risk Management Policy. • Evaluation of adequacy and effectiveness of risk identification, assessment and mitigation frameworks. • Recommendation of risk appetite, control measures and compliance oversight.
Management Council and Business / Function Heads	• Ownership and management of strategic, operational and business risks. • Implementation of risk mitigation plans and internal controls. • Integration of risk management into business decision-making.
Enterprise Risk Management Team	• Proactive identification of risks, facilitating and executing risk mitigation initiatives and analysing residual risk.

[1]GRI 3-3

Risk Identification Methodology

We have established a well-defined and structured framework to systematically identify, assess and prioritise risks across our businesses and functions. Risks are evaluated based on their potential impact, likelihood of occurrence and speed of materialisation, while also considering the effectiveness of existing controls and the external environment. The framework incorporates financial, reputational, regulatory and health and safety parameters, supported by defined materiality thresholds. As part of our governance and sustainability approach, we undertake periodic double materiality assessments to incorporate stakeholder perspectives, enabling us to update the risk register, identify emerging risks and address evolving business challenges. The insights derived support the formulation of appropriate mitigation strategies and strengthen our ability to protect, sustain and enhance long-term value creation. Further, the ERM function is subject to an annual Entity Level Controls ("ELC") audit under the Internal Financial Controls ("IFC") framework, conducted by an independent external firm as part of the internal audit programme, to evaluate the effectiveness, regulatory compliance and alignment of our risk management processes with strategic and operational objectives.

Key Risks

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

Pricing, Competitive and Business Model Pressures

G

Risk description & impact	Mitigation measures	YoY risk movement
Across several global markets, pricing for both existing pharmaceutical products and new launches is eroding along with government mandated price controls. Competitive pressures and pricing expectations from major customers further restrict our ability to maintain or increase prices, contributing to ongoing price erosion. Government price controls, competitor and customer pressures collectively erode profitability, market share and growth in both generic and specialty product portfolios. Additionally, changes in prescribing behaviour by HCPs and evolving patient preferences driven by competitive innovation, product differentiation and channel availability can significantly influence demand for our products. In FY 2025-26, increased competition in chronic therapies, particularly cardiometabolic and anti-obesity segments, further amplified these pressures. In certain geographies and therapeutic areas, insufficient market penetration or delays in being among the first entrants to launch a product may impact our ability to achieve targeted market share and growth objectives. The combination of these factors may adversely affect business profitability and influence our decisions regarding future product launches. From time to time, there are business requirements to augment manufacturing capacity by executing complex, medium to large greenfield and brownfield capital expenditure projects. The execution of these projects exposes us to risks viz. project delays and cost overruns.	▸ Launch of innovative and differentiated value accretive products for which better pricing can be secured (e.g. Affreza – Inhaled Insulin). ▸ Deepening distribution network to improve market volumes. ▸ Focusing on growth of key brands in branded prescription market across geographies. ▸ Exploring growth opportunities through in-licensing deals and enhancing presence in healthcare products based on innovative technologies (e.g. Partnership with Eli Lilly to launch Tirzepatide under brand name Yurpeak). ▸ Cost reduction and efficiency improvement measures to support business profitability.	▲

ESG Dimension: E Environment | S Social | G Governance

YoY risk movement: Upwards ▲ | Downward ▼ | Static ▶◀

Product Quality

G

Risk description & impact	Mitigation measures	YoY risk movement
The pharmaceutical industry is among the most heavily regulated globally due to the inherent risks associated with pharmaceutical products and their potential impact on human health. Consequently, manufacturing processes at Cipla's own sites as well as those of our contract manufacturers and suppliers are subject to stringent oversight by governmental health, regulatory and quality authorities worldwide. In addition to manufacturing and compliance risks, the development of pharmaceutical products also carries significant uncertainties. Development risks include substantial upfront investments, exposure to patent related litigation, clinical trial delays and technical or formulation challenges, all of which can adversely affect the timing and viability of product launches and ongoing operations. Failure to comply with applicable regulatory requirements or effectively manage development related risks could lead to regulatory warnings, delays or failure in securing commercial launches, suspension of manufacturing operations, product recalls, product liability claims, restrictions on exports, reputational damage, or even cancellation of manufacturing approvals and licenses.	▶ Robust Quality Management Systems ("QMS"), adequately assisted by digitisation to adhere to applicable and emerging regulatory requirements applicable to products manufactured at Cipla locations as well as sourced from third parties. ▶ Comprehensive quality improvement and training programme with focus on historically known gaps and challenges. ▶ Implementation of automation tools in process and equipment review, predictive data analytics and smart interlocks to monitor critical activities and eliminate manual activities, reviews and errors. ▶ Minimising microbiological excursions by enhancing sterile work practices. ▶ Investigate identified non-conformities and define appropriate Corrective and Preventive Action ("CAPA"). ▶ Proactive identification of potential challenges through periodic reviews and audits conducted internally. ▶ Rigorous vendor and contract manufacturer audits on factors such as current Good Manufacturing Practice ("cGMP") and QMS compliance.	Static

Product Development and Launch

G

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

ESG Dimension

E Environment S Social G Governance

YoY risk movement

Upwards Downward Static

Supply Chain Disruptions

G

Risk description & impact	Mitigation measures	YoY risk movement
Interruptions in the supply of materials from vendors can disrupt our manufacturing operations, resulting in product shortages and potentially causing a material adverse impact on our revenues and reputation. Certain materials are procured from sole source suppliers, therefore, any operational, regulatory or compliance related disruptions faced by such suppliers may significantly amplify shortages and adversely affect both revenue and brand reputation. Variables such as seasonality, inaccuracies in demand forecasting including under or over estimation of new product launch performance and disruptions within third party vendors' or competitors' supply chains, including those arising from geopolitical and logistical challenges, may contribute to variances between forecasted and actual financial performance. These variances could be due to a combination of excessive inventory build-up, subsequently resulting in product expiry as well as levy of penalties in instances where we are unable to adhere to supply levels contracted with customers.	▸ Implementation of Continuous Improvement Programme that focuses on creating alternative cost-effective options for procurement of raw materials and mitigating risks of supply disruption. ▸ Continuous monitoring to identify potential disruptions and proactive deployment of mitigation measures (alternate sourcing, advance purchases, etc.). ▸ Maintaining sufficient inventory balances for key strategic molecules. ▸ Implementing, improving and digitising business planning procedures to enable scenario-based simulations and achieve greater end-to-end supply chain visibility. ▸ Logistics optimisation and cost rationalisation through rate contracts with sea liners and prior scheduling of dispatches. ▸ Leveraging Artificial Intelligence ("AI"), Machine Learning ("ML") technology and generative AI to improve efficiency and visibility of operations.	▲

Geopolitical Volatility

G

Risk description & impact	Mitigation measures	YoY risk movement
The complex environment in which we operate gives rise to multiple uncertainties, including geopolitical instability, trade sanctions, inflation in commodity prices as well as transportation costs and evolving compliance requirements. Additionally, we have observed a growing global emphasis on self-reliance in several of our key export markets. The ongoing crisis in the Middle East, trade sanctions, inflationary pressures, elevated transportation and logistics costs and evolving compliance requirements continue to pose significant challenges. The Middle East situation has resulted in logistical disruptions across key global trade and shipping routes, including port congestion, longer transit times, vessel re-routing and increased freight and insurance costs. These disruptions, coupled with volatility in energy prices and growing emphasis on self-reliance in key export markets, may affect product availability, product value, operating costs, cash flow cycles, repatriation of funds and increase exposure to foreign exchange volatility.	▸ De-risking through capping overall exposure to high-risk geographies and robust monitoring of risk developments. ▸ Evaluation of local manufacturing or tie-up possibilities. ▸ Securing receivables through advance payments or sales backed by letters of credit / bank guarantees. ▸ Where feasible, hedging foreign exchange risks through forward covers or securing price increases in the local market. ▸ Replacing revenues lost to geopolitical volatility through incremental product launches and by executing in-licensing opportunities.	▲

ESG Dimension

E Environment   S Social   G Governance

YoY risk movement

Upwards ▲   Downward ▼   Static

Talent Management

S

Risk description & impact	Mitigation measures	YoY risk movement
The inability to attract, retain and engage highly skilled personnel may adversely affect overall productivity, impede the execution of our strategic priorities and weaken our succession pipeline. Recruitment and retention challenges, combined with rising operational complexity across businesses and functions, heighten the risk of workforce fatigue. These factors can hinder innovation, slow strategic execution and limit our ability to meet key business objectives. Over time, such constraints may materially impact our operational results, damage brand reputation and reduce the diversity and strength of our talent base.	▸ Targeted recruitment and retention for strategic businesses, geographies and functions. ▸ Job rotation opportunities to leverage complementing skill sets to enhance operational synergy. ▸ Undertaking employee surveys and performing engagement and team-building initiatives to build morale and culture of high performance. ▸ Prioritisation of continuous learning & development initiatives to foster innovation and ensure future-ready workforce. ▸ Continually build and strengthen appropriate measures to ensure de-risking of critical roles.	Static

Information Security

G

Risk description & impact	Mitigation measures	YoY risk movement
The pharmaceutical sector continues to be a prime target for cyber-criminals due to the high value of intellectual property, patient data and critical operational systems. Cyber threats including security breaches and non-compliance with globally applicable data privacy regulations can lead to financial losses, regulatory penalties, reputational damage and disruptions to operational continuity. A significant compromise of IT services could materially affect our financial condition and impede business operations.	▸ Implementing necessary preventive information security controls complemented by advanced monitoring and detection measures, in line with leading industry practices. ▸ Focus on proactive identification of gaps by building threat intelligence and performing periodic red-teaming reviews. ▸ Performing cybersecurity incident simulation exercises to improve response readiness. ▸ Embedding secure by design and privacy by design concepts across organisation process and systems development. ▸ Monitoring compliance with global data requirements through regulatory compliance framework. ▸ Optimising processes by minimising unnecessary human touchpoints and integrating diverse technologies for scalability.	Upwards

ESG Dimension

E Environment S Social G Governance

YoY risk movement

Upwards Downward Static

Environment, Social and Governance ("ESG") and Sustainability

E S G

Risk description & impact	Mitigation measures	YoY risk movement

Our commercial activities cause an adverse impact on the environment and thereby impact the society at large. Globally, stakeholders are increasingly evaluating companies based on their sustainability commitments and performance. Failures to limit the adverse impact of our environmental footprint, create and contribute to societal development, and operate in an ethical manner, can have negative consequences on our reputation, operations and the long-term sustainability of our performance.	• Our commitment to limit adverse impact of operations on environment and communities we operate in, are reflected in our short-term ESG goals which are targeted to be achieved by 2030, as given below:
	  ◦ **Renewable electricity share:** 80% for India manufacturing operations[2]
	  ◦ **Greenhouse Gas ("GHG") Emission (Scope 1 & 2):**
	    – 30% absolute reduction (Scope-1 energy based and Scope -2) from baseline of FY 2023-24 for Global Operations.
	    – Build capacity infrastructure for green propellants used in Metered Dose Inhalers ("MDI").
	• **Water Neutrality:** Water Neutral for India manufacturing operations[1].
	• **Zero Waste to Landfill ("ZWTL"):** Maintain ZWTL status for India manufacturing operations[1] and expand coverage for ZWTL to overseas sites for US and One Africa.
	• **Antimicrobial Resistance ("AMR"):** One Antibiotic Product per Cipla India site certified as per AMR manufacturing standard.
	• **Occupational Health & Safety:** Zero Fatality in manufacturing operations.
	• **Diversity, Equity and Inclusion:** Representation of women in Cipla Leadership Group at 20% or above, from a baseline year of FY 2024-25 at 17%.
	• **Responsible Procurement:** Minimum 80% of our critical Indian suppliers to comply with Cipla ESG framework.
	• A few of our efforts to achieve these goals and subsequently reduce or mitigate ESG risks include:
	a. Increased use of Renewable Energy ("RE") and investment in RE projects.
	b. Rainwater harvesting and water recycling.
	c. Improved processing of waste to avoid incineration / landfill disposal.
	d. Strong and responsible governance of our ESG related targets and performance.
	• We continuously undertake and monitor initiatives aimed at inclusion, safety and wellbeing of our employees, consumers and the society within which we operate.
		Downward

Third Party Risk

G

Risk description & impact	Mitigation measures	YoY risk movement
We rely on a wide network of third parties across critical areas such as Manufacturing, IT, Distribution, Research & Development and essential support functions including Compliance, Finance and Payroll. Failures by vendors or partners including GMP non-compliance, data breaches, quality issues or unethical practices can lead to serious consequences such as product recalls, regulatory penalties and reputational damage. Such lapses may also cause significant business disruptions, including cyber-attacks, raw material shortages and failures in product development or supply. These risks were heightened in FY 2025-26 due to third party related challenges, including issues arising from regulatory inspection. For instance, during the year, an FDA inspection at the manufacturing facility of our partner, Pharmathen International S.A., resulted in the facility being placed under import alert, leading to production disruptions and consequent supply constraints for Lanreotide in the North American market. Negligence or operational failures by third parties therefore pose substantial risks to our business continuity, operational performance and stakeholder trust.	• Conducting due diligence of external partners examining their operational capabilities, financial stability and regulatory compliance status. • Establishing contracts with clear terms covering regulatory compliance, quality standards, data protection and audit rights. • Maintaining business continuity plans with external partners, identifying alternative vendors for key raw material and services, and taking appropriate insurance coverage to manage disruptions and liabilities.	Upwards

ESG Dimension

E Environment S Social G Governance

YoY risk movement

Upwards Downward Static

[2]India Manufacturing Operations includes manufacturing units of Cipla Limited and all its wholly owned subsidiaries in India

Climate Related Risks[3]

E

Risk description & impact	Mitigation measures	YoY risk movement
Climate-related events pose physical risks to our operations that could result in financial losses. These risks may arise as acute incidents such as cyclones, droughts, riverine floods and extreme precipitation. In addition, long-term weather patterns such as heatwaves, water stress, coastal flooding and rising sea levels may significantly disrupt manufacturing activities, supply chains, logistics and overall productivity across our value chain. The shift towards a lower-carbon economy requires substantial changes in policies, legal frameworks, technologies and market conditions to support climate change mitigation and adaptation. This transition could result in considerable financial impacts as well as reputational risks associated with our ability to effectively navigate and comply with these changes.	• Transition to R152a Propellants with low Global Warming Potential ("GWP") as compared to traditional propellants with high GWP. • Risk assessment of our operations through Task Force on Climate Related Financial Disclosures ("TCFD") and Taskforce on Nature-related Financial Disclosures ("TNFD") guidelines. • Investment in energy efficiency and renewable energy sources	Upwards

Statutory Compliance

G

Risk description & impact	Mitigation measures	YoY risk movement
As a global pharmaceutical company operating in more than 69 markets, we are subject to extensive laws and regulations governing manufacturing, testing, approval, distribution and marketing of pharmaceutical products, including requirements administered by the CDSCO, ethical marketing standards such as the UCPMP and compliance obligations under anti-bribery, anti-corruption and anti-money laundering laws. Non-compliance with these requirements may result in litigation, regulatory actions, financial penalties, operational restrictions and reputational damage.	• Creating effective policies and procedures to ensure compliance and prevent unlawful / fraudulent activities. • Comprehensive global compliance management framework to track compliance with existing laws and regulations and to stay abreast of emerging regulations. • Continuous monitoring of compliances to avoid surprises and ensure timely remedial action.	Static

Internal Controls and Ethics

G

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

Emerging Risks

As the global landscape evolves, companies face a growing set of emerging risks that are long-term, externally driven and often difficult to predict. Unlike traditional operational risks, these threats carry strategic implications for resilience, innovation and stakeholder trust. We identify and classify emerging risks through analysis of internal and external data, industry trends, market study, regulatory requirements and expert insights. This provides a holistic, systematic approach to accurately gauge potential risks that could adversely impact the business and to implement mitigation strategies in a timely manner.

ESG Dimension

E Environment S Social G Governance

YoY risk movement

Upwards Downward Static

[3]GRI 201-2

Trade Protectionism

G S

Risk description & impact	Mitigation measures
In several of our key markets, regulatory actions are being introduced to boost local manufacturing and lower drug prices by implementing trade tariffs and setting regulatory price caps. Although these policies seek to enhance affordability and access for local populations, they considerably restrict pricing flexibility and may reduce profit margins, especially in markets where cost competitiveness is a crucial advantage. These measures could substantially affect profitability and growth prospects in these areas.	▸ Establishing local partnerships for manufacturing in key markets to meet local sourcing requirements. ▸ Investing in API backward integration and supply chain efficiency to sustain margins under price pressure. ▸ Rationalising portfolio of these markets by discontinuing low margin, unsustainable products, impacted by price ceiling and focusing on complex generic products and niche therapies.

Impact of Anti-Obesity Medications on the Pharmaceutical Sector

G S

Risk description & impact	Mitigation measures
The growing use of GLP-1 therapies offers considerable growth potential but may also limit expansion in some traditional treatment areas, particularly within cardiovascular and metabolic fields. GLP-1 drugs not only effectively manage blood sugar levels but also provide notable cardiovascular and kidney protection. Consequently, this could lead to decreased demand for medications like statins, ACE inhibitors, beta blockers and antiplatelet drugs. Moreover, the weight loss effects of GLP-1 treatments could lessen obesity-related complications, potentially affecting related segments within the pharmaceutical industry.	▸ Portfolio diversification by shifting focus in therapies where GLP-1 has shown limitations like Chronic Kidney Disease, Diabetic Retinopathy, etc. ▸ Realigning pipeline by shifting focus from therapies vulnerable after adoption of GLP-1. ▸ Continued focus on HCPs engagement in relation to existing therapies that remain complementary to GLP-1.

Risk of using Artificial Intelligence / Machine Learning

G

Risk description & impact	Mitigation measures
For Cipla which is in the early stages of adopting Artificial Intelligence ("AI") and Machine Learning ("ML"), the evolving use of such technologies introduces a range of operational, regulatory and governance risks. As AI and ML tools begin to be integrated across functions such as research and development, supply chain planning, commercial analytics and quality, there may be risks related to data quality, algorithmic bias, model reliability and inappropriate or unintended use of AI-generated outputs. Inadequate oversight or insufficient internal expertise may also result in over-reliance on automated insights, potentially affecting decision-making quality. Additionally, the use of AI-driven systems may expose the Company to data privacy, cybersecurity and intellectual property risks, particularly where sensitive clinical or proprietary data is involved. The evolving global regulatory landscape governing AI usage in healthcare and life sciences also presents compliance challenges, as expectations around transparency, validation and ethical use of AI continue to develop. If not appropriately managed, these risks may impact operational efficiency, regulatory compliance and stakeholder trust.	▸ Adopting a phased and controlled approach to AI and ML implementation, beginning with pilot projects and limited use cases before wider deployment. ▸ AI and ML models are subject to validation, testing and periodic review to ensure reliability, accuracy and alignment with business objectives. ▸ Human oversight is maintained over AI-driven insights and decision-making processes to prevent over-reliance on automated outputs. ▸ Appropriate cybersecurity and data privacy controls are implemented to safeguard sensitive business, patient and proprietary information. ▸ Engagement with technology partners and vendors includes due diligence and contractual safeguards relating to AI governance and data protection.

ESG Dimension

E Environment   S Social   G Governance

Manufactured Capital

Our Contribution to Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Strategic Focus Areas

- Digitisation
- Product Quality & Safety
- Data Integrity

Our Manufacturing Capabilities

Capacity highlights (FY 2025–26):

25 billion units per annum
Tablets and capsules

46.5 million per annum
Oral liquids

3.4 million per annum
Dry Powder Inhalation (Ciphalers)

569 million per annum
Respules

45.3 million per annum
Nasal sprays

792 tonnes per annum
API

0.15 million per annum
Lyophilised injections

150.3 million per annum
Aerosol pMDI

Our Philosophy on Leveraging Manufactured Capital[1]

We strengthen our Manufactured Capital through continuous innovation and automation, while maintaining strong data integrity and advancing product quality and safety. These efforts enable us to deliver products that meet patient needs and contribute to our Sustainable Development Goal of responsible consumption and production.

Strengthening our manufacturing facilities[2]

Cipla operates 48 Current Good Manufacturing Practices ("cGMP") compliant facilities across five countries to ensure access to high-quality, affordable medicines worldwide. We also partner with Contract Manufacturing Organisations ("CMOs") through two models: (i) loan licensing, where Cipla provides the product licence and oversight while the CMO manufactures the product; and (ii) principal to principal arrangements, where both parties operate as independent partners. These collaborations help optimise costs, expand manufacturing capacity and enhance operational efficiency.

In FY 2025-26, the Company invested in expanding capacity, upgrading technology and adopting digital manufacturing to build strong and flexible facilities, while developing capabilities ahead of demand in key areas such as respiratory, oncology, injectables and APIs through the following initiatives:

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

Plant Location	Brief Details	Total Capacity (annual)	Company Name
Indore	Greenfield Metered Dose Inhaler ("MDI") (Green Propellant) unit under construction	30 million units	Cipla Limited
Kurkumbh	New respiratory API unit commissioned	10 tonnes	Cipla Pharmaceuticals Limited
Patalganga	Tablet manufacturing expansion completed	+300 million tablets	Cipla Limited
Bommasandra	New oncology API block under construction	+6 tonnes	
Kundaim, Goa	Additional MDI line installation in progress	+23 million units	Medispray Laboratories Private Limited
	Pilot MDI facility is under construction	+1 million units	
Verna, Goa	Pilot OSD cytotoxic unit commissioned	80 million units	Cipla Limited
	FFS Respules line commissioned	+60 million units	
	Cytotoxic injectable line upgraded	0.15 million units	
Baddi	Synchrobreathe MDI packing line commisssioned	3.5 million units	
Sikkim	New MDI line commissioned	+6 million units	
	New MDI packing line under installation	+20 million units	
	Expansion of the tablet manufacturing area in progress	+300 million tablets	
	FFS Respules manufacturing line under installation	+120 million units	
Durban, South Africa	Effervescent tablets facility under installation	40 million tablets	Cipla Medpro Manufacturing ("PTY") Limited
Fall River, US	Brownfield MDI (Green Propellant) pilot plant under construction	+1 million units	Invagen Pharmaceuticals Inc.
Long Island, US	Additional Dry Powder Inhalation (Ciphalers) line under installation	+2.12 million units	

48 cGMP compliant facilities

Cipla Limited

1 Virgonagar, Karnataka
2 Bommasandra, Karnataka

4 Patalganga, Mahrashtra
5 Kurkumbh, Maharashtra

10 Verna, Goa
2 Baddi, Himachal Pradesh
1 Kumrek, Sikkim
4 Indore SEZ, Madhya Pradesh
1 Rorathang, Sikkim

Subsidiary Companies of Cipla Limited

1 Kurkumbh, Maharashtra

4 Kundaim, Goa
2 Satara, Maharashtra
3 Central Islip, New York, US
1 Rorathang, Sikkim
2 Fall River, US
1 Mirren, South Africa
1 Durban, South Africa
1 Rabat, Morocco
1 Jiangsu Province, China

1 Vasai, Maharashtra

Active Pharmaceutical Ingredients Manufacturing Facility

Active Pharmaceutical Ingredients and Formulations Manufacturing Facility

Formulations Manufacturing Facility

Pharmaceutical / medical devices

Strengthening Sterile and Critical Operations – Project Shunya

Project Shunya was implemented to enhance the reliability of media fill performance and ensure uninterrupted sterile production. The initiative focused on strengthening manufacturing execution through improved technical controls and by building robust shop-floor capabilities, enabling consistent and repeatable media fill outcomes. A comprehensive five-year review of historical media fill trends was conducted to identify recurring executional and component-related challenges. Based on these insights, targeted technical interventions were designed and implemented to address the root causes.

Focused training programmes were delivered in collaboration with Original Equipment Manufacturers ("OEMs"), integrating theoretical knowledge with hands-on practice using actual components. More than 330 participants from sterile manufacturing units across Goa, Sikkim and Indore attended harmonised workshops covering critical elements such as gaskets, hosepipes, diaphragms, Tri-Clamp (Tri-Clover) fittings and Filter Integrity Testing requirements. The initiative significantly reduced site-to-site variability, reinforced execution discipline and improved overall media fill reliability, thereby supporting sustained and uninterrupted sterile operations.

Driving Excellence in Sustainable Manufacturing[3]

Sustainability remains central to how we design and operate our manufactured capital. In FY 2025-26, 17% of our total capital investment was dedicated to minimising the environmental and social impact of our products and operations Our efforts focused on optimising energy use, conserving water, reducing emissions, minimising waste and strengthening long-term resource stewardship. Key sustainability-linked projects are detailed in the table below.

Key initiatives include the following:

Sr No	Initiative	Details	Outcome	Location
1	Water monitoring	Real-time water flow tracking	Better water conservation	Bommasandra
2	RO optimisation	Secondary RO system added	50% reduction in reject water	Bommasandra
3	Sewage treatment upgrade	New 20 KLD SBR-based STP	Improved recycling	Sikkim
4	Water reuse	Treated water used for flushing	Lower freshwater use	Sikkim
5	Rainwater harvesting	Rainwater reused for utilities	Reduced external water use	Indore
6	Solar energy	Rooftop solar panels installed	Lower energy emissions	Goa
7	Efficient cooling	Magnetic chillers installed	Energy savings	Indore
8	Utility efficiency	Efficient compressors and EC blowers	Reduced power use	Indore, Kurkumbh
9	Emission reduction	Cleaner DG sets and RECDs	Improved air quality	Goa, Satara
10	Effluent treatment	Advanced ETP and reuse systems	High recycling, low discharge	Patalganga, Virgonagar, Kurkumbh

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

Digitisation and Automation[4]

Digitisation and automation remained key pillars of our manufacturing transformation in FY 2025-26. During the year, we expanded Industry 4.0 initiatives across API and formulation sites, embedding intelligence into manufacturing, quality, and engineering processes. Advanced analytics, AI/ML-driven decision systems and integrated digital platforms enhanced end-to-end visibility, strengthened compliance and improved operational responsiveness. These interventions delivered clear outcomes, including higher yields, faster document closures, improved on-time compliance, and a reduction in repeat issues across multiple sites. Notable initiatives are as follows:

Project	Description	Benefits	Location
Supervisory Control and Data Acquisition ("SCADA") / Electronic Data Logging and Monitoring System ("EDLMS")	Enables automated real-time data capture and electronic batch reporting.	Eliminates manual entries; Strengthens data integrity; Improves efficiency	Goa & Indore
Internet of Things ("IoT") Vibration Monitoring	Provides real-time vibration data on compressors and chillers.	Early fault detection; Reduced downtime; Supports predictive maintenance.	Goa & Bommasandra
Systems Applications and Products ("SAP") Calibration Module	Enables paperless calibration and streamlines calibration workflows.	Improves compliance, Traceability and accuracy.	Goa
Vapor Compression Distillation Plant ("VCDP")	Produces Water for Injection using vapor-compression distillation.	Higher energy efficiency; Reduced water wastage.	Goa
Diesel Generator ("DG") Grid Synchronisation	Enables automatic switchover between grid and DG supply.	Better power reliability; Reduced downtime.	Goa & Sikkim
Unified 110 Kilovolt ("KV") Power Grid Migration	Consolidates multiple 33 kV networks into a unified 110 kV system.	Lower outage risk; improved stability;	Goa
Manufacturing Execution System - PAS-X Electronic Batch Records ("eBR")	Enables fully digital and paperless batch execution.	Faster reviews; Stronger data reliability; Better traceability.	Goa & Indore
Utility Automation and Energy Management	Automates utility control for chillers, compressors, pumps and cooling towers.	Lower energy consumption	Goa
Planned Preventive Maintenance ("PPM") Digital Checklist via SAP	Implements digital preventive-maintenance checklists within SAP.	Improved data reliability, Faster audits and Fewer errors.	Goa and Patalganga
Ultrasonic Cleaning System	Uses closed-system ultrasonic cleaning with Clean-In-Place technology.	Efficient cleaning with minimal manual effort.	Bommasandra
1000 Tonne Refrigeration ("TR") Magnetic Chiller	Enhances cooling using magnetic-bearing, friction-free technology.	Lower electricity use; Reduced maintenance.	Indore
Stoppering Height and Visual Inspection - Underfill Detection and Notification System ("UDNS")	Automates stoppering-height checks and visual inspection.	Less manual effort; Improved efficiency and consistency.	Indore
Jet Mill Ionisation Upgrade	Adds ionisers to control static during jet milling.	Reduced static; reduces clumping;	Patalganga & Virgonagar
Alternate-Source Power Transmission	Implements a dedicated 66 kV express feeder for reliable power.	Higher reliability, Reduced diesel use and lower carbon footprint.	Sikkim

[4]GRI 3-3

Product Quality and Safety[5]

Quality targets and focus areas:

- Continuously improve the quality culture in the organisation and the supply chain
- Minimise microbiological excursions by ensuring sterile work practices
- Achieve Right First Time for all manufactured batches
- Continuously collaborate to emphasise commitment to quality
- Close investigations and regulatory audit observations swiftly within defined timelines
- Improve the effectiveness of Corrective and Preventive Actions ("CAPA")
- Minimise on-site incidents with full adherence to all safety practices
- Improve regulatory and compliance expertise of mid-level management to meet quality targets and nurture future leaders
- Strengthen the internal audit process
- Ensure on-time regulatory filings
- All time audit readiness

Quality highlights:

120 external audits

87 internal audits

71 customer inspections

49 regulatory inspections

Quality Management Systems

The Company continues to strengthen its quality framework through a robust Quality Management System supported by regular in process quality assurance ("IPQA"), comprehensive Quality Control testing before release and vigilant Pharmacovigilance and Post Marketing Surveillance to identify early product performance signals. Vendor quality is ensured through periodic audits, while continuous equipment upgrades and automation reduce process and product variability. A structured complaint handling mechanism enables timely resolution and effective corrective and preventive actions.

We have also established a comprehensive Quality Management System for drug-device combination products, supported by defined Standard Operating Procedures ("SOPs") covering risk management and design control. Our joint venture, Jay Precision Pharmaceuticals Private Limited, continues to be assessed under ISO 13485:2016.

Cipla provides accessible reporting channels for external stakeholders, including a dedicated email ID drugsafety@cipla.com, customer care helplines managed by the Medical Information Call Center ("MICC") team and country specific drug safety and product complaint helplines, enabling timely and compliant submission of product complaints and adverse event reports.

Regulatory Compliance:

At Cipla, we engage with regulatory authorities in multiple countries to ensure compliance with current Good Manufacturing Practices ("cGMP") and with other applicable regulations.

In FY 2025-26, we underwent 49 inspections conducted by leading global regulatory authorities, including the USFDA, WHO-Geneva, ANVISA-Brazil, PMDA, EMA of which 39 were onsite and 10 were desk assessments. No critical observations were issued during these inspections, noting that the USFDA does not categorise observations by severity.

The USFDA conducted inspections at our manufacturing sites—Bommasandra and Invagen, US—resulting in one Form 483 observation at Bommasandra and two Form 483 observations at Invagen, US.

[5]GRI 416-1

The inspection at Bommasandra concluded with the issuance of an Establishment Inspection Report ("EIR"), reaffirming our commitment to maintaining strong regulatory compliance. For Invagen, US, the initial compliance response has been submitted and the EIR is awaited.

Product Lifecycle Management & Testing

Product Testing[6]

At Cipla, our commitment to quality is upheld through comprehensive testing across the product life cycle. We conduct rigorous evaluations of raw materials, in process samples, and finished products to ensure the consistency, safety, and reliability of our medicines. All testing protocols are aligned with applicable pharmacopeial standards and regulatory requirements. Our products undergo detailed assessments such as assay, impurity profiling, and performance testing. Additionally, we proactively address emerging quality and patient safety risks, including conducting Nitrosamine testing for both formulations and Active Pharmaceutical Ingredients ("APIs").

Combating Counterfeiting of Medicines

Cipla is committed to combating counterfeit medicines to protect patient safety and product integrity through a comprehensive, multi pronged approach. This includes physical market surveillance, online monitoring, and close collaboration with enforcement agencies, FDA authorities, e commerce platforms, and specialised third party agencies to detect, investigate, and take legal action against counterfeiters. Suspected products are analysed to confirm authenticity, with prompt information sharing to ensure effective enforcement.

To further strengthen product security, Cipla incorporates advanced overt and covert packaging features such as multi colour security printing, holograms, microtext, hidden logos, laser coding, QR codes and pharma codes. For export markets, track and trace serialisation systems are implemented in line with country specific regulations (including the US and Europe), while for domestic products, unique QR codes are used in compliance with Indian Government mandates to enable product authentication.

Product Recalls[7]

In FY 2025-26, we recorded a total of 33 product recalls, comprising seven statutory recalls, classified as Class III at the wholesale level in India and 26 voluntary recalls, of which 14 were Class II at the retail level and 12 were Class III at the wholesale level. These recalls arose from statutory mandates, market complaints, stability failures and internal investigation findings. We did not record any Class I recalls during the year.

To prevent recurrence, we implemented comprehensive corrective and preventive actions across our manufacturing, packaging, material inspection and vendor management processes, strengthening overall product quality and supply chain integrity.

Safe Product Destruction

Cipla ensures the responsible and compliant disposal of pharmaceutical waste through a structured, environmentally conscious process. Approximately 580 tons of expired materials were returned for verification and safe incineration.

The entire process is supported by end-to-end digital traceability in SAP, ensuring full visibility and accountability. All disposal activities are carried out under the required Pollution Control Board permissions and compliance framework.

Pharmacovigilance ("PV")

Cipla operates a comprehensive global Pharmacovigilance and patient safety system led by the Drug Safety Department in Mumbai, supported by qualified service partners under strict oversight. The system covers both Direct to Market territories, where Cipla manages sales and distribution directly, and Business to Business ("B2B") territories, where products are supplied to partner companies for commercialisation. 100% of the employees went through mandatory PV training to reinforce timely adverse event reporting. PV activities are governed by global SOPs covering case intake, processing, medical review, regulatory submissions, vendor management and signal detection.

Adverse events, product complaints and medical inquiries are managed within the dedicated database through structured workflows, supplemented by internal quality checks and annual vendor audits. Regular signal detection includes statistical analyses, targeted case reviews, and biannual reporting to the Drug Safety Review Committee. Adverse event reporting guidelines are available on our website. Product complaints are logged in TrackWise and investigated under CQA oversight, with defined response timelines. During FY 2025-26, Cipla received a total of 5,732 customer complaints, successfully resolving 4,756 of them. The Company remains committed to addressing the remaining cases within the established timelines.

Key PV performance metrics, including reporting timelines, audit findings, and CAPA effectiveness, are monitored monthly and reviewed quarterly by senior leadership. Vendor performance is tracked through defined SLAs across processing, mailbox management, and complaint handling. PV staff receive role-based training through

[6] GRI 416-1
[7] GRI 416-2 and Information in line with Question no. 4 under essential indicators of Principle 9

instructor-led sessions, e-learning modules, and the annual PAN Cipla awareness program. Cipla maintains strict compliance with global pharmacovigilance regulations and Good Pharmacovigilance Practices ("GVP"). No FDA PV inspections were reported during the year.

Data Integrity and Security[8]

At Cipla, safeguarding personal data is integral to maintaining trust with patients, partners, and stakeholders.

The Company maintains strong governance mechanisms to oversee all information security activities. At the board level, information security is monitored through the Risk Management Committee. At the executive level, information security aspects are overseen by the Chief Information Officer. Cipla's Cyber Security Compliance Management is governed by a robust Information Security Management System ("ISMS") comprising specialised policies, including data privacy and risk management, aiming to protect against AI-enabled threats.

The Company has a comprehensive Information Security Policy that emphasizes continuous improvement, maintaining data integrity, proactive threat monitoring, and establishing responsibilities across the workforce. The information security management programme includes business continuity planning, vulnerability analysis, internal audits, and an annual external audit aligned with ISO 27001 and NIST standards. Measures also include structured incident reporting, escalation protocols, employee awareness training, and strong controls to protect third-party data from unauthorised access.

During FY 2025-26 and FY 2024-25, the Company recorded no substantiated complaints related to breaches of data privacy, no complaints from regulatory bodies, and no identified leaks, thefts or losses of customer data.[9]

Responsible information management is upheld through continuous employee cybersecurity training and regular awareness communication. External partners undergo security due diligence before being granted access to corporate systems. The Company has whistle-blower mechanisms under the Data Privacy Management Policy enabling stakeholders to report concerns. Stakeholders can reach our Privacy Office through designated channels such as globalprivacy@cipla.com and escalate grievances to grievance.officer@cipla.com. Information security risk assessments and internal audits are regularly conducted under the Information and Cyber Security Compliance Management Policy.

The Company clearly informs customers about the personal data collected—both actively and passively—and its intended use, while giving them the right to limit sharing, access, correct, delete, or transfer their data. Customers can opt out of communications and opt in consent is taken where required. The privacy policy also explains data retention timelines, security measures, and conditions for third party disclosure.

[8]GRI 3-3
[9]GRI 418-1 and Information in line with BRSR Question no. 5 under essential indicators of Principle 9

Intellectual Capital

Our Contribution to Sustainable Development Goals

- 3 GOOD HEALTH AND WELL-BEING
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 13 CLIMATE ACTION

Strategic Focus Areas

Innovation and Investment in Research & Development

Key Performance Highlights

₹ 1,974 crores
of R&D Expenditure[1]

285
Cumulative ANDAs & NDAs[2]

2,824
Cumulative DMFs

169
Cumulative US DMFs

166
New products launched

281
Patents granted

Our Intellectual Capital Philosophy[3]

We strengthen our Intellectual Capital through investments in Research & Development ("R&D") and continuous learning and innovation. This enables us to deliver technology-led solutions that address unmet patient needs, drive operational excellence, and create sustainable value for stakeholders and communities.

Research & Development[4]

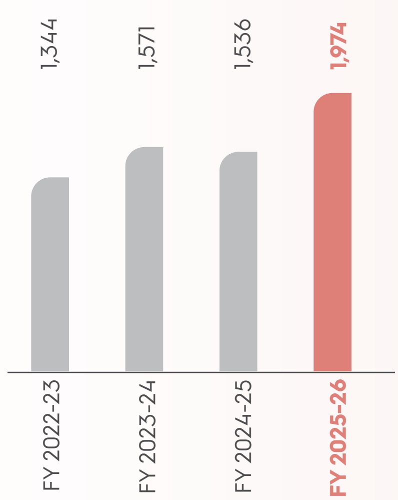
Our R&D efforts focus on developing new therapies and expanding our global reach, ensuring that healthcare remains accessible and affordable.

Six
State-of-the-art R&D centres located in Maharashtra, Karnataka, New York and Germany

1,750+
Skilled R&D employees

R&D Investments

R&D Expenditure
(in ₹ crores)



We have increased our R&D spending on patient-centric and sustainable technologies for efficient product lifecycle management resulting in enhanced product safety, energy efficiency and reduction in wastage. In our commitment towards a greener future, we are transitioning to Low Global Warming Potential ("LGWP") propellants, thereby reducing the environmental impact, while ensuring product efficacy, maintaining regulatory compliance, and upholding laboratory safety standards.

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

Advancing R&D Excellence through Targeted Learning

During FY 2025-26, the IPD Academy continued to strengthen the learning ecosystem by delivering **over 4,500 hours** of in-person trainings across critical technical and regulatory domains, supported by digital learning through the Cipla Regulatory Intelligence Shared Platform ("CRISP"). Key topics included Intellectual Property, ANDA pre-submission processes, regulatory guidelines, good documentation practices and emerging therapeutic technologies such as mRNA, biosimilars, Point of Care diagnostics, oligonucleotides, peptides and CAR-T cell therapy.

281 Active Patents

15 New Patent Applications	11 Patents Granted
5 Formulations	3 Formulations
2 Devices	2 Devices
8 API	6 API

Expanding our Intellectual Property Footprint[5]

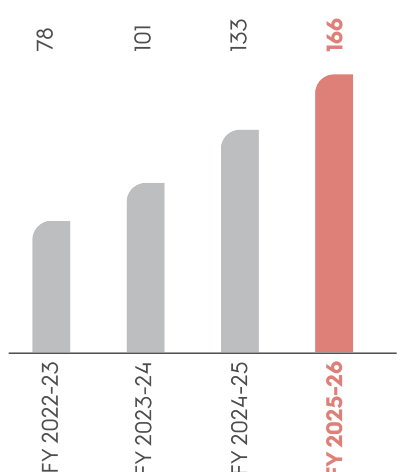
We strengthened our innovation pipeline by filing patents across processes, products, drug delivery systems, devices, solid forms and drug repurposing serving both national and international markets. We did not file any patents in low-income economies, as defined by the World Bank during FY 2025-26, underscoring our commitment to equitable access to medicines. We do not own or acquire any intellectual property based on traditional knowledge. Furthermore, we did not receive any adverse orders related to intellectual property disputes involving the use of traditional knowledge.[6]

During the year, we filed 15 new patent applications, and were granted 11 patents, increasing our total patent portfolio to 281.

Our Product Portfolio

We continued to strengthen our portfolio with a focused approach to product innovation and market expansion.

Year-on-Year Product launches



Geography-wise breakup of product launches

India	15
North America	13
Europe	39
One Africa	11
Emerging Markets	88
Total	**166**

[5]GRI 3-3
[6]Information in line with BRSR Question no. 4 and 5 under leadership indicators of Principle 8

Key Product Launches

We have launched a range of innovative, high-impact products across various geographies targeting unmet therapeutic areas with innovative and cost-effective products. Some of the key product launches are as follows:

India

- **Pirfenidone Tablets 801 mg**, Cipla's first product featuring easy-to-swallow technology used for the treatment of idiopathic pulmonary fibrosis ("IPF"). This product is designed to enhance patient convenience, particularly among geriatric populations.
- **ZEMDRI® (Plazomicin),** a novel patented treatment for complicated Urinary Tract Infections ("cUTI") including pyelonephritis. This new intravenous ("IV") aminoglycoside injection reinforces our commitment to tackle emerging healthcare crises, like anti-microbial resistance ("AMR").
- **HUENA, Methenamine Hippurate,** a non-antibiotic treatment for patients suffering from recurrent urinary tract infections ("UTI"). **Cipla is the first to introduce this treatment in India, marking a significant step in the fight against AMR**.
- **Cipkavi (2000 mg Ceftazidime and 500 mg Avibactam),** an antibiotic injection used for the treatment of severe bacterial infections such as pneumonia and urinary tract infection.
- **Afrezza®,** a needle-free, rapid-acting inhaled insulin launched in the Indian market under an exclusive distribution and marketing arrangement, providing adults with diabetes mellitus a convenient alternative to injectable insulin therapy.

Ophthalmic

- **9 PM PF (Latanoprost ophthalmic solution 0.005%),** India's first preservative-free-technology for glaucoma. It's novel two-piece preservative free packaging system further enhances long-term safety and tolerability.
- **Nepcinac Pro (Nepafenac Ophthalmic Suspension 0.1%)** fortified with ionic buffer system eliminating the use of harsh preservatives for the management of post-operative ocular pain and inflammation, improving patient comfort.
- **Moxicip (Moxifloxacin Eye Ointment 0.5%),** used to treat bacterial conjunctivitis relaunched in an upgraded three-piece tube packaging with an extended plastic applicator nozzle designed to reduce contamination risk and improve ease and safety of application.

Cosmetic

- **Saslic Hydra Foaming Face Wash,** a fragrance free, barrier supporting cleanser that enhances skin smoothness. The hydrating cream to foam formula helps retain moisture and minimise dryness.

Strengthening the Respiratory Franchise

- We strengthened our respiratory portfolio with the launch of two triple combination Dry Powder Inhaler ("DPI") products, **Voltido Trio 100** (launched as Rotacap as well as Ciphaler) and **Foracort G Ciphaler**, two Metered Dose Inhaler ("MDI") combination products, **Foracort** (in three strengths) and **Glycohale-F** (MDI as well as Synchrobreathe ("SB")).

North America

- **Paclitaxel Albumin-Bound Particles for Injection,** used to treat metastatic breast cancer, non small cell lung cancer and pancreatic cancer.
- **Nilotinib Capsule** for the treatment of Philadelphia chromosome positive Chronic Myeloid Leukemia ("CML").
- **Glucagon Injection** an emergency medication used to treat severe hypoglycemia.
- **Ticagrelor tablets** a first-to-file antiplatelet drug used to prevent serious cardiovascular events, including heart attack and stroke.

Emerging Markets & Europe

- **Bexarotene** soft gelatin capsules for the treatment of advanced cutaneous T-cell lymphoma ("CTCL").
- **Fluticasone Propionate/ Salmeterol DPI** and **Beclomethasone/ Formeterol MDI** for the treatment of asthma and chronic obstructive pulmonary disease ("COPD").
- **Azelastine and Fluticasone Propionate nasal spray** for the symptomatic relief of moderate to severe seasonal and perennial allergic rhinitis.
- **Eltrombopag tablet** to increase platelet count in patients with chronic immune thrombocytopenia ("ITP").
- **Fexofenadine tablet** to relieve symptoms of seasonal allergic rhinitis and chronic idiopathic urticaria (chronic hives).

One Africa

- **Pirfenidone Tablets (267 mg)** for idiopathic pulmonary fibrosis in adults.
- **Esomeprazole Granules (10 mg)** for gastroesophageal reflux disease.
- **Midazolam Nasal Spray (5 mg/0.1 mL)** for the short term management of seizure clusters or acute repetitive seizures in patients aged 12 years and above.

We also launched the **Liraglutide Injection** for the treatment of type 2 diabetes and for chronic weight management in obese or overweight adults in US, South Africa and Australia.

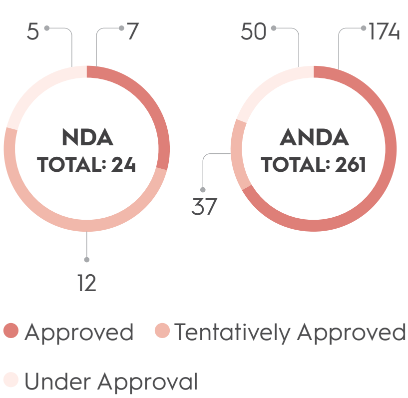
Regulatory Filings

ANDA for FY 2025-26

7 Filed

25 Approved

ANDA and NDA portfolio and pipeline as on 31st March, 2026



DMFs and Dossiers for FY 2025-26

Country	DMFs filed	Dossiers filed	Dossiers approved
India	3	12	8
US	19	10	22
Europe	44	8	88
One Africa	10	92	75#
Emerging markets	283	216	82
China	-	3	3
Canada	-	2	-
Total	**359**	**343**	**278**

Includes 3 PEPFAR approvals

25% of our medical products filings (drugs, diagnostics, medical devices, or vaccines) have been granted FDA Priority Review/EMA Accelerated Assessment (or equivalent) during last three years.

Regulatory Milestones

We continued to progress our global pipeline with regulatory filings across key markets, encompassing innovative therapies, complex injectables, oncology, metabolic care and emerging modalities.

United States

505(b)(2) Filings

An antifungal IV infusion received priority review, and two fixed dose antiretroviral combination tablet products were filed.

NCE-1 Filings

Filed three injectable products including a single-dose intravenous peptide injection, two oligonucleotide molecules as subcutaneous and intrathecal injection as well as one oral anticancer tablet for the treatment of breast cancer.

ANDA Filings

One peptide injectable product for the treatment of type 2 diabetes and management of chronic weight, a higher strength of an existing anticancer tablet to reduce pill burden, and an antiallergic nasal spray in two strengths were filed.

Emerging Markets & Europe

Respiratory Pipeline Growth: With multiple DPI and MDI product filings across Emerging Markets & Europe, we continue strengthening the respiratory innovations enhancing the treatment of asthma and COPD.

Building a future-ready innovation pipeline

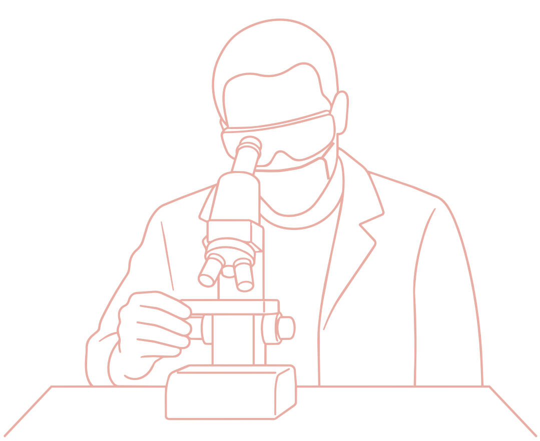
Our innovation strategy focuses on building a future ready and diversified R&D pipeline to meet evolving patient needs. While respiratory therapies continue to be a core pillar of our innovation focus, we are expanding into advanced modalities such as:

Biosimilars

Our joint venture with Kemwell Biopharma (Aspergen Inc.) delivered strong progress across its biosimilars R&D pipeline. **Our first programme, ASP100, progressed meaningfully with the successful filing of the Investigational New Drug ("IND") with the USFDA for the first in-human pharmacokinetic ("PK") studies, marking a major step toward global clinical development.** The portfolio expanded with the addition of two new molecules: ASP200, developed for the Indian market, for which a Clinical Trial Application has been filed, and ASP300, a globally focused biosimilar candidate now entering early-stage development.

Oligonucleotide Therapies

We continued to progress our generic oligonucleotide programme and **filed two ANDAs** during the year, supporting Cipla's move towards next-generation technologies beyond traditional small-molecule products.



Advancing Growth through a Strategic Asset Pipeline

Our North America pipeline is positioned to deliver sustained growth through a strong mix with assets spanning respiratory, complex generics and differentiated therapies.

Pipeline	
Respiratory	➤ Four assets projected for commercialisation in FY 2026-27 ➤ Four assets to be filed in next 24 months ➤ Two assets to be filed with green propellant in next 24 months
Peptides & Complex Generics	➤ Eight assets filed, with select launches expected in FY 2027-28 ➤ Three assets planned for filing over the next 12-24 months
Oligonucleotide / 505(b)(2) / Biosimilars	➤ One oligonucleotide and two 505(b)(2) assets planned for filing over the next 12-18 months ➤ Two Global Biosimilar assets - one in clinical study and one in early stage of development

Clinical Research and Development

Clinical research and development remain a core strength for Cipla, driving innovation and scientific excellence. The data and insights generated through our clinical programmes form valuable Intellectual Capital that fuels continuous improvement and enhances patient outcomes.

Robust performance in pilot and pivotal studies

We completed 15 pilot studies with a 100% success rate, supporting advancement into pivotal development. We achieved an overall success rate of 84.61% for pivotal studies. This strong and consistent ratio across respiratory and non-respiratory healthy subject PK studies underlines the robustness of our study design and execution, reinforcing our ability to generate high quality data and efficiently derisk development programs.

We initiated 42 clinical trials across Phase 2, Phase 3 and Phase 4, including post-marketing surveillance and Investigator Initiated Studies ("IIS"), involving over 30,000 patients, of which eight trials were completed. 11 clinical trials were in Cipla's core respiratory therapeutic area, with the remainder spanning diabetes, cardiology, infectious diseases, dermatology, oncology, ophthalmology and autoimmune disorders.

Real-World Evidence

A total of 21 real-world ("RW") studies involving more than 10,000 patients contributed to the generation of RW evidence, of these 12 studies have been completed, while 9 are ongoing.

Good Clinical Practice ("GCP") Compliant Clinical Operations

All PK and clinical trials in healthy subjects and patients were conducted in full compliance with GCP and applicable ethical standards, ensuring participant safety, data integrity, and adherence to national and international regulatory requirements.

Research Publications

During the year, our scientists published 40+ manuscripts in leading medical journals across therapies, reinforcing our focus on scientific excellence and knowledge generation. Some impactful publications are listed below:

Title	Journal
Safety evaluation of pirfenidone gel 8% w/w: assessing comedogenicity, skin irritability, allergenicity, and photo irritation	CosmoDerma
Pharmacological inhibition of hypoxia induced acidosis employing a CAIX inhibitor sensitizes gemcitabine resistant PDAC cells	Nature
Emphasis on pharmaceutically acceptable solvates linking solubility with isostructurality for better drug design	CrystEngComm
Efficacy of intracameral moxifloxacin in prevention of postcataract surgery endophthalmitis: randomized control trial	Journal of Cataract & Refractive Surgery
Plazomicin Pharmacokinetics in Indian Complicated Urinary Tract Infections Patients: A Subgroup Analysis from Phase 2 Study	Clinical Pharmacology in Drug Development
Outcomes and Usability of Formoterol - Budesonide delivered through Synchrobreathe in patients with chronic obstructive pulmonary disease: The EMERGE Study	Drugs - Real World Outcomes

We also supported the dissemination of six treatment guidelines across various therapies like respiratory, cardio-diabetes and allergic rhinitis, through webinars, reinforcing our commitment to advancing clinical knowledge and evidence based care.

External Engagements and Advancements

Advancing Global Standards and Regulatory Excellence

We contribute our expertise to the standard-setting processes of the European Directorate for the Quality of Medicines and Healthcare and the United States Pharmacopeia, supporting the development of globally recognised standards. Through active engagement in regulatory partnerships and initiatives, we strive to establish industry benchmarks and consistently deliver high-quality healthcare solutions worldwide.

During the year, we engaged with regulators, including USFDA interactions for four 505(b)(2) products, and with the Drugs Controller General of India through an IND related Subject Expert Committee ("SEC") meeting.

Scientific Collaboration and Development Advancement

We collaborated with leading experts to strengthen scientific rigor and support informed decision making across clinical development programmes/clinical assessments.

This included engagements with two Model Informed Drug Development ("MIDD") experts to support population PK modelling review, collaborations with pharmacists and other Key Opinion Leaders ("KOL") to identify unmet needs across select therapies such as oncology, pulmonology, neonatology, geriatrics, infectious disease and cardiology. We also conducted a survey across pharmacists in US on compounded drugs.

Scientific Outreach and Knowledge Dissemination

Our scientific outreach included 46 completed patient and physician surveys, with 41 ongoing. We delivered 90+ presentations at national and international conferences in multiple therapeutic areas such as respiratory, infectious diseases, diabetes, urology, dermatology and ophthalmology.

Strengthening Scientific Capabilities through Academic Partnerships

The Centre of Excellence for Polymorphism continued to strengthen Cipla's scientific depth through active collaboration with experts from IIT Hyderabad and other leading academic institutions. These partnerships enhance capabilities in crystallography, solid state chemistry and advanced analytical and structural characterisation techniques. Access to specialised expertise, modern methodologies and state of the art instrumentation has significantly improved our ability to address complex polymorphic, stability and material science challenges.

Cipla also collaborated with subject matter experts from academic institutions like Institute of Chemical Technology ("ICT") to strengthen intellectual and technical support for fermentation related development activities, advancing capability building in this emerging space.

AI-Led Digital Transformation in Intellectual Product Development ("IPD")

We advanced our digital transformation agenda by focusing on two critical areas that significantly influence timely product development, faster regulatory approvals and efficient lifecycle management - **Regulatory Information Management Software ("RIMS") and Electronic Lab Notebook ("ELN").**

Our next-generation **RIMS,** powered by AI-driven automation and intelligent data analytics, is transforming regulatory operations. The system enables automated monitoring, classification and impact assessment of regulatory updates, ensuring stronger compliance and more efficient end-to-end regulatory outcomes.

Additionally, our AI-based regulatory agent provides advanced reasoning, compliance insights and decision support, helping build high-quality dossiers, anticipate potential deficiencies and strengthen lifecycle management processes.

In parallel, we are also implementing a sophisticated **ELN** across all IPD laboratories from synthesis to formulation development. The ELN will enhance compliance and productivity through collaborative digital workflows, faster experiment documentation, centralised data management, instrument integration, analytics and AI-enabled in-silico capabilities.

These digital initiatives collectively strengthen accuracy, speed, compliance and scientific rigour across the IPD value chain.

Innovations in Active Pharmaceutical Ingredient ("API")[7]

At Cipla, we drive innovation in API development through process optimisation, impurity profiling and advanced pre-formulation research reflecting our commitment to scientific excellence and environmental responsibility. A few process enhancements undertaken are as follows:

Polymorph (Crystal Forms) Selection & Risk Intelligence

We introduced a decision framework that enables early selection of right solid-state crystal forms and resolution of solid state risks. Expansion of knowledge driven databases improved early risk prediction and translated into higher success rates.

Advanced Isotope Profiling

A robust liquid chromatography-mass spectroscopy ("LC-MS/MS") based method now enables precise measurement of isotope incorporation across APIs and raw materials from development through manufacturing.

Physicochemical Capability

We have established in house capabilities such as partition coefficient (Log P) and dissociation constant (pKa) to test important chemical properties of drug substances. These support API DMF submissions and enable stronger regulatory readiness.

Complex Biomolecule Characterisation

Adoption of Diffusion Ordered Spectroscopy Nuclear Magnetic Resonance ("DOSY NMR") allows us to distinguish closely related biomolecules, providing clear identification and deeper insight into complex biomolecules.

Green Chemistry Initiatives: Driving Sustainable Innovation

Our innovation strategy is closely aligned with sustainability, supported by targeted green chemistry initiatives that reduce environmental impact, improve operational efficiency and maintain compliance while delivering high quality medicines. These efforts have lowered the use of hazardous solvents, enhanced process safety and sustainability, and strengthened overall process robustness in line with green chemistry principles

Biocatalysis

We implemented an enzyme-catalysed chiral resolution to replace conventional chemical methods, delivering higher stereoselectivity and a more sustainable route.

Strengthening Process Safety and Sustainability

We implemented several process improvements during the year, including the replacement of Methyl Tert-Butyl Ether ("MTBE") with Ethyl Acetate for product isolation to enhance safety and compliance. We also transitioned to a safer reaction system that significantly reduces the use of dioxane, with aqueous hydrochloric acid in a methanol–water medium. A greener ester-hydrolysis method, improving overall safety and reducing waste.

Advanced Synthesis

We developed an improved amide bond reduction methodology offering a safer, more efficient alternative for complex API synthesis. This advancement addresses key challenges in difficult reaction pathways, improving process reliability, and overall synthetic accessibility.

[7] GRI3-3

Human Capital

Our Contribution to Sustainable Development Goals

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Strategic Focus Areas

- Building Future-Ready Leaders
- Advancing Diversity and Inclusion
- Ensuring Employee Health and Wellbeing
- Fostering Continuous Learning and Development

Key Performance Highlights

1,00,000+
hours devoted to volunteering activities

29.8
average training hours per person

80%
succession covers for critical senior management roles

Awards and Recognitions

- **India's Best Employers** Among Nation-Builders 2025
- **India's Best Companies** to Work For 2025 - Top 100
- Excellence in **HR Digital Transformation through AI- GOLD**
- Excellence in **HR Data Analytics- BRONZE**
- **SHRM Excellence Awards-** Gold in Learning and Development and Silver in People Analytics

Our Human Resource Philosophy[1]

We continued to focus on building a work environment that supports capability development, inclusion, wellbeing and responsible people practices. Our Employee Value Proposition, "Make Every Life Thrive", continued to guide the design and implementation of people policies and programmes across the organisation.

Our efforts are directed towards leadership development, learning and capability building, inclusion, employee wellbeing and the responsible use of digital and AI-enabled tools across people processes.

[1]GRI 3-3

Our Diverse Workforce[2]

We take pride in fostering a vibrant and diverse workforce that spans generations, nationalities, genders, skills and abilities. With a presence across 18 countries and six continents, the breadth of our team's diversity enables us to respond to patient needs with agility and effectiveness. In addition to our permanent employees, we also engage contractual workers for operational roles such as packaging, production line operations, loading and unloading and other essential operational activities.

Workforce Overview - by Gender, Age and Workforce Categories

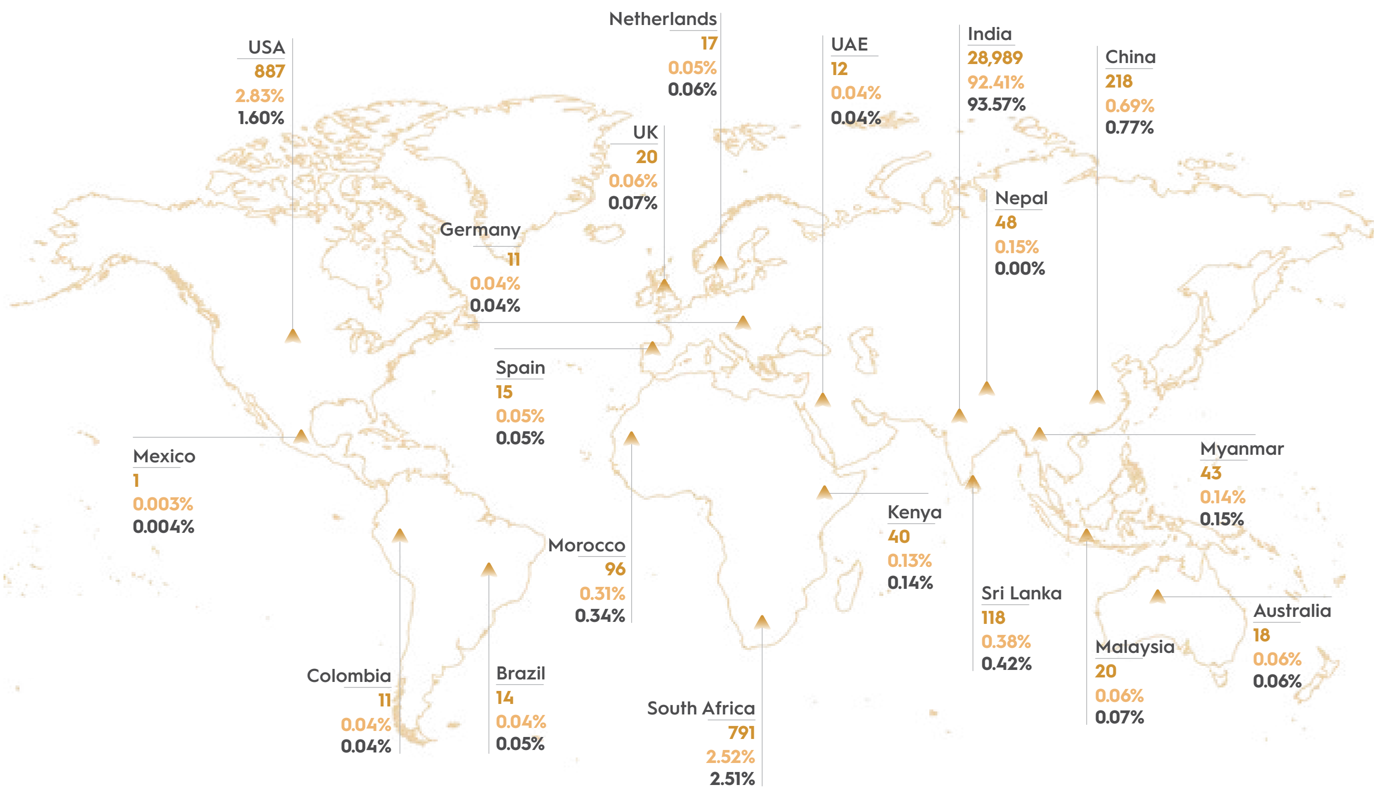
Category	<30 years		30-50 years		>50 years		Male		Female		Total
	Male	Female	Male	Female	Male	Female	Nos.	%	Nos.	%	
Permanent Employees											
Top Management	-	-	2		7	1	9	90.00	1	10.00	**10**
Senior Management	-	-	77	16	88	16	165	83.33	32	16.24	**197**
Middle Management	344	115	4,477	615	303	78	5,124	86.38	808	13.62	**5,932**
Junior Management	8,298	2,121	9,566	1,534	247	103	18,111	82.82	3,758	17.18	**21,869**
Associates/Non-Management	25	25	154	71	118	47	297	67.50	143	32.50	**440**
Indian Subsidiaries	664	153	1,358	262	113	28	2,135	82.78	443	17.18	**2,578**
Permanent Workers											
Workers	6	6	129	49	106	47	241	70.26	102	29.74	**343**
Total Permanent Workforce (a)	**9,337**	**2,420**	**15,763**	**2,547**	**982**	**320**	**26,082**	**83.15**	**5,287**	**16.85**	**31,369**
Non-Permanent Employees											
Non-Permanent Employees	2,143	1,039	2,663	711	187	37	4,993	73.64	1,787	26.36	**6,780**
Non-Permanent Workers											
Non-Permanent Workers	4,224	829	3,057	921	270	46	7,551	80.79	1,796	19.21	**9,347**
Total Non-Permanent Workforce (b)	**6,367**	**1,868**	**5,720**	**1,632**	**457**	**83**	**12,544**	**77.78**	**3,583**	**22.22**	**16,127**
Grand Total (a)+(b)	**15,704**	**4,289**	**21,483**	**4,179**	**1,439**	**403**	**38,626**	**81.32**	**8,871**	**18.68**	**47,496**

Differently-abled Employees and Workers[3]

Particulars	Total	Male		Female	
		Nos	%	Nos	%
Permanent Employees	5	4	80	1	20
Permanent Workers	-	-	-	-	-
Total	**5**	**4**	**80**	**1**	**20**

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

Country-wise Headcount for Permanent Employees and Workers as on 31st March 2026[4]



31,369

Total number of permanent employees and workers

Number of permanent employees and workforce

Share in total workforce (as % of total workforce)

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

Strength Through Diversity, Growth Through Belonging

Our Employee Value Proposition is anchored by three core pillars that celebrate the unique strengths, perspectives, and experiences each individual brings to the table. By fostering a culture of respect, inclusion and appreciation, we create an environment where every employee feels valued and empowered to thrive, helping us attract diverse talent, deepen engagement and build lasting connections.

inspiring pioneers | championing care | nourishing careers

Inspiring Pioneers

We inspire forward-thinking individuals to challenge the status quo and uncover opportunities for innovation across our systems, products, and processes. This pioneering spirit fuels a culture of continuous improvement, where every effort is driven by purpose and the ambition to create meaningful impact.

[4]GRI 2-7

Technology-Driven People Practices

We continue to strengthen our digitised HR technology landscape across the employee lifecycle, delivering consistent, inclusive, and engaging employee experience.

An integrated HR ecosystem supports the entire employee lifecycle, enabled by dashboards, analytics, and GenAI insights to improve transparency, governance and decision-making; Ciplaverse, our unified mobile platform, provides seamless access to HR services, policies, and organisational communication across geographies. We have expanded AI-enabled people's insights across key HR processes, job evaluation, predictive attrition, employee profiling and performance management.

These initiatives have driven improved operational efficiency, faster decision-making and scalable HR service delivery. Our efforts were recognised with Gold for Excellence in HR Digital Transformation through AI and Bronze for Excellence in HR Data Analytics at the Economic Times Human Capital Awards 2026, along with First Runner-Up at SHRM 2025 for Excellence in People Analytics.

A Culture Where Everyone Belongs

We are taking purposeful action to increase the representation of women and other underrepresented communities, building a workforce that truly reflects the world we serve. Our commitment to inclusion extends across all dimensions of diversity

Medical insurance coverage to partners and parents of LGBTQ+ employees and conduct regular awareness workshops to foster understanding and allyship.

Accessibility remains a key priority; our offices and site locations comply with established accessibility standards, ensuring an equitable experience for all.[5]

We mark occasions such as the International Day of Persons with Disabilities ("IPWD") and PRIDE Month to build awareness, celebrate diversity, and deepen a culture of sensitivity across the organisation.

We create equitable opportunities for differently abled individuals through unbiased hiring practices and dedicated programmes such as Training and Educational Centre for Hearing Impaired ("TEACH"), which offers meaningful internship opportunities. Our Equal Opportunity Policy, aligned with The Rights of Persons with Disabilities Act 2016, safeguards their rights and ensures equal access to growth and advancement. The policy can be accessed from this link https://www.cipla.com/sites/default/files/2023-07/Equal-Opportunity-Policy.pdf.[6]

Diversity

Our diversity philosophy guides us and sets actionable strategies, and accountability systems to embed inclusion and equity across the organisation. Our Inclusion and Diversity Council, chaired by the Managing Director and Global CEO, meets quarterly to review progress, benchmark against industry's best practices, and drive continuous improvement.

We build an inclusive workplace through focused leadership development, diversity hiring, and Employee Resource Groups ("ERGs"). Cipla's WIN enables women to connect, grow and advance through mentorship and networking, aiming to #InvestInWomen by strengthening leadership representation, promoting inclusive policies, and addressing unconscious bias. Minutes of Wisdom, a speed-mentoring initiative exclusively for female professionals, creates meaningful interactions with senior leadership—building confidence, broadening professional exposure and catalysing mentoring relationships to support their career development

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

Diversity at a Glance: FY 2025-26

16.85%

Share of female employees in the total permanent workforce

15.94%

Share of women in top management positions (as percentage of total top management positions)[7]

17.18%

Share of women in junior management positions (as percentage of total junior management positions)

19.21%

Share of women in STEM-related positions (as percentage of total STEM positions)[8]

16.42%

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

10.34%

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

Championing Women in Leadership

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

Championing Care

At Cipla, we strive to create an environment where everyone can bring their authentic selves to work, grounded in respect and care. We believe that when we positively impact an employee's life, the ripple effect extends to their families and communities. Through our volunteering efforts and continued commitment to care, we aim to create meaningful and lasting impact for those we engage with and beyond.

Holistic Approach

Anchored in our commitment to social and environmental responsibility, we strive to keep our workforce engaged and inspired to contribute positively to society and the planet. The Wellbeing Carnival initiative is a strong example of this commitment in action.

Wellbeing Carnival

The Wellbeing Carnival stood out as a unique initiative, delivering a holistic approach to employee Wellbeing. It featured a diverse mix of activities, including health checkups, interactive wellness counters and an innovative financial investment simulation experience. By integrating physical, mental, and financial Wellbeing into an engaging format, the carnival raised awareness and inspired employees to adopt healthier lifestyle choices.

[7] For the purpose of this data Top Management positions includes two levels below the CEO

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

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

MENTAL

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

PHYSICAL

- Walk2Fit Step Challenge
- Fitness Programs
- Health Screenings

FINANCIAL

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

Employee Engagement Efforts

Our engagement efforts are further strengthened by the Unplugged podcast series, a flagship initiative featuring impactful episodes aired fortnightly on Fridays. The series includes SheRose, which showcases inspiring personal journeys of women achievers, and Cipla's Got Talent, a platform for Ciplaites across the globe to express and celebrate their creative talents.

The Impact of Our Wellbeing Programmes

Our wellbeing programmes have delivered meaningful outcomes, positively influencing morale, productivity and engagement reflected in a strong 93% MiVoice engagement score. Tailored sessions on the AMAHA platform have supported employees in managing stress and anxiety, while financial wellness initiatives, including access to financial advisors and budgeting tools, have enabled better financial planning. Interactive initiatives such as the Wellbeing Carnival have promoted health awareness and financial literacy, and increased voluntary parent policy enrolments alongside the Health Talk with Global Chief Medical Officer series highlight growing proactive health management. Together, these efforts reinforce Cipla's commitment towards employee care and a motivated, productive workforce.

Recognising and Celebrating Employee Excellence: Fostering a Culture of Appreciation

In FY 2025-26, we rolled out a range of rewards and recognition initiatives aimed at enhancing employee satisfaction and driving business performance. Through the Applause platform, campaigns such as Gratitude Month and special Women's Day initiatives were launched to further embed a culture of continuous recognition.

Employee Benefits and Policies[9]

Our benefits and policies form the pillar of our culture, empowering employees to thrive and bring their best selves to work every day. Thoughtfully designed to go far beyond basic guidelines and services, they reflect our deep commitment to building a nurturing, inclusive, and empowering workplace. Guided by our core philosophy of "Caring for Life," these carefully curated policies and benefits are intended to support holistic wellbeing, inspire growth, and enable long term success for every employee. Below is a glimpse of the exceptional offerings we are proud to provide.

Time away from work

Different Types of Leaves

- Maternity
- Paternity
- Adoption
- Sabbatical
- Transfer
- Medical
- Accidental
- Compassionate
- Celebration leave

Inclusive ecosystem

- Medical Insurance for self, spouse, children, live-in partners, same sex partners and their respective parents and parent-in laws
- Day care, Creche and lactation facilities
- Gender neutral washrooms
- Accessibility facilities for differently abled colleagues

Flexibility

- Flexi working guidelines for corporate offices
- Employee financial Wellbeing
- Employee volunteering policy

Family support

- Financial assistance in the event of death of employees/workers
- Education merit awards for children of employees
- Cipla manufactured Medicine on discount – through MiPharmacy policy

An Overview - Employee Wellbeing and Benefit Coverage

The following tables present an overview of parental leave utilisation, employee wellbeing measures, and retirement benefits for FY 2025-26. They highlight the coverage of health and accident insurance, maternity and paternity benefits, and day-care facilities, along with the proportion of employees and workers benefiting from such facilities. The tables also outline the financial investments made towards employee wellbeing initiatives.

Details of Parental Leave availed by Employees for FY 2025-26[10]

No. of employees who availed parental leave in FY 2025-26		No. of employees who were due to return to work in the reporting period after parental leave ended		No. of employees who returned to work in the reporting period after parental leave ended		Out of the employees who returned to work, how many have completed 12 months after returning to work		Return to Work Rate (in %)			Retention Rate(in %)		
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total	Male	Female	Total
1,515	174	1,516	161	1,514	160	1,191	132	99.87	99.38	**99.82**	83.05	81.48	**82.89**

[9]GRI 401-2
[10]GRI 401-3 and Information in line with BRSR Question no. 5 under essential indicators of Principle 3. This data pertains to permanent employees and workers. During FY 2025-26 parental leave was not availed by any of the permanent workers

Details of Measures for the Wellbeing of Employees for FY 2025-26[11]

Percentage of Employees Covered

Category	Total(A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	**24,520**	24,520	100	24,520	100	NA		24,520	100	9,983	40.71
Female	**4,355**	4,355	100	4,355	100	4,360	100	NA		1,957	44.94
Total	**28,875**	**28,875**	**100**	**28,875**	**100**	**4,360**	**100**	**24,520**	**100**	**11,940**	**41.35**
Other than Permanent Employees											
Male	**4,761**	NA		4,516	94.85	NA		NA		1,128	23.69
Female	**1,590**	NA		1,368	86.04	NA		NA		524	32.96
Total	**6,351**	**NA**		**5,884**	**92.65**	**NA**		**NA**		**1,652**	**26.01**

Percentage of Workers Covered

Category	Total(A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	**90**	90	100	90	100	NA		90	100	90	100
Female	**24**	24	100	24	100	24	100	NA		24	100
Total	**114**	**114**	**100**	**114**	**100**	**24**	**100**	**90**	**100**	**114**	**100**
Other than Permanent Workers											
Male	**7,541**	NA		7,403	98.17	NA		NA		6,059	80.35
Female	**1,789**	NA		1,710	95.58	NA		NA		1,605	89.71
Total	**9,330**	**NA**		**9,113**	**97.67**	**NA**		**NA**		**7,664**	**82.14**

Spending on Wellbeing Measures (Employees and Workers)[12]

Particulars	FY 2025-26	FY 2024-25
Cost incurred on Wellbeing measures as a percentage of total revenue of Cipla.	0.44%	0.41%

[11]GRI 401-2 and Information in line with BRSR Question no. 1(a) and 1(b) under essential indicators of Principle 3. This data is specific to Cipla Limited and its Indian Subsidiaries

[12]Information in line with BRSR Question no. 1(c) under essential indicators of Principle 3. This data is specific to Cipla Limited

Retirement Benefits for current and previous financial year[13]

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority
Provident Fund	100	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	1.96	-	Yes	4.89	-	Yes

Nourishing Careers

We believe growth is most meaningful when it is holistic and extends beyond the organisation to our people. By nurturing talent and providing opportunities for continuous learning and development, we empower our employees to grow both personally and professionally, fostering a culture of pride, ownership and excellence.

Talent That Drives Our Purpose

At Cipla, our commitment to excellence goes beyond our products and is embedded in our values, leadership and organisational culture. As we work towards building a future-ready organisation, we have strengthened collaboration, invested in talent development and equipped our leaders and teams with the skills needed to succeed. Through focused initiatives and impactful programmes, we continue to uphold our guiding principles while fostering a dynamic, inclusive and high-performing workplace.

Talent Acquisition and Capability Building

Alongside recruitment, we place strong emphasis on career development by providing training, mentoring and skill-building opportunities that support professional growth. These efforts help build a motivated workforce, strengthen innovation and ensure Cipla remains competitive while achieving its long-term objectives.

ALIVE

ALIVE
ASPIRE • LEARN • INNOVATE • VOICE • ENGAGE

Our campus programme, ALIVE (Aspire, Learn, Innovate, Voice, Engage), welcomed Management Professionals in FY 2025-26 with the objective of preparing them for future managerial roles. The programme includes a six-month experiential learning journey introduced under the Young Managers Program ("YMP") in FY 2022-23, which has enhanced participant engagement and programme effectiveness.

No. of Hires– ALIVE FY 2025-26

Particulars	Total hired	female %
Summer Internship	37	43.24%
Young Manager Programme	25	36.00%
Young CA programme	3	100%
Technology M&Q	17	29.41%
Technology IPD	2	100%

NEEV

We have further strengthened NEEV, our flagship Work Integrated Learning Programme, which creates a strong talent pipeline for frontline operational roles while providing associates with a unique "earn and learn" opportunity.

Through collaborations with BITS Pilani and Manipal Institute of Technology, we have developed a customised curriculum aligned with our operational needs. The programme has achieved a 95% retention rate among enrolled students. Since its launch in FY 2021-22, NEEV has expanded significantly (from 32 associates), with 313 associates currently advancing academically and professionally through the programme.

[13]GRI 401-2 and Information in line with BRSR Question no. 2 under essential indicators of Principle 3. This data is specific to permanent employees and workers of Cipla Limited and its Indian subsidiaries excluding Jay Precision Pharmaceutical Private Limited

Total New Joiners in FY 2025-26[14]

Category	<30 years		30-50 years		>50 years		Total
	Male	Female	Male	Female	Male	Female	
Permanent Workforce							
Top Management	-	-	-	-	1	-	**1**
Senior Management	-	-	7	1	5	1	**14**
Middle Management	155	53	715	104	16	3	**1,046**
Junior Management	3,342	858	860	113	7	10	**5,190**
Associates / Non-Management	19	12	24	10	11	1	**77**
Indian Subsidiaries	273	78	192	12	2	-	**557**
Total	**3,789**	**1,001**	**1,798**	**240**	**42**	**15**	**6,885**

In FY 2025-26, our average hiring cost per employee was pegged at ₹ **24,678.**

Nurturing Talent for Tomorrow[15]

Digitising Talent Management

We continue to strengthen our talent ecosystem through progressive digitisation, enabling scale, transparency and data-driven decision-making. The Talent Central platform provides real-time insights into talent segmentation, succession readiness, mobility pathways and development actions. In its second year, the platform captured 5,179 talent profiles, with next-level role recommendations for 1,356 high-potential employees and 942 manager-driven development actions, materially strengthening leadership pipeline planning. Dynamic succession charts map progression pathways and readiness levels for critical roles, forming the backbone of Talent Review Board deliberations to align development priorities, anticipate succession risks, and ensure long-term leadership continuity.

Talent Review Board: Strengthening Leadership Continuity

Our three-tier Talent Review Board drives structured succession and talent governance focused on early successor identification, holistic development and leadership continuity. As of 31st March, 2026, we achieved 80% succession coverage for critical senior leadership roles. The framework's effectiveness is evident: 67% of senior management opportunities were fulfilled through planned internal successions, reinforcing our commitment to internal talent development and institutional continuity. During the year, 24 senior leadership transitions were executed across critical roles, including Global Manufacturing Head, HR Head of a major business unit, and Business Heads for key geographies. In parallel, 28 internal leaders were promoted into senior-level roles, strengthening succession depth at the mid-managerial level and ensuring long-term leadership continuity.

Cipla Way: Values-Led Culture

CLAP
CIPLA LEADERSHIP ASCENT PROGRAM

The Cipla Way anchors the organisation's culture around its values- Accountability and Ownership, Impact and Result Oriented, Openness and Transparency, Managing with Respect and Engaging with empathy.

Culture, Capability Building and Technical Excellence

Cipla continues to invest in enterprise-wide capability building through integrated initiatives spanning culture, leadership development and technical excellence.

OLAP (Operational Leadership Alignment Program) has evolved from strengthening Manufacturing–Quality collaboration to a cross-functional platform across geographies, functions and businesses. Since its launch in 2024, OLAP has enabled measurable improvements in productivity, efficiency and issue resolution while embedding a unified "One Operations" mindset and fostering shared accountability across teams.

Technical Academy, a key addition, anchors digital capability building in manufacturing through VR-enabled training, role-based certification and standardised deployment across India and US sites. Over 90 immersive modules covering high-risk workflows have upskilled 300+ operators (~20% of the OSD workforce), improving Right First Time performance, reducing SOP deviations, and strengthening inspection readiness.

[14]GRI 401-1
[15]GRI 404-2

Leadership and Development ("L&D") initiatives continue to scale leadership capability and internal mobility. Flagship programmes such as CLAP (in partnership with Cornell), iGROW (2,027 participants), ACE (with INSEAD and ISB), and the Leadership Academy collectively strengthened leadership pipelines and workforce readiness. The Academy expanded coverage by 15%, engaging 599 employees, while targeted interventions such as LeadX (157 participants), Leap (288 first-time managers), and Leaders as Coaches (44 participants) continue to build future-ready leadership across levels.

Learning and Development Highlights (FY 2025-26)

15,85,000+

total training hours delivered across the organisation

29.8

average training hours per employee

₹ 4,425

average investment in learning and development

Policy and Compliance Training

Upholding strong compliance and governance is essential to maintaining the highest ethical and professional standards at Cipla. This is achieved by ensuring that employees are thoroughly informed about relevant policies, procedures, and their associated responsibilities. Mandatory training programmes cover key areas such as Pharmacovigilance, Prevention of Sexual Harassment, the Code of Conduct, Prohibition of Insider Trading, and Human Rights. These initiatives foster a culture of continuous improvement while reinforcing a safe, supportive, and ethically compliant work environment.

Category-wise Training Hours for FY 2025-26[16]

Particulars	Average Training Hours		
	Male	Female	Total Average
Permanent employees			
a. Top Management	16.17	16.00	16.13
b. Senior Management	26.07	12.01	23.57
c. Middle Management	33.73	19.49	31.83
d. Junior Management	32.59	27.94	31.82
e. Associate / Non-Management	0.51	0.71	0.57
f. Indian Subsidiaries	18.09	17.43	17.98
Permanent workers	4.41	3.26	4.08
Non-Permanent employees	8.52	9.11	8.67
Non-Permanent workers	1.50	1.63	1.53
Total	**23.33**	**17.40**	**22.25**

Details of Skill Upgradation Training of Employees and Workers[17]

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	35,843	29,022	80.97	34,600	34,464	99.61
Female	7,743	2,563	33.10	6,874	6,226	90.57
Total	**43,586**	**31,585**	**72.47**	**41,474**	**40,690**	**98.11**
Workers						
Male	7,811	5,320	68.11	7,300	1,974	27.04
Female	1,902	1,087	57.15	1,830	501	27.38
Total	**9,713**	**6,407**	**65.96**	**9,130**	**2,475**	**27.11**

[16]GRI 2-24, GRI 404-1, Average training hours excludes training provided on employee, health and safety
[17]Information in line with BRSR Question no.8 under essential indicators of Principle 3. This data includes employees/workers who were active and separated during the year

Performance Excellence and Talent Retention

Career Growth and Development - Performance Management

To further strengthen performance management, Cipla has enhanced its performance review system with detailed goal alignment and feedback mechanisms.

We have implemented several key initiatives:

Goal Alignment

Individual goals are aligned with organisational priorities to ensure that employees understand how their contributions support Cipla's broader objectives.

Self-Development Goals

As part of the goal-setting process, employees are encouraged to commit to one to three self-development goals annually, supporting continuous skill development and career progression.

Real-Time Check-ins

Feedback is embedded as an ongoing process rather than being limited to annual reviews. The MiDNA chatbot, through MiDNA Goals, enables real-time feedback and guidance, allowing employees to address challenges, identify development opportunities, and progress effectively in their roles.

Career Aspiration Reviews

Our review process includes a dedicated section for career aspirations, encouraging employees to express both vertical and horizontal growth ambitions.

360-Degree Feedback

A technology-enabled 360-degree feedback system allows managers to gather insights from internal and external stakeholders. This comprehensive feedback helps employees build on their strengths and identify areas for improvement

Eligible Permanent Employees who received Performance and Career Development Reviews[18]

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	26,082	24,409	93.59	25,243	22,843	90.49
Female	5,287	4,433	83.85	4,704	3,898	82.87
Total	**31,369**	**28,842**	**91.94**	**29,947**	**26,741**	**89.29**

Note: Performance appraisal is conducted for all employees who have joined on or before 31st December, 2025, and trainees confirmed on or before 31st December, 2025. Further, the employee must be on the payroll of the organisation as on 31st March, 2026.

Attrition[19]

We prioritise maintaining a stable and engaged workforce. Over the past three years, we have closely monitored and managed attrition. The following data provides a snapshot of employee attrition during this last three years.

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

The following data provides a snapshot of employee attrition over the past three years (in %)

Category	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees									
Permanent Employees	16.43	2.53	**18.96**	16.43	2.40	**18.83**	16.41	2.33	**18.74**
Permanent Workers	5.36	1.13	**6.49**	2.93	1.86	**4.79**	4.34	1.45	**5.79**

Turnover Rate for permanent employees and workers (FY 2025-26)

18.82% Total

17.42% Voluntary

Strengthening Workplace Relations Through Compliance

We promote open dialogue and collaboration through a range of employee engagement initiatives that encourage continuous feedback and strengthen teamwork. Our annual global employee survey evaluates key aspects of the employee experience, including job satisfaction, sense of purpose, happiness, stress levels, and overall Wellbeing.

Grievance Redressal and Employee Voice

In FY 2025-26, 83% of employees participated in the survey, resulting in an engagement score of 92% gives us insights that help us strengthen workplace practices and reinforce our commitment to a supportive, inclusive work environment.

The #WeAreListening Grievance Redressal Committee is committed to addressing employee concerns promptly and effectively. Guided by our Code of Conduct and Employee Grievance Policy, the framework provides clear procedures for raising issues, helping cultivate trust, transparency and accountability across the organisation.

In India, a self-reporting system enables employees to communicate concerns directly with leadership, facilitating transparency and timely resolution. In South Africa, Sub-Saharan Africa, and the Cipla Global Access (One Africa) regions, grievance management aligns with internal policies as well as the Employment Equity Act, ensuring fairness and regulatory compliance. In the United States, the Open Door Policy empowers employees to raise concerns directly with management or the HR team.[20]

Details on Minimum Wage Payment to Permanent Employees and Workers[21]

Category	FY 2025-26			FY 2024-25		
	Total(A)	More than legally mandated minimum wages		Total(C)	More than legally mandated minimum wages	
		Total Coverage (B)	% (B/A)		Total Coverage (D)	% (D/C)
Permanent Employees						
Male	**24,501**	24,501	100	**24,027**	24,027	100
Female	**4,351**	4,351	100	**3,915**	3,915	100
Permanent workers						
Male	**90**	90	100	**97**	97	100
Female	**24**	24	100	**25**	25	100

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

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

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

Our Commitment to Human Rights

Respect for human rights is fundamental to our values and the way we conduct business. We are committed to upholding internationally recognised human rights standards across our operations and ensuring a safe, respectful, and inclusive workplace for all employees. Our Human Right Policy strictly prohibit discrimination, harassment, child labour, forced labour and any form of unfair treatment, reinforcing our commitment to protecting the rights and dignity of every individual.

All permanent employees, contractual workers, and security personnel undergo human rights awareness and compliance training through both classroom and digital learning formats. In FY 2025-26, 100% of our security personnel in India received training on human rights policies and procedures.[22]

Human Rights Governance and Assessments

We periodically review our human rights framework to align with evolving regulatory and stakeholder expectations, addressing key areas including child labour, forced labour, freedom of association, the right to collective bargaining, equal remuneration, employee health and safety and non-discrimination.

Independent human rights assessments are conducted across operations on a three-year cycle. In FY 2025-26, human rights audits and assessments were completed for major Indian manufacturing locations (including sites of our joint ventures), international facilities and depots. These assessments were conducted in alignment with SA 8,000 standards and covered the entire workforce, with particular attention to potential risks involving minors, women, and vulnerable groups.[23] The findings confirm that our procedures for safeguarding human rights are satisfactory, with no significant issues noted. Prompt corrective and preventive actions for identified human rights risks are swiftly implemented across all our facilities.

In FY 2025-26, zero cases of workplace discrimination, child labour, forced labour, or wage-related violations were reported across our operations. Details of complaints regarding other issues during FY 2025-26 and FY 2024-25 are provided in Question no. 25 of Section A of the BRSR on page no. 169 of this Report.[24]

Human Rights Training[25]

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of Employees/ Workers (B)	% (B/A)	Total (C)	No. of Employees/Workers (D)	% (D/C)
Employees						
Permanent	36,806	29,769	80.88	35,344	26,687	75.51
Other than permanent	6,780	1,063	15.68	6,130	1,338	21.83
Total Employees	**43,586**	**30,832**	**70.74**	**41,474**	**28,025**	**67.57**
Workers						
Permanent	366	196	53.55	384	167	43.49
Other than permanent	9,347	2,539	27.16	8,746	3,782	43.24
Total Workers	**9,713**	**2,735**	**28.16**	**9,130**	**3,949**	**43.25**

Grievance Mechanisms and Whistleblower Framework

We maintain robust grievance and reporting mechanisms to ensure that human rights concerns can be raised safely and addressed promptly. Our Whistleblower Policy enables employees and external stakeholders to report concerns directly to the Ethics Committee Chairperson or the Chief Internal Auditor through designated reporting channels, including ethics@cipla.com.[26]

We maintain a zero-tolerance policy towards retaliation against complainants or whistle-blowers, ensuring that individuals who raise concerns are protected throughout and beyond the investigation process.[27]

In addition, our business agreements require partners and suppliers to adhere to applicable laws, conventions, and internal policies related to human rights, reinforcing responsible practices across our value chain.[28]

[22]GRI 410-1, GRI 2-24
[23]Information in line with Question no. 10 under essential indicator of Principle 5 and BRSR Question no. 2 under leadership indicators of Principle 5
[24]GRI 406-1 and Information in line with BRSR Question no. 6 under essential indicators of Principle 5
[25]Information in line with BRSR Question no. 1 under essential indicators of Principle 5. This data includes employees/workers who were active and separated during the year
[26]Information in line with BRSR Question no. 4 and 5 under essential indicators of Principle 5
[27]GRI 403-2 and Information in line with BRSR Question no. 8 under essential indicators of Principle 5
[28]Information in line with BRSR Question no. 9 under essential indicators of Principle 5

Labour Management[29]

We prioritise workforce Wellbeing and uphold labour rights by complying with applicable labour laws across all regions of operation. Employees are free to associate and participate in collective bargaining, and we maintain regular dialogue with labour unions and worker representatives. In India and the One Africa region, worker representation is significant, while our US operations comply with the National Labor Relations Act.

We operate with strict safeguards to prevent child labour, forced labour, or restrictions on freedom of association. Collective bargaining agreements outline minimum notice periods, such as one week per year of employment in the One Africa region, as per Section 189 of the Labour Relations Act. In India, we have implemented a contract labour compliance management system across our manufacturing sites to ensure regulatory adherence and responsible workforce management.[30]

Union and Association Memberships Table[31]

Category	FY 2025-26			FY 2024-25		
	Total workers in respective category (A)	No. of workers who are part of associations or unions (B)	% (B/A)	Total workers in respective category (C)	No. of workers who are part of associations or unions (D)	% (D/C)
Male	241	241	100	260	260	100
Female	102	102	100	106	106	100
Total Permanent Workers	**343**	**343**	**100**	**366**	**366**	**100**

Note: None of our permanent employees are part of any associations / unions.

Occupational Health and Safety

Our Health and Safety Culture[32]

The health, safety, and wellbeing of our people remain central to our operations. Our focus on Occupational Health and Safety ("OHS") reflects our belief that a safe workforce is fundamental to sustainable value creation.[33] Through adherence to safety standards and proactive risk management, we provide a work environment free from preventable harm.

We have a comprehensive Environment, Health and Safety ("EHS") Policy outlining our commitment to regulatory compliance and continual improvement.

Zero Fatality Commitment

Our goal "Zero Fatalities across our manufacturing operations year on year" reinforce our commitment to safeguarding the health and safety of our workforce and those who we work with indirectly. This target reflects our strong belief that all workplace incidents are preventable and underscores our focus on building a proactive and resilient safety culture.

To achieve this, we continue to strengthen our OHS management systems, enhance risk identification and mitigation, and drive accountability across all levels. We also conduct multiple risk assessments like Hazop/ BowTie/Fire studies/Soil and ground water contamination studies/Hazardous area classifications to reduce or minimise the risks at the design stage itself.

Through sustained leadership commitment, employee engagement, and robust safety practices, we aim to progressively reduce serious injuries and fatalities.

[29]GRI 2-30, GRI 407-1, GRI 408-1, GRI 409-1
[30]GRI 402-1
[31]Information in line with BRSR Question no. 7 under essential indicators of Principle 3
[32] GRI 3-3
[33]Our definition of "workforce" includes employees and contractors

EHS Management System and Policy[34]

At Cipla, we are committed to maintaining the highest standards of Environment, Health, and Safety ("EHS") across our business operations. Our EHS Policy is aligned with statutory requirements include ISO 14001, ISO 45001 standards and global best practices, provides the governing framework to monitor qualitative and quantitative objectives and targets, which includes reductions in incidents, comply with regulations, protect environment and conserve energy to name a few.

All India manufacturing sites are certified to ISO 14001 and 45001 standards. Qualified EHS professionals conduct regular risk assessments to minimise hazards following the ALARP (As Low as Reasonably Practicable) principle and a structured hierarchy of controls. Our workforce is encouraged to report incidents, near-misses and unsafe conditions, and are empowered to stop unsafe work. Work activities shall resume only after the hazard has been fully evaluated, effectively controlled and verified as safe for continuation.

In FY 2025-26, no complaints were reported related to working conditions or health and safety.[35] All incidents undergo root cause analysis, with learnings shared through our "Learning from Incident" forum and actions are horizontally deployed through Global CAPA allocation mechanism to strengthen safety practices across sites. To further strengthen our commitment to safety, we have 15 Life Safety Rules which are expectations from workforce towards their commitment to safety.[36]

We have also implemented a two-level audit mechanism (management audits and operational audits) to assess the maturity of our EHS systems, identify gaps, and strengthen compliance across operations. To ensure adherence to evolving regulations, we have deployed a dedicated Compliance Management Tool administered by an external expert agency, supplemented by subscriptions for updates on new and amended regulatory requirements.

Site Assessment during FY 2025-26 – EHS Audits[37]

76 Internal audits (frequency six months)

15 External audits (Once in a year for certification)

Percentage of our manufacturing units assessed by third parties[38]

79% Health and safety practices

38% Working Conditions

This year we have strengthened our onsite emergency response plan in line with national and international standards. Identified emergencies are practised through tabletop exercises and mock drills to test the response and competency of role holders.

Workplace Safety and Employee Participation

We actively encourage our workforce to report any unsafe acts or conditions and all incidents no matter how minor. Equally, we place strong emphasis on participation, inviting our workforce to contribute their perspectives and engage in safety-related decision-making. Our workforce participates in unit level EHS committees, site level EHS committees and contractor EHS committees ensuring that their voice is heard. These committees have representations from all the functions. In addition to site Safety Committee, we have Canteen Committee, Transport Committee, etc. that provide structured channels for dialogue and collaborative problem-solving, further embedding a culture of shared responsibility for workplace safety.[39]

People Safety[40]

We are committed to providing a safe and healthy workplace, recognising its importance for employee Wellbeing and operational excellence. In line with ISO 45001 Section 6.1.2, each site conducts an annual Occupational Safety and Health ("OSH") Hazard Identification and Risk Assessment ("HIRA") covering both routine and non-routine activities. 100% of our operational sites have conducted an employee health and safety risk assessment in FY 2025-26.

This process involves process owners, safety professionals, engineers and workers, ensuring comprehensive hazard identification and effective risk control.[41] To strengthen risk management, we have enhanced our HIRA processes by introducing standardised risk matrix, periodic reviews based on incidents and audits and updated EHS standards aligned with national and international guidelines and best industrial practices.

[34] GRI 403-1, Information in line with BRSR Question no. 10 (a) under essential indicators of Principle 3
[35] Information in line with BRSR Question no. 13 under essential indicators of Principle 3
[36] Information in line with BRSR Question no. 15 under essential indicators of Principle 3
[37] GRI 403-1, Overseas locations other than CMM Durban are not certified for ISO 45001/ISO14001
[38] Information in line with BRSR Question no. 14 under essential indicators of Principle 3
[39] Information in line with BRSR Question no. 12 under essential indicators of Principle 3
[40] GRI 403-2
[41] Information in line with BRSR Question no. 10 (b) under essential indicators of Principle 3

During the year, we made significant enhancements to our Industrial Hygiene program:

- **Launch of Cipla's Industrial Hygiene (IH) Programme:** An Industrial Hygiene Champion was appointed at each site and trained by leading experts in the field. An automated in-house tool was developed to conduct qualitative exposure assessments and categorise task-based risks. IH Champions are now implementing the programme at their respective sites.
- **Noise Assessment Surveys:** Complete site-wide noise mapping exercises were conducted across facilities to identify and mitigate noise-related hazards.
- **Integration of digital tools** to support real-time monitoring and hazard reporting, along with enhanced collaboration.

Hazards are managed using the Hierarchy of Controls, prioritising elimination and engineering measures over personal protective equipment ("PPE"). We continue to strengthen safety through training, competency development, and certifications; in FY 2025-26, 24,388 employees received safety training.

Our safety initiatives extend beyond manufacturing to include road, office, and warehouse safety. A comprehensive EHS standard for warehouses has been implemented, with all India warehouses audited to improve safety compliance.

Process Safety

We conduct Process Hazard Analyses ("PHAs"), including New Product Introduction reviews, hazard studies, and containment assessments, to minimise exposure to new molecules and operational risks. These analyses help define appropriate engineering controls, safeguards and PPE, supported by risk-based medical surveillance.

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

Our Process Risk Assessment framework follows a four-stage approach:

- **HS1** Process Safety Information
- **HS2** HAZID/HIRA
- **HS3** HAZOP
- **HS4** Pre-Startup Safety Review ("PSSR")

Training and Awareness[42]

We adopt a structured approach to safety through comprehensive training and awareness programmes that educate our workforce on workplace hazards, safe practices, PPE usage and emergency response procedures. These programmes cover key areas such as occupational health, industrial hygiene, safety, environment and sustainability, and are delivered through multiple modes, including classroom-based training, the LMS online learning platform and interactive Safety Kiosks, to ensure maximum participation and effectiveness.

We have introduced targeted programmes based on identified risks, incident learnings, and regulatory requirements, including Lifting and Rigging Safety, Industrial Hygiene, Incident Investigation (human factors), Construction Safety, Process Hazard Analysis (Bow-Tie), Emergency Preparedness and Behavioural-Based Safety ("BBS").

Alongside internal initiatives, we arranged external training programmes conducted by expert agencies and experienced professionals to provide specialised knowledge of high-risk activities and regulatory requirements.

Training in Occupational Health and Safety[43]

OHS Training	Employees		Workers		Total
	Male	Female	Male	Female	
Number of employees trained	11,623	3,073	7,868	1,824	**24,388**
Man-hours of training provided/ (Employee/year)	16.9	16.9	15.6	15.6	**16.4**

[42]GRI 403-5
[43]GRI 403-5 and Information in line with BRSR Question no. 8 of essential indicator under Principle 3

Details about the safety committees and their meetings are as follows[44]

Name of the committee	Level(s) at which the committee(s) typically operate	Number of members during FY 2025-26		Frequency of meetings
		Non-management/ Workers' Representative	Management	
Permanent Employees				
Central Safety Committee	Plant Level	1,297	2,424	Quarterly
Department Safety Committee	Department Level	3,454	9,527	Monthly
Contractor Safety Committee	Plant Level	2,398	642	Quarterly

Worker Engagement and Reporting

Workforce engagement is a key pillar of our OHS Management System. Employees actively contribute to risk assessments, safety committees, incident investigations and awareness initiatives through training, Behaviour-Based Safety ("BBS") observations.

During the year, we have transitioned our third party digital reporting platform with AI feature to make it future ready, featuring strategically placed QR codes across facilities that enable employees and visitors to submit safety observations, anonymously or with identification.[45]

Regular forums including toolbox talks, Safety Committee meetings and the Safety Suggestion Scheme continue to serve as important channels for open dialogue. The organisation maintains a strict zero-tolerance stance against reprisals, ensuring a conducive environment for hazard reporting.

We ensure representation of workforce on various committees, including the Safety Committee, Canteen Committee and Transport Committee and other forums where the voice of our workforce matters.

Details of Employees and workers who are not in an employment relationship with the organisation, their work and/or workplace is controlled by the organisations[46]

Number of such workers	Coverage by OHS System	Internal Audit Coverage	External Audit/ Certification Coverage	Exclusions
9,692 Contractual workmen	Our OHS system covers all workers and employees	All contract workers at our Cipla India manufacturing and R&D sites are covered by internal audits.	All contract workers at our Cipla India manufacturing and R&D sites are covered by external audits. These audits are conducted annually.	None. Applicable OHS systems based on risk are implemented for Distribution and India Business.

Health Promotion and Non-Occupational Health Initiatives[47]

We support holistic Wellbeing through a structured Health and Wellness Calendar focusing on preventive healthcare and lifestyle management. Periodic medical examination results are reviewed by the Factory Medical Officer, with employees counselled on identified health deviations for early intervention.[48]

Programmes include BMI improvement campaigns, World Heart Day challenges, cervical cancer screenings, nutrition awareness sessions, and observance of World Diabetes Day and World Health Day. We also conduct webinars on health topics and quiz competition on Occupational Health Day. Our EAP helpline offers confidential support for mental health, stress management, and personal Wellbeing. All wellness activities are voluntary; medical data is handled with total confidentiality and never used for hiring, promotions, or any discriminatory purposes.

Road Safety Initiatives[49]

We have implemented a comprehensive Road Safety Policy that covers all critical aspects of road safety management. The policy is designed to ensure the safety and Wellbeing of employees and drivers who travel for business purposes.

The policy outlines mandatory minimum requirements applicable to both hired vehicles and personally owned two-wheelers used for official travel. Going beyond statutory requirements, we have introduced

[44]GRI 403-4
[45]Information in line with BRSR Question no. 10 (c) under essential indicators of Principle 3
[46]GRI 403-8
[47]GRI 403-6
[48]Information in line with BRSR Question no. 10(d) under essential indicators of Principle 3
[49]GRI 403-7

additional safety measures, including the installation of seat belts in passenger seats of buses deployed for employee commute in select sectors.

All employees and drivers operating vehicles for company business undergo structured road safety training. We have installed cameras in buses contracted to commute workforce to monitor driving behaviour, and to promote safe driving practices and reduce road-related incidents.

Incident Management and Performance Monitoring

Incident Investigation and Corrective Action

Incidents at Cipla are managed through a defined SOP covering classification and investigation, with prompt reporting, root cause analysis using tools like Why-Why and Fishbone, and implementation of corrective and preventive actions (CAPAs) aligned to the hierarchy of controls and tracked digitally until closure. Risks are also proactively assessed through methods such as HAZOP, HAZID, HIRA, PRA, JSA, and What-If analyses. The Company continues to strengthen reporting through employee awareness and transparency, with significant incidents reviewed by senior leadership and learnings shared across sites via global platforms, LFI sessions, Safety Committees, and Toolbox Talks to drive continuous improvement.

Work- Related Injury & Ill Health[51]

In FY 2025-26, zero cases of work-related illnesses were reported among employees and workers, including zero fatalities, reflecting our continued efforts to safeguard employee health and Wellbeing.

***Details of safety-related incidents:[50]**

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate ("LIFTR") (per one million-person hours worked)	Employees	0.25	0.20
	Workers	0.12	0.22
Total recordable work-related injuries	Employees	18	19
	Workers	7	9
No. of fatalities	Employees	-	-
	Workers	-	-
High consequences for work-related injury or ill health (excluding fatalities)	Employees	-	-
	Workers	-	-
Rate of recordable work-related injuries (per one million person-hours worked)	Employees	0.55	0.64
	Workers	0.27	0.40

Note: LTIFR = (No. of lost time injuries in FY x 10,00,000)/ (Total hours worked by workforce in same FY)

Continuous Improvement and System Evaluation

Our Occupational Health and Safety ("OHS") Management System is supported by a data-driven approach with regular review of incident rates, near-misses, training participation, BOS data, audit findings and compliance metrics. All sites operate in alignment with more than 50 standards and a few guideline on specific critical safety topics.

During the year, we implemented Planned Workplace Inspections ("PWI") using a theme-based approach, and Behaviour-Based Safety ("BBS") observations recorded bimonthly by managerial employees. All actions from audits, inspections, incidents and BBS are monitored through licensed third-party software.

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

01

Operational Audit: To evaluate how well standards are implemented at site level

02

Management Audit: To assess the overall maturity of EHS systems, governance, and compliance. Year-on-year improvement in audit scores is a key target

Occupational Health Infrastructure[52]

All manufacturing and R&D facilities are equipped with dedicated Occupational Health Centres ("OHCs"), operational 24/7 and staffed by certified Factory Medical Officers. There are approximately 33 doctors and 75 Paramedical staff available round the clock at the manufacturing sites. Occupational Health Centres provide emergency medical care via well-equipped ambulances, outpatient consultations and on-site first-aiders across all shifts. Employees undergo pre-employment and periodic medical surveillance annually or semi-annually based on assessed risk levels. All the offices and manufacturing sites are equipped with automated External defibrillators. We have trained first aiders to take care of immediate emergencies both in offices, Depots and manufacturing sites.

*In FY 2024-25 The scope for reporting boundary for this data also includes data from manufacturing site and green field manufacturing Project sites
[50]GRI 403-9, Information in line with BRSR Question no. 11 under essential indicators of Principle 3.
[51]GRI 403-9, GRI 403-10
[52]GRI 403-3

Relationship Capital

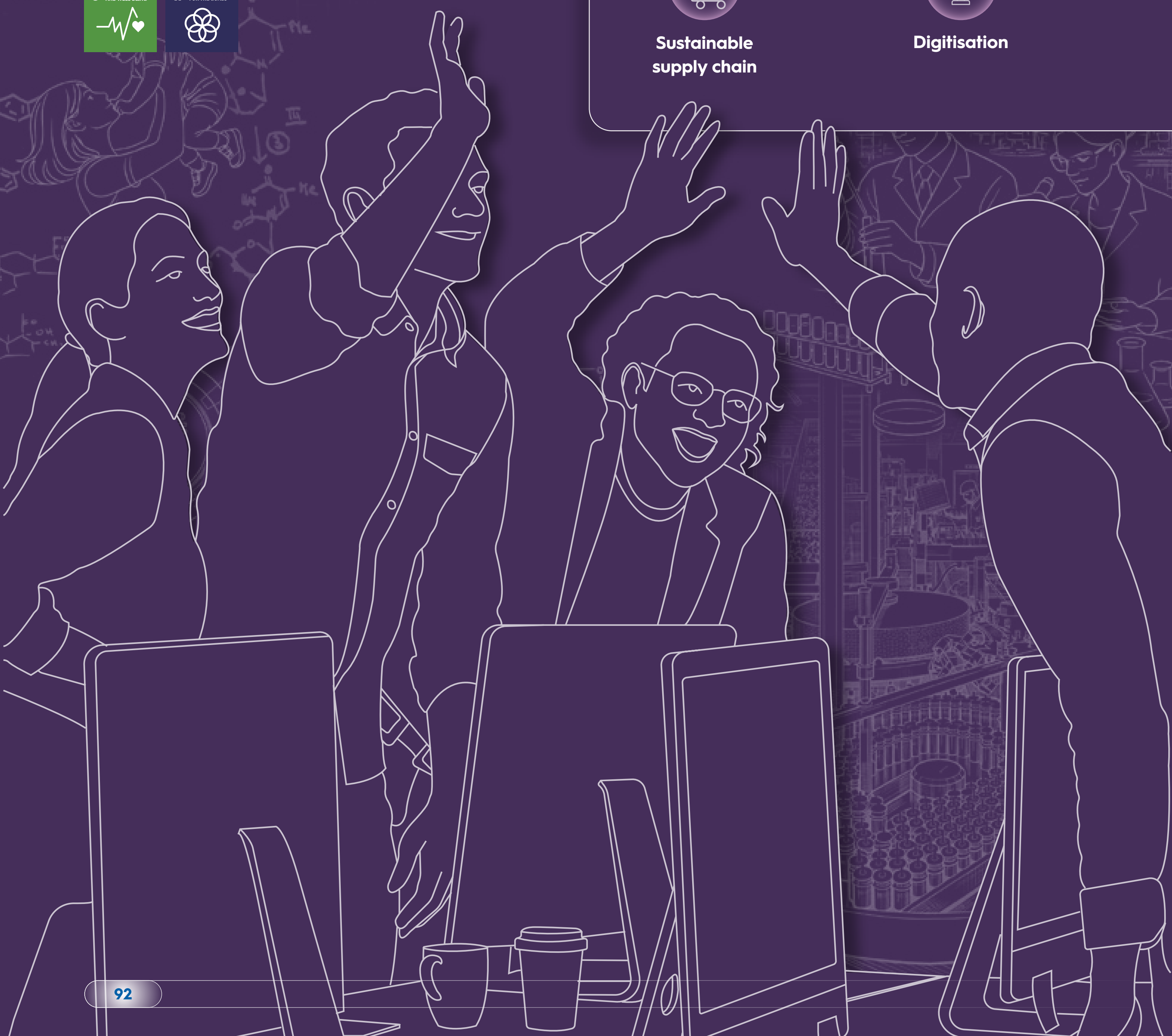
Contribution to Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

Strategic Focus Areas

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



Highlights

10 million+
patients screened through Breathe Free Programme

2.65 lacs+
interactions with HCPs for fostering knowledge exchange

21.61%
of our total procurement expenditure is from ESG audited suppliers

67%
procurement from local sourcing

Our Philosophy on Relationship Capital[1]

We build our Relationship Capital by enhancing access to medicines, and fostering trusted relationships grounded in ethical and responsible business practices. Supported by patient focused initiatives, resilient supply chains and responsible digitisation, we work to deepen trust and improve health outcomes globally.

Expanding Healthcare Reach[2]

Guided by its 'Caring for Life' philosophy, Cipla continues to strengthen access to essential medicines by building a portfolio aligned with global health needs. Our product portfolio covers **approximately 45% of the diseases listed on the World Health Organisation's Essential Medicines List.**

Percentage of drugs covering the following:

- **85%** Non-communicable diseases
- **66.67%** Anti-bacterial resistant pathogens
- **50%** Maternal and neonatal health conditions
- **31.82%** Communicable diseases
- **5%** Neglected tropical disease

Note - The list of products is available on the website of the WHO.

The Company also has 30 products included in the WHO List of Prequalified Medicinal Products under the WHO Prequalification of Medicines Programme ("PQP"), which supports international procurement agencies in supplying affordable medicines to resource-limited countries. Of these, 25 have received WHO pre-qualification and the remaining five have been listed based on USFDA approval as alternative listing.

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

Access to Healthcare Programmes and Patient Support Initiatives[3]

Our Company has adopted a multidimensional approach that includes mass-awareness campaigns and patient-support initiatives. Some of the important campaigns and patient support initiatives during FY 2025-26 are listed below:

Initiative and Purpose

Breathefree is our long-standing, patient centric programme focused on awareness, prevention and management of chronic respiratory diseases such as Asthma and Chronic Obstructive Pulmonary Disease ("COPD").

Key highlights and beneficiaries

India

- Disease management support, device usage training and treatment adherence provided to more than 5.5 million patients through a robust network of over 1,500 educators.
- Screening of over 10 million individuals through outreach campaigns such as Breathefree Yatra.
- Our 24x7 AI enabled Breathefree Digital Educators led the way in digital device training, educating nearly 1 million patients on inhalers, nebulizers and nasal sprays.
- Opening of two Breathefree Lung Wellness Centers at New Delhi and Mumbai in India offering more than 60 specialised lung health assessments. The Center at Mumbai also introduced **India's first Independent Sputum Inflammometry Lab.**

Emerging Markets

- Strengthened respiratory support in Sri Lanka through the Hari Husmak ('the right breath') programme, completing 12,000+ patient calls, 7,000+ appointments and 5,000+ patient visits.
- Campaign to strengthen awareness also reached five million individuals in Sri Lanka.
- Generated 9,000+ patient leads in Nepal and Sri Lanka, through Breathfree Digital Educators.
- Expanded global digital presence with the launch of the Breathefree website in the UAE, enhancing access to credible respiratory education and device training resources.

One Africa

- Reached over 1,200 beneficiaries in Sub-Saharan Africa through community health camps.
- Breathefree's digital platform supported 5,000+ active users and recorded over 1,200 patient resource downloads in Sub-Saharan Africa.

Initiative and Purpose

Antimicrobial Resistance ("AMR") Awareness, launched in FY 2025-26, is a multi-phased, multi-pronged campaign to address the growing global threat of AMR. Leveraging national medical conferences and a robust omnichannel approach, the initiative focuses on educating patients on responsible antibiotic use while engaging healthcare professionals on the need for stronger research and novel anti-infectives.

Key highlights and beneficiaries

India

- Launched a dedicated AMR website to serve as a repository for awareness.
- During AMR Awareness Week, expert led discussions were amplified across television, print, digital, radio and social media, spotlighting India's resistance crisis and the challenge of difficult to treat infections.
- Engaged 80+ key opinion leaders across 20+ platforms.
- Conducted 55+ OASIS (Optimising Antimicrobials for Improved Stewardship) Programmes engaging 1,000+ healthcare professionals.

One Africa

- Covered over 25 hospitals, conducted 20+ ward level trainings and 10+ antimicrobial stewardship meetings, with participation from healthcare professionals.

[3]GRI 3-3

Initiative and Purpose

Berok Zindagi – Let's Clear the Air, was launched as a high impact public awareness initiative by Cipla and Network 18 focusing on air quality issues in the Delhi NCR region, in India. It involved TV and digital promotions to encourage early consultation for respiratory health.

Key highlights and beneficiaries

- Engaged 500+ doctors and reached approximately 23 million people.
- Achieved 173 million+ national broadcast reach, 40 million+ digital views and five million+ social media reach.

Initiative and Purpose

Win Over Weight is a large-scale, multi-channel awareness campaign in partnership with the India Today Group on chronic weight management. Designed as a high-decibel, 360-degree campaign, the platform focuses on building awareness, reducing stigma, and encouraging informed medical conversations around excess weight and its long-term health implications. This initiative has a strong focus on tier two-six towns.

Key highlights and beneficiaries

- Media reach of 72 million+, 6.5 lacs+ website visits achieved.
- Generated 500+ news stories.

Initiative and Purpose

1935 Se Desh Ki Sehat Ke Saath is a purpose-led campaign marking our 90th anniversary, combining long-term brand building with disease education. The nationwide initiative engaged doctors and chemists through films and recognition programmes, integrating brand storytelling with healthcare education across all our facilities in India.

Key highlights and beneficiaries

- Reached over 3.3 lacs doctors and engaged 1 lac chemists nationwide.
- Two campaign films garnered over 100 million views.

Initiative and Purpose

Inhale the Change was launched as a high-impact consumer awareness initiative in India, to introduce inhaled insulin as a next-generation, patient-friendly insulin delivery option. The buzz-led campaign leveraged celebrity-driven storytelling, social media, and influencer amplification, to spark curiosity, drive digital engagement, and position inhaled insulin as a differentiated innovation.

Key highlights and beneficiaries

- 370+ news stories published and over 80 million views achieved in the first 10 days of launch.
- High-impact visibility through a landmark out-of-home activation at Mumbai's Sea Link.
- Trended at no. 1 on X in India.

Initiative and Purpose

Seek Edema, Seek Help ("SESH") is a patient-centric initiative to strengthen early identification and long-term management of Edema linked to heart failure and chronic kidney disease, implemented in collaboration with the Association of Physicians of India. This initiative integrates awareness, screening, referral and follow-up through physical and digital care pathways.

Key highlights and beneficiaries

- Implemented in 5,000 clinics, screened 10 million+ individuals.
- Digital outreach delivered 73 million+ impressions, reaching 25.8 million users.
- Supported care for 21 million patients, with 2.7 million new patients added during the year.

Initiative and Purpose

Patient Support programmes ("PSPs") for rare diseases delivers disease-specific education, treatment adherence support, and facilitates access to therapy for eligible patients. These programmes are designed to ensure continuity of care, empower patients and caregivers, and contribute to improved health outcomes across the relevant therapeutic areas in South Africa.

Key highlights and beneficiaries

- Multiple Sclerosis: 200+ patients supported.
- Gastroenterology & Rheumatology PSP: 10+ patients supported.
- Idiopathic Pulmonary Fibrosis ("IPF") PSP: 10+ patients supported.

Initiative and Purpose

Health Matters is a patient centric initiative focused on democratising access to credible, evidence based health information through a podcast series and a dedicated patient education website in South Africa.

Key highlights and beneficiaries

- Podcast reach: 1.70+ million views
- Website engagement: 40,000 visitors

Initiative and Purpose

Specialty and Universal Copay Card programme supports eligible patients in accessing essential medications, reduce patients' out of pocket expenses for prescribed therapies, improving affordability and easing the financial burden associated with treatment in North America

Key highlights and beneficiaries

- 1,500+ patients supported

Commitment to our Customers[4]

We are committed to serving a broad spectrum of customers, including B2B and institutional partners, channel partners, government agencies and individual consumers. Through a value-led and responsive approach, we aim to strengthen relationships, support sustainable growth, and create positive social outcomes. Our engagement with channel partners leverages digital platforms and grievance redressal mechanisms to enhance product reach, enable timely communication on new launches, and address feedback efficiently, thereby strengthening supply chain effectiveness. In parallel, we collaborate closely with B2B and institutional partners through regular interactions and industry forums, enabling the effective use of partner infrastructure to deliver essential medicines to patients across markets.

Customer Engagement and Feedback[5]

Effective communication channels and customer satisfaction surveys conducted by Cipla Health Limited during OTC product launches provide valuable inputs to strengthen product development. Cipla Health Limited also regularly gathers feedback through e-commerce and D2C platforms, consumer connect initiatives, Brand Health Tracking ("BHT") studies, periodic market and retail surveys to enhance product communication and consumer engagement. Products undergo consumer testing prior to launch and are continuously evaluated post launch to assess market acceptance and support improvements.

Strengthening Customer Trust through Product Practices

Cipla's Corporate Quality Assurance system is periodically updated to address customer complaints regarding product quality. An advanced customer complaint tracking system enables Cipla to securely maintain customer data and carry out detailed investigations. All our products are subject to rigorous evaluation for quality, efficacy, and health and safety, prior to commercialisation and throughout their lifecycle.[6] During FY 2025-26, there were no incidents of non-compliance with regulations and/or voluntary codes concerning health and safety impact of products that resulted in fines, penalties or warnings.[7]

Transparency is a key priority, and the Company is dedicated to providing accurate and balanced information about its products, including their safety, effectiveness and proper usage. Our product labeling follows all applicable regulatory norms including information on safe use of the product.[8] During FY 2025-26, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product information and labeling that resulted in fines, penalties or warnings.[9]

Our marketing activities adhere to strong ethical standards and applicable laws and regulations. There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications during FY 2025-26.[10]

As on 31st March, 2026, a matter was pending before the Competition Commission of India. Based on the legal opinion obtained, the Company is favourably positioned in respect of this matter and accordingly does not expect it to have any consequential bearing on its affairs.[11]

Commitment to Healthcare Professionals ("HCPs")

Our Company maintains ethical engagements with HCPs through in person and digital platforms to enhance awareness to improve patient care. During FY 2025–26, we engaged with more than 2.65 lacs

[4]GRI 2-6 and information in line with BRSR Question no. 19(c) of Section A
[5]Information in line with BRSR Question no. 4 under leadership indicators of Principle 9
[6]GRI 416-1
[7]GRI 416-2
[8]GRI 417-1
[9]GRI 417-2
[10]GRI 417-3
[11]GRI 206-1

HCPs, through various channels, including educational conferences, Continuing Medical Education ("CME") programmes, regional webinars and advisory boards. These engagements provide insights into disease management and treatment practices, strengthening collaboration across the healthcare ecosystem.

Doctor Outreach

During FY 2025-26, Cipla Respiratory undertook **750+ programmes** under Inhalation, Nebulization and Oral verticals reaching **more than 25,000 HCP's** pan India.

Cipla Respiratory actively works with academic bodies like Chest Research & Training Private Limited ("CREST") and National entities like Indian Chest Society ("ICS"), Pulmonary Allergy, Critical Care & Sleep Medicine ("PACS") Foundation, VAYU Kolkata, etc., to host CMEs, webinars, trainings and workshops in addition to the extensive use of our CIPLAMED platform.

Some of our key HCP Enabled Patient Care Programmes are as follows:

Hridayam is a patient counselling and education programme in India under which educators support patients through lifestyle management, personalised diet charts and therapy adherence guidance. Patient progress is monitored through digital and regular follow up calls for up to six months. Hridayam also conducts awareness camps on heart failure, hypertension and diabetes, along with edema and obesity screening and provides educational videos in nine regional languages.

Patients reached ~11.6 lacs

600+ **Healthcare providers**

Mitra is a structured diabetes care support programme that enables HCPs to deliver comprehensive, patient centric diabetes management through trained educators. The programme equips HCPs with structured support for insulin education, device demonstrations, dietary counselling, lifestyle modification guidance, and regular patient monitoring and follow-up. With patient education materials available in 12 regional languages, Mitra provides for wider accessibility and better patient understanding.

Patients reached ~1.9 lacs

1,900+ **Healthcare providers**

Policy Advocacy and Regulatory Engagement[12]

Cipla follows a transparent and accountable approach to policy advocacy, involving meaningful collaboration with government bodies (Central Government and State Government), regulatory agencies and international organisations along with Industry Chambers and Industry Associations. All activities are carried out in full compliance with applicable laws, regulatory requirements and established industry standards, and are regularly measured against internationally recognised ethical guidelines.

Our worldwide advocacy efforts involve coordinated engagement with government ministries and diplomatic representatives, with particular focus on reducing trade barriers, expanding global market access, increasing the availability of affordable, high-quality medicines and promote harmonised, balanced, and science-based regulatory frameworks.

Details of the Company's industry association memberships and public policy advocacy are set out on page no. 191 of this Report.

[12]GRI 2-28 and Information in line with BRSR Question no. 1 under essential indicators of Principle 7

Cultivating Impactful Partnerships

We advance patient care by collaborating with trusted partners to introduce and scale innovative therapies across key disease areas. These strategic alliances strengthen our portfolio and expand our reach. Key partnerships in FY 2025-26 include:

Therapy Area

Obesity

Eli Lilly and Company (India) Private Limited

Distribution and promotion of a second brand of Tirzepatide in India under the name Yurpeak®, indicated as an adjunct to diet and exercise for type 2 diabetes and chronic weight management in adults with obesity.

Therapy Area

Pediatric

Inzpera Healthsciences Limited ("Inzpera")

Acquisition of 100% stake in Inzpera, a company focused on paediatric wellness in India, to integrate its extensive portfolio of paediatric pharmaceutical and wellness products with the Company's strong distribution network and operational capabilities to drive growth and scalability.

Therapy Area

Oncology

Immunoadoptive Cell Therapy Private Limited, India ("ImmunoACT")

Exclusive licence and supply agreement for commercialisation of talicabtagene autoleucel, India's first indigenously developed CAR-T cell therapy, in the Republic of South Africa, Algeria and Morocco, for the treatment of patients with relapsed or refractory B-cell NonHodgkin's Lymphoma ("B-NHL") and B-cell Acute Lymphoblastic Leukemia ("B-ALL") who have failed standard therapy.

Tanvex BioPharma US, Inc. and Bora Biologics

A strategic licence and supply agreement to facilitate the commercialisation of NYPOZI™ (filgrastim-txid), a leukocyte growth factor, in the United States.

Therapy Area

Orthopedics

Stempeutics Research Private Limited

Launch of Ciplostem, an innovative allogeneic Mesenchymal Stromal Cell therapy for Knee Osteoarthritis, approved by the Drug Controller General of India.

Therapy Area

Neuro CNS

Pulse Pharmaceuticals Private Limited

Acquisition of two established brands, Doloneuron and Zolsoma, strengthening our portfolio in the neuropathic pain and sleep disorders segments, in India and Nepal.

Therapy Area

Respiratory

ICaltech Innovations Private Limited

Investment to strengthen access to advanced respiratory diagnostic solutions, in India.

Therapy Area

Multi-therapy Portfolio

Pfizer Limited ("Pfizer")

Exclusive marketing and distribution of four Pfizer brands in India: Corex Dx and Corex LS (cough syrups), Dolonex (non-steroidal anti-inflammatory drug), Neksium (proton pump inhibitor), and Dalacin C (oral antibiotic).

Responsible Supply Chain Management

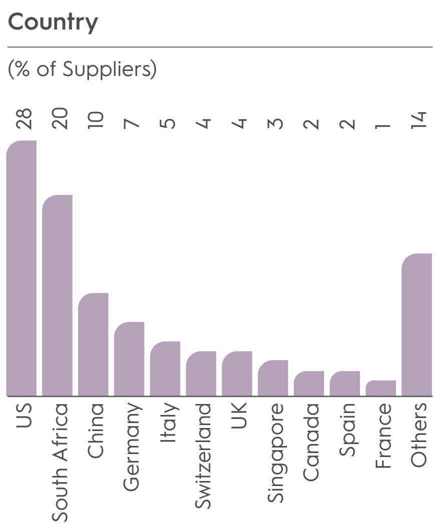
Sustainable Supply Chain[13]

At Cipla, we are committed to developing a resilient, ethical and efficient supply chain that achieves operational excellence while advancing strategic sustainability. Integration of Environmental, Social and Governance ("ESG") standards into supplier practices enables our suppliers to effectively manage risks and deliver on our Caring for Life philosophy.

We partner with a diverse range of suppliers to support our manufacturing, logistics and operational needs. Our downstream partners include distributors, wholesalers, hospitals, pharmacies and global marketing partners who enable last mile delivery of medicines to patients across domestic and international markets while ensuring regulatory compliance and supply continuity.

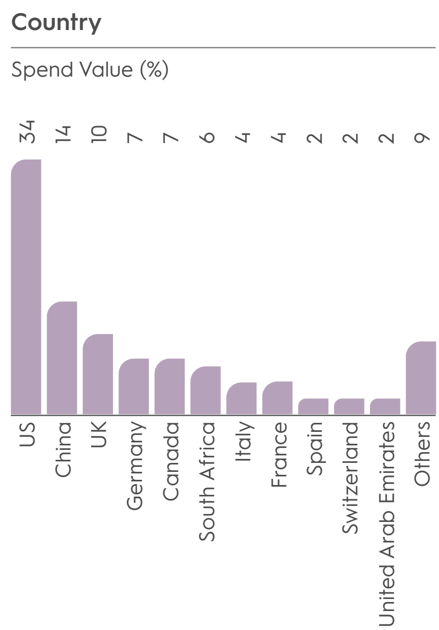
Distribution of Suppliers

We categorise our suppliers based on criticality to enable timely identification of performance concerns and facilitate the implementation of robust risk management strategies, effective allocation of resources, and enhance transparency. Critical suppliers are those suppliers whose products are vital to our operations, contribute significantly to revenue, and involve high-value contracts. We work with 8,400+ tier 1 upstream and downstream suppliers of which 789 are identified as critical, representing 80% of our total tier 1 supplier expenditure. Approximately 90% of our suppliers are located in India, while the remaining 10% are distributed across other regions as outlined below:



Distribution of our Procurement Spending

Our Company seeks to collaborate with small producers, vulnerable and marginalised groups and local suppliers to strengthen supply chain resilience and support the local economy. In FY 2025-26, 67% of our procurement budget was spent on suppliers based in India.[14] The geographic distribution of spending for the remaining 33% of suppliers is detailed below:



Supplier Engagement and Collaboration[15]

Suppliers are evaluated on their sustainability maturity and alignment with our standards. The key supplier engagement activities implemented by our Company include:

Compliance with the Supplier Code of Conduct

Overview

Our Supplier Code of Conduct ("SCoC") and Responsible Sourcing Policy promotes the integration of sustainable and ethical practices throughout the lifecycle, addressing areas such as compliance, ethics, product quality, ESG and human rights. Critical suppliers are assessed for compliance with the SCoC every three years, while non-critical suppliers are assessed every five years.

Annual Outreach and Impact

- 1,881 suppliers (203 critical suppliers) confirmed alignment to SCoC in comparison to 1761 suppliers (205 critical suppliers) in FY 2024-25.
- **Target for FY 2026-27:** 1,900 vendors.

[13]GRI 2-6, GRI 3-3

[14]GRI 204-1. For the purpose of GRI 204-1, local suppliers are defined as suppliers based in India. Given that India contributes significantly to the Company's revenue, it is considered Cipla's significant location of operation.

[15]GRI 403-7, Information in line with BRSR Question no. 2(b) under essential indicators of Principle 2

Quality Audits

Overview

- We conduct vendor audits of APIs, excipients and packaging materials suppliers once every three years, to verify compliance with Good Manufacturing Practices ("GMP").
- For both domestic and international markets, Contract Manufacturing Organisation ("CMO") sites are subject to thorough audits to meet regulatory requirements, market standards, current GMP guidelines, and our internal SOPs.
- InVitro diagnostics and medical device manufacturing sites are evaluated for conformity with Indian MDR 2017 and ISO 13485:2016, maintaining quality, safety and regulatory adherence throughout our operations.

Annual Outreach and Impact

- 65 periodic audits and 43 due diligence audits were performed for loan licence and principal-to-principal CMOs.
- A total of 1,449 observations were recorded during vendor audits conducted in FY 2025-26. Audit findings were promptly addressed, and progress was monitored through Corrective Action Preventive Action ("CAPA") plans.

ESG Assessments[16]

Overview

- Once onboarded, our suppliers are assessed through both desk-based and on-site evaluations using a comprehensive ESG questionnaire, covering compliance, quality, human rights, labour practices, environmental performance and transparency.
- We acknowledge the globally recognised EcoVadis report as a standard for evaluating ESG preparedness.
- Through these assessments we monitor the occurrence of any potential human rights risks including freedom of association, child labour and forced labour.

Annual Outreach and Impact

- Audited suppliers accounted for 21.61% of our total procurement expenditure.
- Desk-based assessments for 185 vendors (surpassing our original target of 175) and 75 on-site evaluations.
- Across FY 2023-24 and FY 2024-25, six vendors were identified as high-risk and guided through well-planned CAPA plans with completion cycle of 24-36 months. Key concern areas identified pertained to compliance, governance and ESG maturity. These vendors were re-assessed this year confirming significant improvements following CAPA implementation.
- In FY 2025-26, four additional vendors were identified as high-risk during on-site evaluations and will be re-assessed next year.
- None of the suppliers identified as high-risk have been terminated. Detailed CAPA plans have been developed, and implementation will be closely monitored.
- 17 critical suppliers were evaluated through their EcoVadis report.
- **Target for FY 2026-27:** 180 desk-based assessments and 100 on-site evaluations.

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

ESG Capacity Building[17]

Overview

We organise ESG workshops for both our value chain partners and internal teams to raise awareness and define ESG responsibilities. Looking ahead, we aim to advance supply chain sustainability by focusing on ESG practices that reduce Scope 3 emissions. This will involve categorising suppliers by their ESG maturity, criticality and risk level, enabling focused engagement in effective sustainability initiatives.

Annual Outreach and Impact

- Two awareness sessions on ESG matters were conducted, with participation from 105 key vendors, against a target of 100+ suppliers.
- Our Pharmaceutical Supply Chain Initiative ("PSCI") membership was leveraged to train nine key vendors.
- These represented 6.75% of the total procurement spend.
- Conducted two sustainable procurement training sessions alongside ISO 20400 training for select Supply Chain Management team members.
- **Target for FY 2026-27:** Reach of 110+ suppliers, including 30 critical suppliers.

De-risking of Supply Chain

Our Company aims to reduce procurement risks by sourcing raw materials cost-effectively and minimising supply disruptions. Our Alternate Vendor Development strategy supports local manufacturing, reduces risk, preserves cost benefits, and maintains a reliable supply of raw materials. In FY 2025-26, this proactive approach helped mitigate revenue risks of ₹1,514 crores through the successful onboarding of eight new vendors and utilising the existing supplier base.

During the year, the manufacturing facility of our Lanreotide injection supplier, Pharmathen International S.A. ("Pharmathen"), was placed under an import alert. Pharmathen has initiated a comprehensive remediation and CAPA programme to address the observations raised. The supply of Lanreotide injection in the US market has been temporarily discontinued. The Company has set-up a cross-functional team to work closely with Pharmathen throughout the remediation process. We are also actively advancing business continuity and supply risk mitigation initiatives through the qualification of an alternate manufacturing facility suitable for complex drug-device combination products. Further details on risk mitigation measures form part of page no. 53 of the Enterprise Risk Management.

Tech Integration in Supply Chain Management[18]

Technology integration continued to strengthen execution discipline and enable data driven decision making across procurement, planning and distribution. Annual Operating Plan was implemented on SAP Analytics Cloud, enabling material-wise and month-wise planning visibility for procurement. Extended Warehouse Management System and Transport Management System achieved 98% and 100% adoption respectively, enabling system driven transactions across national and regional depots. Optical Character Recognition enabled expiry tracking scaled significantly, driving 99% order-wise utilisation across depots in India. We also progressed on Project Ascend, a strategic supply chain transformation initiative aimed at deepening the adoption of SAP Integrated Business Planning module across geographies and strengthening master data foundations. Its AI-enabled demand planning capabilities encompassing best-fit model selection, outlier correction, time-series analysis, and segmentation have enabled low-touch, data-driven forecasting, significantly enhancing forecast accuracy, consistency, and reliability.

Human Resource Development

Details of the Company's human resource development initiatives are provided in the Human Capital section on page no. 72 of this Report.

Enriching the lives of our Communities

To read about our community focused contributions, please refer to Social Capital on page no. 102 of this Report.

Safeguarding Shareholder Interest

For a detailed account of our interactions with shareholders, please refer to the Corporate Governance Report on page no. 197 of this Report.

[17]Information in line with BRSR Question no. 1 under leadership indicators of Principle 1
[18]GRI 3-3

Social Capital

Our Contribution to Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
17 PARTNERSHIPS FOR THE GOALS

Strategic Focus Areas

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

Our Guiding Philosophy[1]

At Cipla, our purpose of Caring for Life guides our engagement with communities. Our CSR initiatives are closely aligned with our core business objectives. Embedded within our purpose, these programmes go beyond philanthropy by improving access to healthcare and supporting better care and outcomes for patients.

Through Cipla Foundation, our philanthropic arm, we design and implement social initiatives that address critical societal needs and contribute to long-term community resilience. We work closely with trusted NGOs, domain experts and government institutions. These partnerships enable effective programme delivery, strengthen community trust, and support meaningful participation by local stakeholders. Our CSR approach is outcome-oriented and aligned with our vision of building an equitable and resilient society.

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

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

Governance of our engagement with Communities

Our community initiatives are governed through a robust and well-defined framework designed to ensure accountability, transparency, and effective oversight. The CSR governance structure focuses, inter-alia, on monitoring programme performance, reviewing progress against approved plans, and assessing outcomes.

The **Board of Directors** approves the CSR Policy and the Annual Action Plan, oversees CSR fund utilisation, and provides strategic oversight of project execution.

The **CSR Committee** recommends the CSR Policy and Annual Action Plan to the Board, and reviews progress of CSR projects on an ongoing basis.

Cipla Foundation identifies, implements, and monitors CSR projects in line with Board-approved plans, the CSR Policy, and applicable regulations. It maintains proper records for all our CSR initiatives and activities, and ensures that CSR funds are utilised efficiently and solely for community benefit in compliance with statutory requirements. In FY 2025-26, four CSR Committee meetings were held to conduct quarterly reviews and evaluate the progress and effectiveness of CSR initiatives.

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

Social Expenditure[2]

₹ 103.75 crores
Total Group CSR Spends

2,55,200+
Total Beneficiaries

1,10,379
Employees Volunteering Hours

[1]GRI 3-3 and information In line with BRSR Question no. 3 of leadership indicators under Principle 4.
[2]GRI 413-1

1 Health

We work to strengthen access to quality and affordable healthcare for communities especially around our operations.

Our health interventions focus on:

01 Access to Palliative Care

02 Primary healthcare systems

03 Essential medical support

These initiatives focus on addressing local healthcare needs, particularly for children, women, and the elderly.

1.1 Access to Palliative Care

Palliative care focuses on improving the quality of life of individuals living with serious illnesses by addressing pain, distressing symptoms, and psychosocial needs of patients and their families. In India, access to such care remains limited, with only about 4% of those in need currently receiving palliative care support. Cipla supports the expansion of palliative care through its CSR initiatives by focusing on capacity building of healthcare providers and forging strategic partnerships with healthcare institutions and communities across the country.

Cipla Palliative Care and Training Centre

Established in 1997 in Pune, the Cipla Palliative Care and Training Centre ("CPC") is one of India's earliest dedicated palliative care centres. CPC was set up to provide free and holistic care to patients living with life-limiting illnesses, especially cancer. At a time when palliative care was still emerging in India, CPC helped to shape a care model that looks beyond disease treatment to address the broader needs of patients and their families.

CPC follows a Family Care Model that recognises how serious illness affects the whole family. It supports both patients and caregivers through pain and symptom management, emotional support, spiritual care, counselling, and help during bereavement. Delivered by a trained multidisciplinary team, care at CPC is continuous, personalised, and responsive to family needs.

The 49-bed facility at CPC offers comprehensive inpatient services, complemented by outreach initiatives such as home-based care and hospital partnerships through NGO collaborations.

Expanding Reach and Access

In FY 2025-26, Cipla's palliative care services supported:

1,000+

Unique Patient Admissions

1,900+

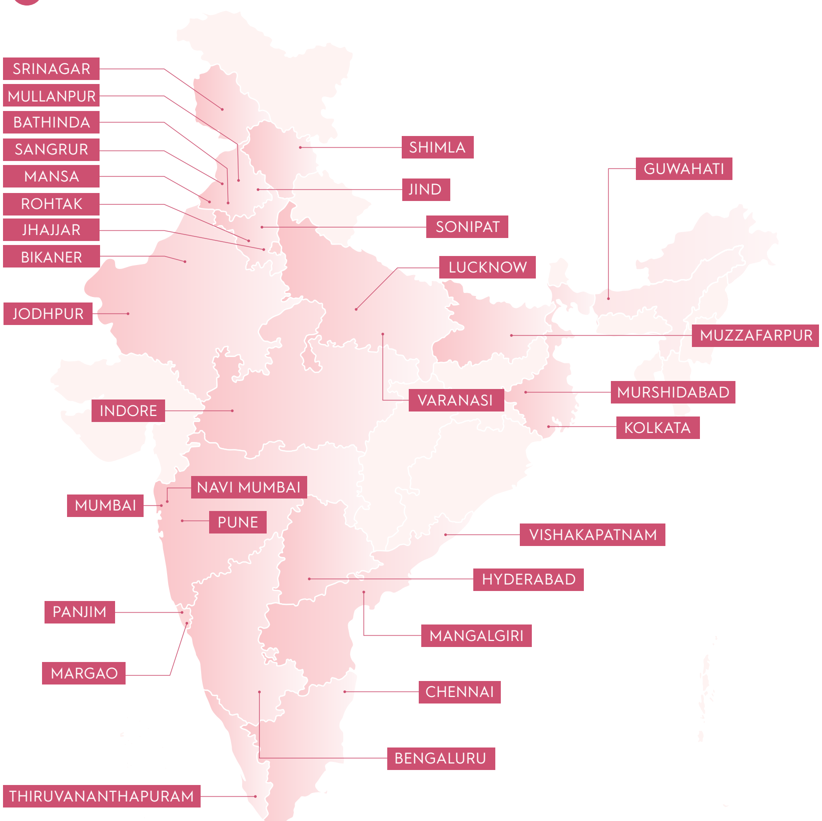
Outpatient Consultations

13,500+

Home visits to over 1,300 patients through NGO partnerships in Pune

Highlights of Cipla's Palliative Care Intervention FY 2025-26

ii



65,900+
Patients reached through partnerships

38
Total locations/ cities

49
Projects

20
States and Union Territories

37
Partners

A Integrating Palliative Care into Public Healthcare Systems

We work closely with governments and public institutions to strengthen palliative care services within existing health infrastructure. This includes supporting training of healthcare professionals, strengthening human resources, and enabling multidisciplinary care.

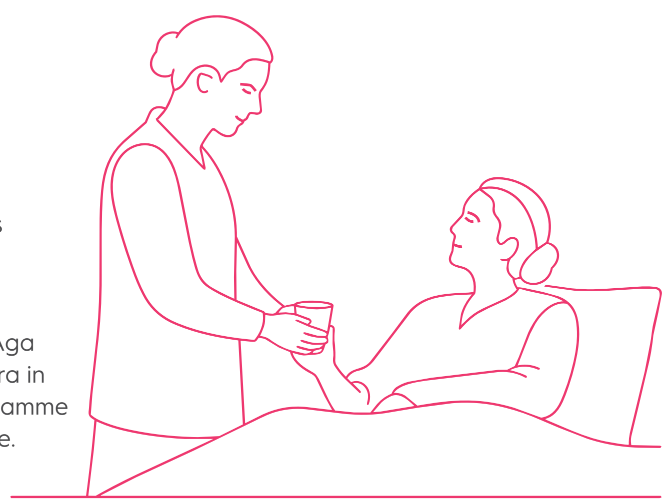
Cipla Foundation serves as the technical lead and, in partnership with Aga Khan Health Services ("AKHS"), supports the Government of Maharashtra in rolling out the Maharashtra State Palliative Care Programme. The programme aims to operationalise palliative care at the district level across the state.

B Palliative Care Partners Meet

The theme of the second Palliative Care Partners Meet was 'Empathy, Equity and Excellence – Strengthening Palliative Care through Partnerships.' The meeting provided a platform to review progress since the previous year, share learnings, and jointly plan the future of palliative care in India for the next three years.

Key priorities under the three-year roadmap include:

- Explore the integration of non-cancer conditions such as thalassemia, neurological disorders and respiratory illnesses into palliative care service delivery;
- Developing digital data systems roadmap to strengthen monitoring, reporting, and evidence-based decision-making;
- Promote innovations and best practices in palliative care, and
- Plan a strategy for partner-level integration of the Saath-Saath helpline into outreach and training programmes.



C Palliative Care Beyond Cancer

We believe palliative care should be inclusive and accessible to all, not limited to cancer alone. We recognise that people living with heart diseases, COPD, kidney disorders, and Alzheimer's disease also need ongoing support to manage pain, symptoms, and quality of life. Our efforts extend palliative care services to address the needs of these patient groups.

Some of our key initiatives include:

Liver Diseases Palliative Care

- With liver diseases emerging as a growing public health concern due to lifestyle-related factors, Cipla Foundation has expanded its palliative care efforts to support patients with life-threatening liver conditions in partnership with the Liver Foundation, West Bengal ("LFWB"), an NGO.
- The programme delivers palliative care through outpatient, inpatient, and home-based services, along with 24×7 app-based counselling, ensuring continuous and compassionate support to over 250 patients in FY 2025–26.

Neuropalliative Care Initiative

Cipla Foundation's partnership with Neuropalliative Care at National Institute of Mental Health and Neurosciences ("NIMHANS"), Bengaluru, Karnataka, supports the integration of neuropalliative care into mainstream systems, with a focus on sharing knowledge and strengthening practices among stakeholders.

Case Story

The story of 56 year old Deepika, a homemaker diagnosed with dementia and Parkinsonism. reflects the transformative impact of this care model Deepika began experiencing early symptoms such as forgetfulness, slowed movement, and withdrawal from social interactions. Over the next two years, her condition gradually worsened. Following a fall that resulted in a fracture, she became completely dependent on her family for even the simplest daily tasks.

In May 2024, her son, feeling overwhelmed and uncertain, reached out to the Neuro-palliative and Supportive Care ("NPSC") clinic at NIMHANS for support.

The NPSC team provided home-based care and regular follow-ups, focusing on key concerns such as mobility, communication, fall prevention, and muscle rigidity. Over time, they introduced simple exercises, cognitive stimulation, and safe caregiving practices into Deepika's daily routine. Equally important, the team offered counselling and caregiver training to her son, creating a safe space for him to express his fears, exhaustion, and emotional distress.

Compassionate Palliative Care Initiative

People living with life-limiting conditions such as cardiac failure, end-stage renal disease, cancer, and other serious illnesses often endure severe pain and debilitating symptoms that significantly impact their quality of life, making palliative care essential. Through our partnership with Sukoon Nilaya (King George V Memorial Trust), Mumbai, Maharashtra, we are dedicated to provide high-quality, compassionate palliative care, reaching as many individuals as possible in and around Mumbai. **Through these efforts, we supported 400 + unique patient in FY 2025-26.**

Integrated Support for Chronic illness

Cipla Foundation's partnership with St John's National Academy of Health Sciences, Bengaluru, Karnataka supports holistic care for people with neurological, cardiac, and renal conditions through symptom management, counselling, and training for healthcare professionals. **Through these efforts, we supported 2,000 + patients in FY 2025 -26.**

Pediatrics Palliative Care

At Cipla, we place a strong emphasis on pediatrics palliative care, keeping both the child and the caregiver at the centre of our approach. We believe that early and continuous support can improve quality of life for both the child and the family. We ensure that our palliative care for children is personalised, inclusive , and responsive through our projects at Bai Jerbai Wadia Hospital for Children, Mumbai (BJ Wadia Hospital), Pain Relief and Palliative Care Society ("PRPCS"), Hyderabad, Novi Survat Goa, CanKids KidsCan, Delhi, LTMG Sion, Mumbai. **Through these initiatives we supported 5,000+ pediatric patients in FY 2025 -26.**

D Saath-Saath Helpline

Launched in October 2021, Saath-Saath is a pan-India palliative care helpline supported by an AI-enabled chatbot, offering vital support to patients, families, and caregivers across India. Led by trained professionals, it offers free personalised multilingual support in Hindi, English, Marathi, Kannada, Telugu and Bengali through a toll-free number: 1800-202-7777. Saath-Saath helps patients and families connect to palliative care services like clinical support, home care and pain management, etc., creating a standarised network effect for palliative care delivery across the country.

What began as a consortium of 11 organisations has blossomed into a strong network of **37 partners spanning 38 locations/cities across multiple States and Union Territories.**

We have reached out **to 15,000+ individuals since 2021 and have referred 5,000+ individuals** for palliative care information and services.

Together, these efforts strengthen access to timely, person-centered care, reflecting the ethos of 'Caring for Life'.

1.2 Primary Health Care System

Mobile Healthcare Units ("MHUs")

As part of our community programme, we bring primary healthcare closer to underserved populations, with a focus on the elderly, women, and children

In FY 2025-26, we provided primary healthcare through MHUs to over **17,000** individuals across four states (Himachal Pradesh, Karnataka, Madhya Pradesh and Maharashtra) and delivered more than **1,08,000** medical consultations.

This programme is implemented through MHUs operated by HelpAge India and delivers comprehensive medical consultations directly at the community level. It provides targeted support to vulnerable groups and is integrated with the local health system through referral services, ensuring continuity of care wherever required.

1.3 Essential Medical Support

Centre for Pulmonary Medicine

As a global leader in respiratory care, Cipla has pioneered solutions that improve the lives of patients living with asthma, COPD, and other chronic respiratory conditions. With rising air pollution and an increasing respiratory disease burden, the need for advanced pulmonary care has never been more urgent.

Against this backdrop, Cipla's partnership with Indian Institute of Science ("IISc"), Bengaluru, marks a milestone with the establishment of Cipla Foundation Centre for Pulmonary Medicine at the Tata IISc Medical School.

The Centre will advance research and develop India specific guidelines for COPD, ILD, asthma, and other lung conditions. It will also train pulmonologists and allied specialists, contributing to long-term human resource capacity in respiratory medicine. By integrating care, training, and research, the Centre aims to deliver sustainable and practical outcomes that enhance the quality of life for patients requiring pulmonary and palliative care support.

Supporting patients with thalassemia and other blood disorder

We remain committed to supporting patients with thalassemia and other blood disorder from underserved communities. In partnership with Sankalp India Foundation and Arpan Thalassemia and Sickle Cell Society, we facilitate access to life-saving and life-enhancing medical care.

Key areas of support include:

Bone Marrow Transplants ("BMTs")

10+

Procedures Supported

Blood transfusions

3,300+

Transfusions Facilitated

Units of essential medication for thalassemia patients

4,000+

Donated

Global Response

We donated critical medicines for HIV/AIDS, cancer, respiratory illnesses and more, worth ₹ 11 lacs, to humanitarian organisations supporting distressed and vulnerable communities globally.

2 Environmental Sustainability

2.1 Water Conservation

We strengthen local water potential through the creation and restoration of water conservation structures in and around Cipla’s manufacturing locations. These interventions include check dams, farm ponds, percolation tanks, recharge structures, and watershed works, aimed at improving groundwater recharge and surface water availability. These initiatives enhance resource efficiency, support sustainable livelihoods, and contribute to long-term environmental resilience in the surrounding communities.

Key highlights include:

Reach and coverage:

105 Villages and **40+ Gram Panchayats,** directly supporting **6,900+ households** and benefiting more than **28,800+ community members.**

Water security and watershed development:

Construction and maintenance of water harvesting and recharge structures, and treatment of **6,100+ hectares** through watershed-based approaches.

Climate-resilient agriculture and livelihoods

Promotion of high-value crops, soil testing, drip irrigation, organic farming, kitchen gardens, horticulture and diversified livelihood options such as poultry, fisheries, and beekeeping.

Renewable energy

Deployment of **450+ solar home lighting systems, 25+ biogas units, 40 solar pumps, 135 solar streetlights** and **140+ insect traps** to provide access to clean energy and reducing carbon footprint.

Community groups and capacity building

Formation of **40+ Water User Groups,** implementation of training programmes, establishment of community-led monitoring system, and engagement of school children as 'Water Warriors' for long term sustainability.

2.2 Eco-restoration programme

In collaboration with the Bombay Natural History Society ("BNHS"), Cipla Foundation has initiated a flagship eco-restoration programme under its Environmental Sustainability focus area. The project centres on the restoration of the Ujjani Wetland, an important bird habitat along the Central Asian Flyway, and is aligned with Cipla's Biodiversity Policy.

The initiative seeks to restore the ecological balance of the wetland through measures such as removal of invasive species, reintroduction of native aquatic biodiversity, ongoing ecological monitoring, and capacity building of local communities.

Over time, the project is expected to contribute to improved biodiversity and local fish productivity, enhanced habitats for migratory birds, and creation of livelihood opportunities through eco-restoration activities. It also aims to support community-led economic benefits, particularly through fisheries and bird-based tourism. The project is supported by the Department of Water Resources, Government of Maharashtra.

3 Education

Igniting curiosity in children through the Mobile Science Lab

Since 2015, Cipla Foundation has partnered with Agastya International Foundation to support Mobile Science Labs ("MSLs") in government and government aided schools. These labs take science models and experiments directly to students and teachers, especially in rural areas where schools often lack proper science laboratories.

The MSLs help students to learn science through hands-on experiments. This practical method makes learning more engaging and helps students to better understand scientific concepts by connecting them to real-world situations. The programme encourages curiosity, creativity, and confidence among children. **Through this initiative, 14,300+ students were benefited.**

Scholarship Support for Continuity in Education

Under its Education theme, Cipla Foundation has been providing continuous scholarship support since 2021, in partnership with Pratham Mumbai Education Initiative to children who have lost one or both parents as well as children who were expected to drop out of school due to financial constraints. Through sustained scholarship assistance, the project supported **266 children** for their educational continuity, prevented dropouts, and enabled the affected students to pursue their academic aspirations with dignity and stability.

4 Skilling

Cipla Foundation supports the Pharmaceutical Academy for Global Excellence ("PAGE"), an institute set up by the Indian Pharmaceutical Alliance. The aim is to provide practical, industry-relevant training in manufacturing and quality systems.

The initiative is designed to bridge the gap between classroom learning and industry requirements, while also encouraging a "Discover and Make in India" approach through focused training in manufacturing and quality practices.

During the year, a key milestone was achieved with the groundbreaking ceremony of PAGE's first campus in Ahmedabad on 13th January, 2026, marking an important step towards building industry-ready talent for the pharmaceutical sector.

5 Disaster Response

In response to severe flooding in Dharashiv district, Maharashtra, Cipla Foundation partnered with BAIF Institute for Sustainable Livelihoods and Development to deliver timely disaster relief. Bhoom was among the most affected taluka of Dharshiv district, with widespread damage to homes, agricultural land, and basic infrastructure impacting vulnerable households.

We supported **300 vulnerable** households across three villages in Bhoom taluka through ration kits which included basic nutritional requirements, hygiene essentials, and safe drinking water. This initiative strengthened community resilience and reinforced the importance of trusted local partnerships in crisis response.

6 Other Community Initiatives

South Africa Projects

We support the National Department of Health's Central Chronic Medicine Dispensing and Distribution ("CCMDD") programme through the Sha'p Left Nurse Surgeries initiative, which delivers community-based, nurse-led primary healthcare.

These clinics ease pressure on the public healthcare facilities while ensuring continuity of care for chronic patients. In FY 2025-26, Sha'p Left registered **72,779 new patients**, taking the cumulative total to **3,45,252 patients,** and enabled the delivery of **4,29,995 medicine parcels** through 42 pickup points.

Our 'Miles for Smiles' partnership with Operation Smile supported various cleft and corrective surgeries for children, contributing to improved long-term health outcomes and social inclusion across the African continent.

Additionally, our Ajuga Early Childhood Development initiative in South Africa supports 11 schools registered with the National Department of Basic Education. In FY 2025-26, the initiative provided quality education and three nutritious meals a day to **1,134 learners**. Six vegetable gardens were also established to support student feeding programmes.

Employee Volunteering

1,10,379

Volunteering hours

Our employee volunteers came together with a shared spirit of care and responsibility, contributing across health, education, environment, and other social initiatives. They supported patients and caregivers, engaged with children and students through mentoring and awareness sessions, and worked closely with communities to address real needs. From environmental clean ups to disaster relief and skill building initiatives, their efforts went beyond activities to create meaningful connections. Together, these actions reflect our people's belief that collective compassion can lead to lasting community impact.

Natural Capital

Our Contribution to Sustainable Development Goals

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

Strategic Focus Areas

- Robust Governance
- Renewable Energy
- Climate Action
- Water Stewardship
- Waste Management

ESG Ratings and Score

Cipla has been included in the 2026 Dow Jones **Best in Class** World Index

S&P Global Corporate Sustainability Assessment ("DJSI")	81

CDP

Climate Change	B
Water	B

MSCI

ESG Rating	A

Highlights (India Manufacturing Operations)

100%
Zero Waste to Landfill Certified sites

2.60
times water positive

84%
Renewable electricity

67%
Zero Liquid Discharge ("ZLD") sites

39%
scope 1 (energy based) and scope 2 reduction from FY 2024-25

21%
of our total antibiotic molecules of formulations product manufactured at our own sites are AMR certified

Caring for Life as an Environmental Philosophy[1]

Cipla's commitment to environmental sustainability is rooted in a fundamental belief that "Caring for Life" also means caring for the planet that sustains it. Guided by our core purpose, we strive to embed sustainable practices across our operations and business, alongside our focus on accessible healthcare and innovation. As a global healthcare leader, we recognise that the natural resources underpinning our operations are inseparable from the Wellbeing of the communities we serve. Our approach to environmental stewardship is anchored in our ESG framework, CARE ("Championing Climate Positivity, Accelerating Community Wellbeing, Raising the Bar on Governance and Enhancing Access and Affordability"), contributing meaningfully to the achievement of key United Nations Sustainable Development Goals ("UNSDGs").

During the year, we continued to expand renewable energy capacity, strengthen energy efficiency and deploy cleaner energy solutions to limit our carbon footprint, while systematically assessing and managing climate related risks across our global operations. Biodiversity initiatives such as afforestation, and habitat restoration were integrated into comprehensive risk assessments and site level planning. Water stewardship remained a strategic priority, with ongoing efforts to reduce freshwater dependency, expand rainwater harvesting and maximise wastewater recycling through in-house treatment systems. Our circularity agenda was reinforced through disciplined waste segregation, higher recycling rates and sustainable disposal practices, sustaining Zero Waste to Landfill status across India manufacturing operations.

Having successfully met our 2025 sustainability goals, we are now advancing our commitment to Caring for Nature by building this momentum. In FY 2025-26, we have marked a transition from delivering 2025 sustainability goals to introduction of our new near term 2030 and long term 2050 Net-Zero goals defining a more ambitious roadmap for the future ahead, and extend our commitment to climate resilience and resource

[1] GRI 3-3

stewardship. These goals reflect our vision for a resilient and sustainable future. The details related to our goals are provided under the section Advancing our Sustainability Vision on page no. 33.

Environmental Performance Reporting

We monitor, report and represent our environmental performance data across two distinct categories:

India Manufacturing Operations which include manufacturing units of Cipla Limited and all its wholly owned subsidiaries in India

Global Operations which include all sites and offices of Cipla Limited and all its subsidiaries.

Environment, Health Safety & Sustainability ('EHS&S') Governance

Our Environment, Health, Safety & Sustainability (EHS&S) Policy anchors our approach to managing environmental and safety responsibilities across the organisation. It articulates our priorities and steers concrete actions to mitigate environmental footprint and preventing adverse impacts in our operations. During the year, **79% of our global manufacturing operations were certified with ISO 14001:2015 and ISO 45001:2018,** ensuring consistent standards of environmental management and occupational safety across our operations. At Cipla we have a centralised sustainability reporting tool for standardised monthly monitoring across all sites and global operations. It tracks key metrics such as energy use, emissions, water consumption, and waste generation.

The tool enhances transparency, enables data-driven decisions, and supports benchmarking and continuous performance improvement.

Roles and Responsibilities

EHS and Sustainability are integral to our organisational strategy and receive direct oversight from the Managing Director & Global Chief Executive Officer and the Board. Quarterly reviews are conducted at the Board level through the Investment and Risk Management Committee ("IRMC") to ensure alignment with ISO standards and clearly defined accountability for EHS and ESG performance.

The Central EHS Team, oversees key areas including API, Formulation, Occupational Health and Hygiene ("OHH") and Sustainability reports to the Head Corporate EHS & Sustainability under the Global Chief Manufacturing Officer ("GCMO"), driving strategic direction and organization-wide EHS&S policies. At the site level, Site Heads and EHS Managers are responsible for effective implementation of systems, policies, and programmes. EHS&S governance at each site is led by the Site Head, who is accountable for compliance with Cipla's EHS&S policy and sustainability reporting SOP.

No penalties have been imposed on us by regulatory agencies for safety or environmental violations.[2] We continue to reinforce our commitment to environmental stewardship and transparent governance by actively monitoring our operations to ensure compliance with applicable environmental EHS&S regulations. In line with Environmental Performance Reporting, we submit half yearly compliance reports to the Ministry of Environment, Forest and Climate Change ("MOEFCC") and make these reports publicly accessible on the Company's website at https://www.cipla.com/about-us/manufacturing.

Our Decarbonisation Pathway to 2030 and Net Zero by 2050

We are advancing on decarbonisation pathway anchored in our commitment to reduce our environmental footprint through sustainable practices, innovative technologies and enhance energy efficiency. By steadily increasing our renewable energy share and rolling out climate smart solutions across our operations.

By the year 2030, we aim to source 80% of the electricity used in our India manufacturing operations from renewable sources and deliver a 30% absolute reduction in Scope 1 (energy based) and Scope 2 emissions from FY 2023-24 baseline for Cipla Global. These efforts are underpinned by investments in renewable energy, alternate fuel and build capacity infrastructure for green propellants used in MDI (Metered Dose Inhaler). Together, these near-term milestones chart a credible pathway towards our long-term ambition of achieving Net Zero emissions by 2050.

[2] GRI 2-27

At Cipla, we drive our decarbonisation efforts through four strategic pillars:

- **Enhancing energy efficiency**
- **Investment in product innovation**
- **Transitioning to alternative fuels**
- **Scaling up renewable energy**

Energy Management[3]

In FY 2025 26, our global energy consumption stood at 21,00,034 GJ, while our **energy intensity remained 0.75 GJ/₹ lacs of Revenue.** During FY 2025-26, underlying energy consumption increased marginally by 0.8% (20,71,362 Vs 20,54,255 GJ) in comparison to previous year, after excluding the impact of energy use from ongoing greenfield and brownfield project activities.

During the year, **56% of our India manufacturing operations were certified to ISO 50001:2018** on Energy Management Systems ("EnMS")

Global Energy Consumption

Global energy consumption by source (in GJ)[5]

Sources	Global Operations (GJ)	India Manufacturing Operations (GJ)
Total grid electricity	4,06,427	1,75,389
Solar Energy	2,96,457	2,76,823
Solar Energy ("IRECs")	6,05,002	6,05,002
PNG	2,32,348	2,32,348
Briquette	1,43,495	1,43,495
Diesel (Utilities)	1,03,325	92,396
Natural Gas	93,650	63,864
LSHS	65,786	65,786
Wind Energy	51,865	51,865
Liquefied Petroleum Gas ("LPG")	47,791	47,791
Diesel (Vehicles)	22,054	3,379
Petrol	15,209	239
Furnace Oil	12,098	12,098
Kerosene	4,527	-
Total Energy	**21,00,034**	**17,70,475**
% Renewable Electricity	**70**	**84**
% Renewable Energy	**52**	**61**

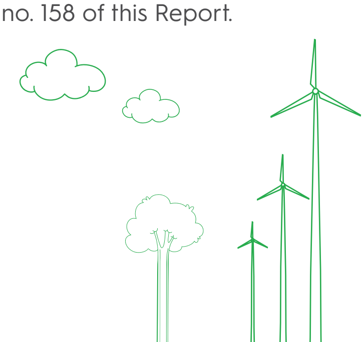
India Manufacturing Operations

Our India manufacturing operations accounted for 84% of our total global energy consumption, continuing to represent the most significant share of our energy footprint. During FY 2025-26, underlying energy consumption decreased by 1% in comparison to previous year, after excluding the impact of energy use from ongoing greenfield and brownfield project activities. The energy consumption trend for our India manufacturing operations over the past four years is represented below:

India Energy Consumption

Energy Efficiency: A Core Operational Priority[6]

During FY 2025-26, we invested **₹ 5.54 crore** in dedicated energy efficiency initiatives aimed at improving operational performance, lowering our carbon footprint and embedding sustainable practices more deeply across our facilities. These initiatives delivered energy savings of approximately **19,911 GJ** across our India manufacturing locations, representing a **45% increase** compared to **13,704 GJ** of savings achieved in FY 2024-25. A comprehensive overview of these initiatives, including objectives, implementation strategies and anticipated outcomes, is provided in Annexure III of the Board's Report on page no. 158 of this Report.



[3] GRI 302-1
[4] GRI 302-3
[5] Reference for fuel conversion values: 2006 IPCC Guidelines for National Greenhouse Gas Inventories - Volume 2 (Energy)
[6] GRI 302-4, GRI 305-5 and information In line with BRSR Question no. 8 under essential indicators of Principle 6
*Energy consumption including projects activities

Wheels of Change: Our Electric Mobility Shift*

In FY 2025-26, we expanded our EVs fleet by replacing conventional vehicles. As a result, our EV fleet collectively covered 2,55,262 kilometers which is **49% more kilometres compared to FY 2024-25**, reflecting the rapid scaleup of electric vehicles in our site operations. The adoption of electric mobility is enabling us to lower our carbon footprint and fossil fuel reliance, while contributing meaningfully to improved air quality and enhanced community wellbeing.

Other Energy Enhancement Initiatives:*

During FY 2025-26, we implemented several high-impact initiatives across our facilities, delivering significant and measurable energy savings:

- **Indore plant:** Installed Automatic Condenser Cleaning System ("ACCS") in chillers to maintain condenser approach temperature below 0.5 °C. The system propels slightly oversized soft balls through the tubes under controlled water pressure; the resulting friction prevents residue buildup on tube walls, ensuring efficient heat transfer, reducing compressor power consumption, stabilizing condenser performance, and delivering **energy savings of approximately 923 MWh**.
- **Sikkim plant:** To address frequent power outages and voltage fluctuations, the Sikkim site migrated its State Electricity Board power supply to a new, more reliable substation. This initiative **reduced diesel consumption by approximately 52,000 litres (~1,987 GJ of energy)**, delivering annual savings of ₹ 47 lacs.
- Also, we have taken a policy decision to build all new infrastructure projects in alignment with **IGBC guidelines and ratings**, integrating energy-efficient systems and environmentally responsible design at their core to minimise our ecological footprint while enhancing the Wellbeing and productivity of occupants.

Building an Energy-Efficient Culture

We conduct **regular energy audits** and capacity-building sessions across our manufacturing operations to evaluate consumption, identify inefficiencies, and unlock opportunities for energy optimisation. During FY 2024-25, we delivered **2.46 manhours of energy training per employee**, focused on add energy conservation, climate action, and GHG emissions reduction, actively equipping our workforce with the knowledge and skills to contribute to our decarbonisation goals.

Use of Renewable Energy

Goal FY2029-30

80%

renewable electricity for India manufacturing operations, covering existing operations, expansions and new projects

Through our **Green Energy Initiative,** we have significantly scaled our renewable energy portfolio by deploying rooftop solar installations, leveraging open access solar and wind energy, securing long-term renewable energy certificate purchase contracts and incorporating alternative energy sources like briquette to reduce our reliance on fossil fuels.

In **FY 2025-26**, our global **renewable energy** consumption reached 10,96,819 GJ, accounting for **52%** of our total energy consumption a continued acceleration from **41% in FY 2024-25** and **29% in FY 2023-24.** For our India manufacturing operations, renewable energy stood at **61%** (10,77,184 GJ), building on the significant leap from **48% in FY 2024-25.**

Initiatives to Enhance Share of Renewable Energy*

We continue to invest in building robust renewable energy infrastructure across our operations. As of 31st March 2026, our total operational capacity stood at:

59 MWp

of captive solar power open access, harnessing large-scale solar energy to power our operations

2.7 MVA

of captive wind power open access

11.8 MWp

of solar rooftop installations across various units in India

Contribution of Captive Solar Plant in Maharashtra

Our 46 MWp captive solar plant in Tuljapur remains a key component of our renewable energy strategy, meeting 55% of the electricity requirements of our manufacturing units at Kurkumbh and Patalganga, as well as our R&D centre at Vikhroli, Mumbai.

We have commenced sourcing renewable energy from a 4 MWp captive solar plant for our subsidiary JPPL in the current financial year.

Contribution of Captive and Third-Party Renewable Energy Sourcing in Karnataka

Our captive 9 MWp solar and 2.7 MVA wind projects, complemented

*Information In line with BRSR Question no. 8 under essential indicators of Principle 6 by third-party solar and wind power sourcing, collectively powered 96% of the electricity requirements of our manufacturing units at Virgonagar and Bommasandra, bringing these locations close to fully renewable operations.

Rooftop Solar Installations

During FY 2025-26, we expanded our rooftop solar capacity at Vikhroli from 85 kWp to 130 kWp and commissioned a 4 MWp solar open access project for JPPL, Maharashtra. Our cumulative rooftop solar capacity of 11.8 MWp across our various units continues to grow, underscoring our commitment to maximising renewable energy generation at our own facilities.

Case Story:

Harnessing the Sun: Rooftop Solar at Goa Site

Material relevancy: Climate Change and Energy Transition

Cipla's Goa Site case study illustrates how the Company is turning its environmental philosophy and Net Zero 2050 commitment into on ground action. In April 2025, the site converted unused rooftop space to install a 53 KWp solar system in the utility area. The initiative involved an investment of ₹24 lacs, enabling the site to displace grid electricity with renewable power, reducing Scope 2 emissions and lowering operating costs.

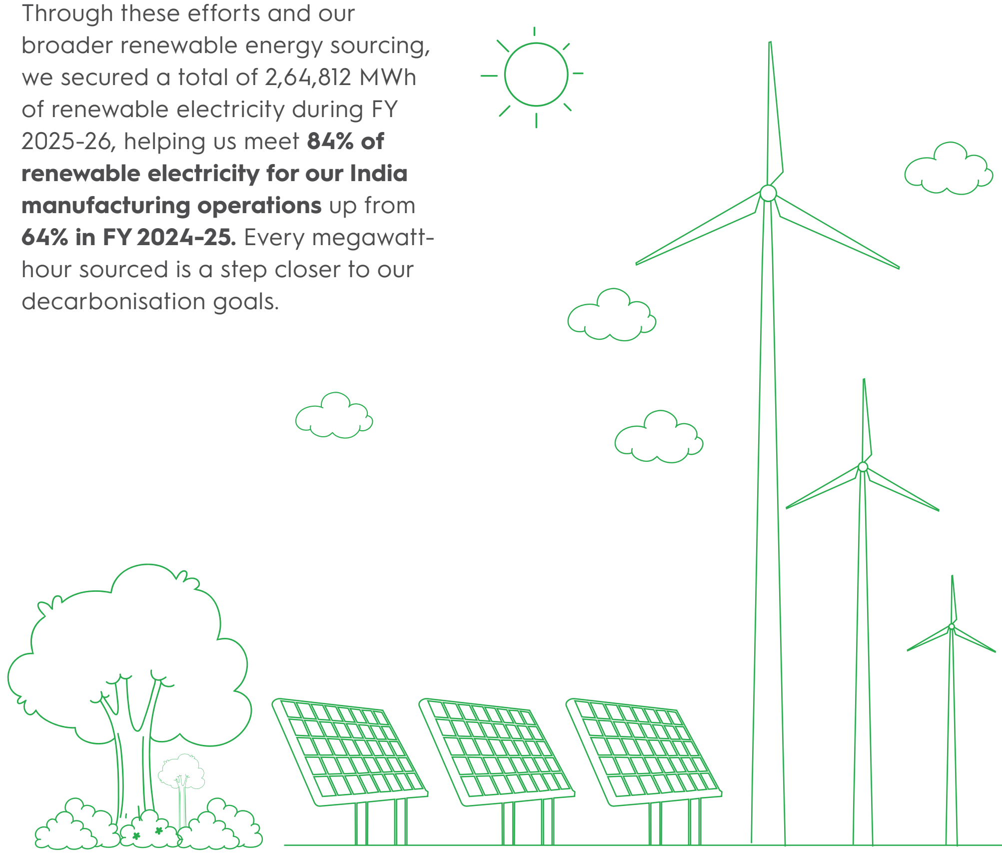
The project demonstrates Cipla's approach of using focused, high impact initiatives such as rooftop solar and other efficiency measures to move beyond incremental change and support its 2030 decarbonisation goals while embedding sustainability into everyday operations.

Scaling Clean Energy Through Strategic Alliances

Our partnership with Juniper Green Cosmic Private Limited continues to secure access to 112 MWp of solar capacity in Bikaner, Rajasthan connected to India's Central Grid. This long-term strategic alliance enables us to receive 1,85,000 International Renewable Energy Certificates ("I-RECs") annually, translating to an **estimated reduction of 1,31,350 tCO_2e per year** as per the CEA grid emission factor of 0.71 tCO_2e/MWh.

Commissioned in September 2024, this project has already delivered a significant impact. In FY 2025-26, we procured **1,68,056 MWh** of renewable power through this initiative for our India manufacturing operations, resulting in a **reduction of 1,19,320 tCO_2e** in Scope 2 emissions, building on the 95,005 MWh and 69,068 tCO_2e reduction achieved in FY 2024-25.

Through these efforts and our broader renewable energy sourcing, we secured a total of 2,64,812 MWh of renewable electricity during FY 2025-26, helping us meet **84% of renewable electricity for our India manufacturing operations** up from **64% in FY 2024-25.** Every megawatt-hour sourced is a step closer to our decarbonisation goals.



Greenhouse Gas Emissions[7,8]

We are actively driving down our carbon footprint through a multi-pronged approach enhancing energy efficiency, scaling renewable energy adoption, alternate fuels, and continuously optimizing our operational processes. Through proactive measures such as implementing energy-efficient technologies, transitioning to clean energy and alternate fuels, we aim to lower our Scope 1 and Scope 2 emissions.

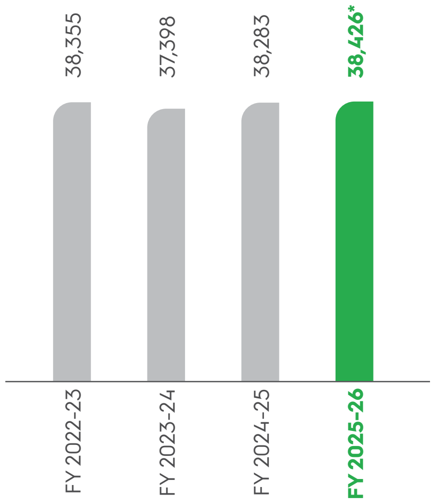
Goal FY2029-30

30%

absolute reduction in emissions vs FY 2024 baseline

Global Scope 1 (energy based) emissions

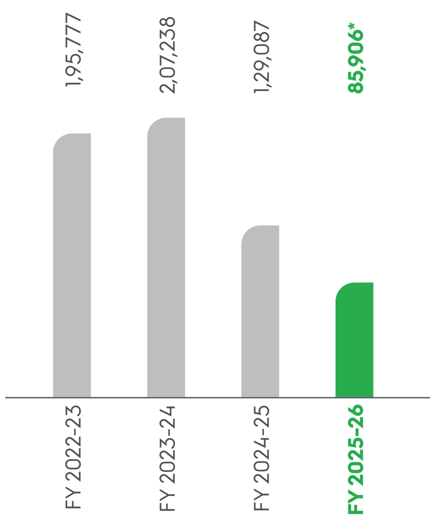
(in tCO_2 e)



In FY 2025-26, our global Scope 1 (energy-based) emissions stood at 38,426 tCO_2e, global refrigerant emissions at 5,88,321 tCO_2e, and biogenic emissions from our operations at 14,350 tCO_2e.

Global Scope 2 Emissions

(tCO_2e)

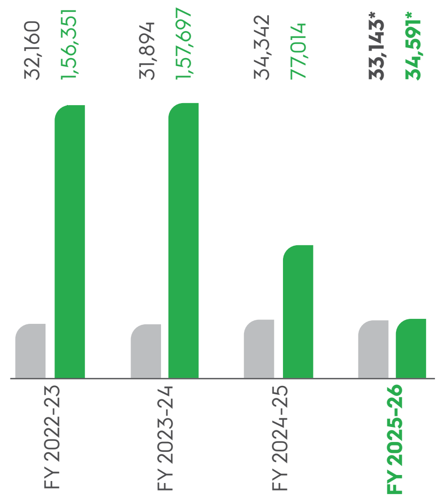


In FY 2025-26, our market-based Scope 2 emissions stood at 85,906 tCO_2e, a **33% reduction from FY 2024-25**. Our expanding renewable energy footprint enabled us to avoid 1,88,037 tCO_2e, building on the 1,38,925 tCO_2e avoided in FY 2024-25.

Our combined Scope 1 and Scope 2 emissions intensity for the reporting year improved to **0.25 tCO_2e/₹[9] lacs of revenue**, down from **0.33 tCO_2e/₹ lacs of revenue in FY 2024-25,** reinforcing that our growth and decarbonisation ambitions are advancing hand in hand.

India Manufacturing operations

(in tCO2 e)



Emission by source	(in tCO_2e)
Total grid electricity	85,906
PNG	13,076
Diesel (Utilities)	7,295
Natural Gas	5,259
LSHS	5,109
Liquefied Petroleum Gas ("LPG")	3,018
Diesel (Vehicles)	1,660
Petrol	1,082
Furnace Oil	939
Diesel	387
Kerosene	327
Briquette	273
Total	**1,24,331**

[7]GRI 305-1, 305-2

[8]References for emissions factors: The Intergovernmental Panel on Climate Change Assessment Report 6, India Central Electricity Authority 2025 report, Harmonised IFI Default Grid Factors 2021, V3.2, United States EPA eGrid Database

[9]GRI 305-4

*Emissions including projects activities

Scope 3 Emissions[10,11]

In line with the GHG Protocol, we have undertaken a comprehensive assessment of all 15 categories of Scope 3 emissions to determine their relevance to our business. Based on this evaluation, Category 14 (Franchises) has been deemed not applicable, as Cipla does not operate under a franchise model, while Category 9 (Downstream Transportation and Distribution) the financial responsibility lies with the Company.

As a result, we have accounted Scope 3 emissions across 14 relevant categories. Among these, Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products) together account for over 87% of our total Scope 3 emissions. We employ a hybrid approach based on activity and spend methods to calculate emissions from Purchased Goods and Services under Category 1. Additionally, direct use-phase emissions from sold inhalation devices containing the greenhouse gas propellant ("HFA") have been quantified under Category 11.

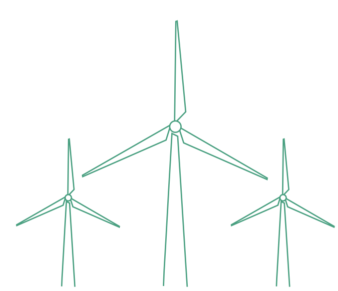
Cipla has automated its Scope 3 emissions accounting through a dedicated digital platform that enables greater transparency, traceability, and efficiency across the value chain and in FY 2025-26 Scope 3 emissions have been computed using this tool with enhanced data accuracy and improved data quality by digitizing these processes. We further aim to improve data quality and audit readiness, strengthen supplier collaboration, and generate actionable insights to drive targeted emissions reductions across our value chain.

Our Scope 3 emissions intensity for FY 2025-26 stood at **1.55 tCO_2e/₹ lacs of revenue,**[12] compared to **1.45 tCO_2e[14]*/₹ lacs of revenue** in FY 2024-25, reflecting our continued focus on driving accountability and transparency across the value chain.

Emissions Category	FY 2024-25 Emissions (tCO_2e)[14]*	FY 2024-25 Emissions %	FY 2025-26 Emissions (tCO_2e)	FY 2025-26 Emissions %
Purchased goods and services	9,91,001	24.81	9,59,802	21.93
Capital goods	54,201	1.36	96,247	2.2
Fuel- and energy-related activities not included in scope 1 or scope 2	77,518	1.94	80,843	1.85
Upstream transportation and distribution	21,091	0.53	1,85,619	4.24
Waste generated in operations	18,729	0.47	16,190	0.37
Business travel	23,852	0.6	23,320	0.53
Employee commuting	25,524	0.64	49,209	1.12
Upstream Leased Assets	8,143	0.2	8,250	0.19
Downstream transportation and distribution	74,483	1.86	94,818	2.17
Processing of Sold Products	3,199	0.08	3,312	0.08
Use of sold products	26,75,598	66.99	28,41,061	64.92
End-of-life treatment of sold products	18,759	0.47	17,101	0.39
Downstream Leased Assets	1,419	0.04	400	0.01
Investments	354	0.01	361	0.01
Total	**39,93,872**	**100**	**43,76,533**	**100**

Safeguarding the Ozone Layer[13]

We are committed to the progressive elimination of ozone-depleting substances in line with the Montreal Protocol and its mandated phase-out schedules for developing countries. We actively monitor the consumption of HCFCs and HFCs across our sites, ensuring timely compliance with stipulated timelines. Our ODS emissions from manufacturing operations in FY 2025-26 stood at **0.14 CFC-11 equivalent from 0.109 CFC-11 equivalent in FY 2024-25**. Our trajectory is clear towards a future free from ozone-depleting emissions.



[10] GRI 305-3
[11] References for emissions factors: Region specific IEA, IPCC AR6, India GHG Program, Defra, USEEIO, US EPA and ecoinvent specific emission factors. Emission factors for APIs were derived from the molar mass and number synthesis steps required for the respective API as mentioned from the methodology provided in the research paper.
[12] GRI 305-4
[13] GRI 305-6
[14] GRI 2-4
*In FY 2025-26, we updated our calculation methodologies, emission factors, and expanded the Scope 3 reporting boundaries. Accordingly, the emissions for FY 2024-25 have been restated using the current year's methodology, scope, and factors to ensure consistency and comparability in reporting.

Climate Risk Management[15]

In FY 2022-23, Cipla adopted the Task Force on Climate Related Financial Disclosures ("TCFD") framework to identify and assess the potential risks linked to climate on the business operations. Through this assessment, all major Cipla sites, offices and depots were assessed for potential physical and transition climate related risks. Our physical risk assessment leverages three **RCP (Representative Concentration Pathways) Scenarios- RCP 4.5, RCP 6.0 and RCP 8.5**, while transition risk analyses are grounded in scenarios from the International Energy Agency ("IEA") and the Network for Greening the Financial System ("NGFS").

TCFD Risk assessment confirms that Cipla is not exposed to high physical or transition risks in the immediate future. However, in an evolving climate landscape, we remain vigilant continuously reviewing these assessments and developing proactive action plans to address any emerging risks.

Detailed information on our TCFD assessment is available at: TCFD Report

Cipla (EU) Limited Carbon Reduction Plan

Cipla (EU) Limited, wholly owned subsidiary of the Company has published its Carbon Reduction Plan in compliance with the UK Nation Health Service ("NHS") guidelines, reinforcing our accountability to the healthcare systems and communities we serve in the United Kingdom. The Plan sets a clear ambition **to achieve Net Zero emissions by 2050**, supported by a target to reduce **Scope 1, Scope 2 and a defined subset of Scope 3 emissions from an FY 2025 baseline**. Transportation and distribution across our supply chain account for the largest share of our emissions, and we are focused on addressing this through targeted interventions. To deliver on this commitment, we are driving energy efficiency improvements, transitioning to renewable energy, optimising logistics towards lower-emission freight modes, and fostering a culture of sustainable travel and commuting among our teams. The Carbon Reduction Plan is publicly available at: Carbon Reduction Plan.

Our Water Stewardship Journey[16]

We are committed to conserving water resources through innovative solutions that drive efficiency enhancement by recycling and reusing water across our operations.

Goal FY2029-30

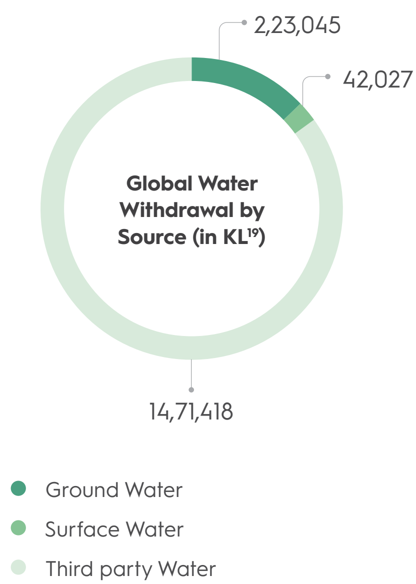
Water Neutral

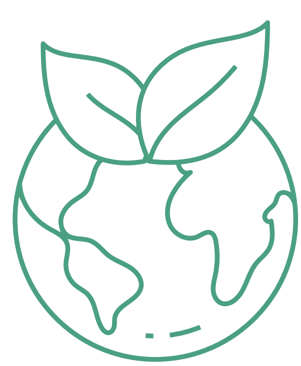
year on year for India manufacturing operations

In FY 2025-26, our global water withdrawal stood at 17,36,490 KL with water consumption at 16,06,140 KL[17] , while global water discharge for the year was 1,30,350 KL[18]. Our water withdrawal intensity stood at **0.61 KL/₹ lacs of revenue**, in comparison to **0.54 in FY 2024-25.**

In FY 2025-26, we recycled and reused 7,28,700 KL of water during the year, representing **42%** of our global water withdrawn.

Global Water Withdrawal



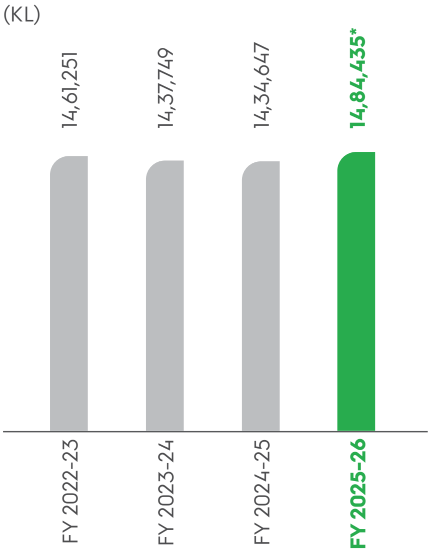


[15] GRI 201-2
[16] GRI 303-1
[17] GRI 303-5
[18] GRI 303-4
[19] GRI 303-3
* Water withdrawal including project activities

India Manufacturing operations

In FY 2025-26 across our India Manufacturing operations, water withdrawal has decreased by 1% (14,21,121 vs 14,34,647 KL) in comparison to previous year, after excluding the impact of water withdrawal at ongoing greenfield and brownfield project activities, reinforcing our sustained focus on minimizing freshwater dependency where it matters most.

India Water Withdrawal



Water Stewardship and Neutrality in Action Top of Form

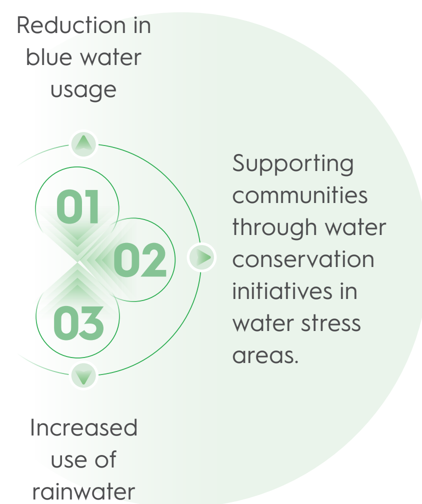
During FY2025-26, we sustained our water positive status for our India manufacturing operations, achieving **2.6 times water positivity against our Water Neutrality target** and harvested approximately 3.8 million KL of rainwater. This achievement has been externally certified, by an independent assurance provider.

Our Water neutrality boundary covers India manufacturing operations and follows a consistent methodology to quantify internal conservation and external replenishment contributions. This approach strengthens operational resilience, particularly for sites located in water-stressed regions where water stewardship actions directly mitigate long-term risk.

Cipla recognises that long-term sustainability is vital to both operational resilience and community wellbeing. Committed to maintaining its water positivity status, the organisation will advance holistic, community focused water initiatives aligned with NITI Aayog's Water Neutrality Guidelines, strengthening local water governance and nature-based solutions across watershed areas.

Our Approach to Water Conservation

Our approach to water conservation and efficient usage is based on three critical aspects:



01 Reduction in Blue Water Usage[20]

Wastewater Management

We actively enhance the utilisation of treated water from our Effluent and Sewage Treatment Plants, ensuring compliance with prescribed quality standards for the bulk drugs and pharmaceutical industry. We also reuse Reverse Osmosis ("RO") reject water from raw water treatment processes within our operations. These measures significantly reduce our dependence on freshwater withdrawal.

Case Story:
Sewage Treatment Plant ("STP") Installations

Material relevancy: Water Stewardship

Cipla implemented two Sewage Treatment Plants (20 KLD and 35 KLD, at Sikkim site) to enhance wastewater treatment efficiency, regulatory compliance and on-site water reuse. Treated sewage water is recycled for gardening and toilet flushing, significantly reducing freshwater consumption, sewage discharge and environmental risk which resulting in improving hygiene and ESG performance.

Towards Zero Liquid Discharge**

Our commitment to responsible wastewater management is reflected in the implementation of Zero Liquid Discharge("ZLD") mechanisms across our manufacturing operations. Advanced Effluent Treatment Plants ("ETPs") and Sewage Treatment Plants ("STPs") enable maximum recovery and reuse of treated water while minimising liquid discharge from sites. As of 31st March 2026, we have **sustained ZLD at 54% in our global manufacturing units**. This progress has further reduced liquid discharge and strengthened our commitment to water stewardship.

Case Story:
Secondary RO System for Water Recovery

Material relevancy: Water Stewardship

At our Bommasandra site, we installed a Secondary RO system to recover reject water from the existing primary RO plant. The objective is to reduce freshwater intake and wastewater discharge by reusing treated permeate for utilities such as cooling towers and boiler feed. This intervention has improved overall RO recovery, lowered water procurement and treatment costs, and strengthened our alignment with sustainable water management goals.

[20] GRI 303-2

* Water withdrawal including project activities

**Information In line with BRSR Question no. 5 under essential indicators of Principle 6

Managing Antimicrobial Resistance ("AMR") Responsibly

Goal FY2029-30

One Antibiotic Product per Cipla India site certified as per AMR manufacturing standard

As part of our broader environmental stewardship and commitment to mitigating antimicrobial resistance ("AMR"), we have strengthened controls and monitoring systems across all our manufacturing operations in India. All antibiotic manufacturing sites follow AMRIA and WHO guidelines, supported by comprehensive mass balance assessments and analytical testing to ensure responsible antibiotic management in waste. Our extensive Zero Liquid Discharge ("ZLD") infrastructure at most sites eliminates the risk of environmental contamination from treated effluent discharge, while at the remaining sites, we ensure safer Predicted Environmental Concentration ("PEC") levels through AMIRA (AMR Industry Alliance)-recommended controls.

Our commitment to responsible production practices was reaffirmed with the BSI's **AMR certification** at our **Goa-2 (Azithromycin), Sikkim-1 (Ofloxacin) and Golden Cross (Levofloxacin)** in addition to already certified site **Indore (Ciprofloxacin)** facility, an achievement that we are working to replicate across all applicable sites.

To reinforce consistent performance, each manufacturing location has designated AMR Champions who receive periodic training on emerging best practices and regulatory developments. We also extend our stewardship principles across the supply chain.

During the year, Cipla conducted capacity-building workshops for its antibiotic suppliers, covering the environmental impact of antibiotic discharge, AMRIA's 2025 manufacturing standards, and the AMR certification programme. These initiatives support our goal of fostering a resilient, responsible, and sustainable antibiotic value chain.

Water risk assessment

As part of our climate-related risk management process aligned with the TCFD framework, we have conducted a comprehensive water risk assessment across our operations. The assessment evaluates exposure to water stress, water scarcity, flooding, and regulatory risks across our manufacturing sites using recognised tools and methodologies. Key findings and our approach to managing water-related risks, including site-level vulnerability analysis, scenario planning, and adaptation measures are detailed in our TCFD Report. This assessment enables us to identify high-risk locations, prioritise mitigation actions, and build long-term resilience across our water-dependent operations.

02 Increasing the Use of Rainwater

We continue to expand our rainwater harvesting infrastructure across our manufacturing sites. RWH systems in the form of underground tanks, recharge pits and shafts are operational at our facilities in Kurkumbh, Indore, Baddi, Bommasandra, Sikkim, Goa, Patalganga add Satara Kundaim. In FY 2025-26, a total of **29,734 KL of rainwater was conserved**, which includes **3,946 KL of rainwater harvested and utilised**, and **25,788 KL recharged through borewells** (where permitted). This reflects an increase from **23,612 KL conserved in FY 2024-25**. Every drop captured is a step toward reducing our freshwater dependency.

A new Rainwater Harvesting ("RWH") system has been installed at our Medispray Satara site, to supply make-up water to the cooling tower. The project diverts filtered terrace runoff to an HDPE storage tank and then to the cooling tower, reducing freshwater draw from the borewell. This installation will enhance the overall total water harvesting ("TWH") capacity at the site, lowering water consumption and supporting site-level water conservation.

03 Water Conservation in Communities

Our water neutrality efforts show our focus on responsible water use and community support. Through the adoption of a **"ridge to valley"** approach, we prioritise holistic water resource management, acknowledging the interconnection within watersheds and designing interventions that cater to both high and low points for comprehensive conservation.

Building on our previous year's commitment, we continue to advance towards water neutrality through strategic interventions conducted in partnership with **MYRADA** and **BAIF** across **Karnataka, Tamil Nadu, Maharashtra and Madhya Padesh, including new projects** initiated this year in Himachal Pradesh Our interventions include watershed development structures such as farm bunds and check dams that enhance water retention and boost agricultural productivity even in the most challenging conditions. These efforts are strengthened by active community engagement, with local farmers forming **Water User Groups**

("WUGs") to manage and maintain water structures, ensuring long-term ownership and sustainability.

We are also investing in the next generation of water stewardship through initiatives like **rooftop rainwater harvesting in schools**, which provide reliable water sources while educating young minds on sustainable water practices. Our collaborative model, working alongside NGOs and local authorities integrates water stewardship into community norms, while investments in technical expertise and capacity building empower communities to diversify crops, embrace climate-resilient agriculture and reduce groundwater dependency.

Additionally, our afforestation efforts and biodiversity assessments around watershed areas have been strengthened to protect and conserve local biodiversity.

Impact That Matters

These initiatives continue to deliver substantial socio-economic benefits from increased employment opportunities and enhanced agricultural productivity to reduced migration driven by water scarcity. Communities are diversifying crops, strengthening livelihoods and adopting improved water retention and crop management strategies.

As we look ahead, we are committed to scaling these initiatives across new regions, deepening stakeholder partnerships and reinforcing community participation ensuring that our pursuit of water neutrality leaves a lasting, positive legacy far beyond our operations.

Data Highlights (FY 2022-23 to FY 2025-26)

272
No. of structures

37,76,648 KL
Water Harvested

1,01,858 days
Direct Person Days Generated

361 quintal
Increase in Yield

₹ 7,25,000
Income Increase

371 women engaged
Women Empowerment

3878 people
Education and Capacity Building

2363 cattle
Number of Cattle Watering

12 families
Number of Fish Farming Units

Responsible Waste Management: Driving Circularity Across Operations[21]

We systematically track and record all waste generated across our facilities, ensuring safe disposal or recycling through third-party agencies in strict compliance with government regulations. Additionally, we embedded **waste stream mapping framework** to improve processes, and ensure each stream reaches its most **sustainable end-of-life pathway,** supporting **circularity.** Building on the comprehensive internal audit of waste classification conducted in FY 2025-26, we continue to identify and act on opportunities to reduce waste at source. Waste generated at our locations is managed through authorised recyclers, Treatment, Storage and Disposal Facilities ("TSDF"), and co-processing facilities. Waste suitable for co-processing is utilised to produce Alternative Fuels and Raw Materials ("AFR") for the cement industry, thereby turning waste into value.

In FY 2025-26, a total of 36,827 MT of waste was generated from our global operations[22], with approximately **98%** sent for recycling or reuse, increasing from the **90%** benchmark achieved in the previous year. Our global waste generation intensity stood at **0.013 MT/ lacs of revenue,** in comparison to **0.012** in **FY 2024-25.** In FY 2025-26, additional 3,878 MT of civil waste and 236 MT of other-waste generated from greenfield and brownfield project activities. Excluding the access total waste generation by project activities, the total waste generation is marginally increased by 1.5% (32,712 vs 32,213 MT) in comparison to previous year. To further minimise waste generation, we continue to invest in technologies such as volute presses and Effluent Treatment Plant ("ETP") sludge dryers. We regularly conduct dedicated employee awareness and training programmes on waste management and the safe handling of hazardous substances. This equips our workforce with the knowledge and skills to strengthen waste reduction and responsible disposal of toxic and hazardous materials.

[21] GRI 306-1, 306-2 and Information in line with BRSR Question no. 10 under essential indicators of Principle 6
[22] GRI 306-3 and Information in line with BRSR Question no. 10 under essential indicators of Principle 6

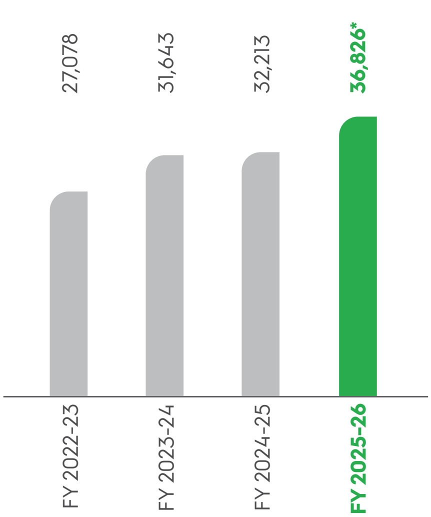
Goal FY2029-30

Zero Waste

to Landfill ("ZWTL") for India manufacturing operations

Global Waste Generated

(in MT)



India Manufacturing Operations

With respect to our Indian manufacturing locations, the graph below provides the details on our trend of waste generation for previous three years.

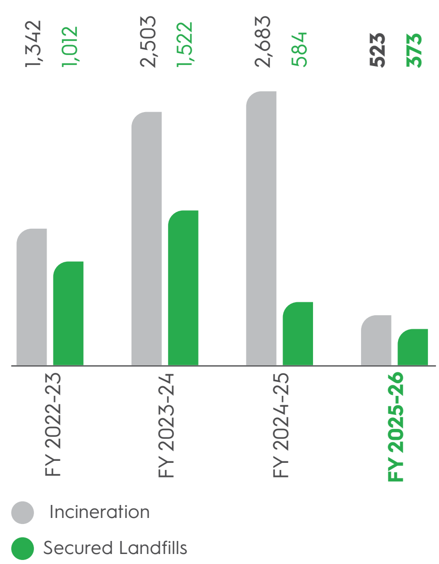
India Waste generated

(in MT)

during the current financial year. A milestone accomplished by significantly scaling up recycling and co-processing of waste, effectively eliminating landfill dependency. In this FY 2025-26, **all the units are certified as Platinum as a minimum, with 24 units advancing to Platinum+ certification**. Moreover two of our warehouses: one in India and one in the SAGA region also received Zero Waste to Landfill certification, further extending this best practice beyond manufacturing. Having met this goal, we now focus on sustaining this achievement while exploring opportunities to extend this benchmark across our global operations.

Global waste directed to disposal

(in tCO_2 e)



Case Story:

ETP Sludge Drying and Waste Minimisation

Material relevancy - Waste Management

At our Patalganga site, a Dry Sol sludge dryer system was modified in 2025 to reduce the moisture content of ETP sludge from about 70-80% to nearly 10% before disposal. By removing excess water at source, the plant significantly cuts the quantity of waste sent to Common Hazardous Waste Treatment, Storage and Disposal Facility, leading to substantial savings in disposal costs and improving resource efficiency. In addition, the facility obtained regulatory permission to divert the waste to an authorized recycler, further reducing landfill dependency. The project offers a scalable best practice model for other units facing similar sludge disposal challenges.

Waste Directed to Disposal[23]

In FY 2025-26, total waste directed to disposal from our global operations amounted to 896 MT, continuing the strong downward trend from 3,267 MT in FY 2024-25, which itself marked a **73% reduction** from the previous year.

All manufacturing sites in India are re-certified as Zero Waste to Landfill

[23] GRI 306-5

* Waste generated including project activities

Externally Certified Zero Waste to Landfill

Our Zero Waste to Landfill ("ZWTL") certification stands as a testament to this dedication, with all certified facilities achieving platinum and platinum+ certification level. Under the certification framework where Platinum+ corresponds to a waste diversion rate of 99–100%, Platinum to 95–98%, Gold to 93–94% and Silver to 90–92%. Our facilities have consistently performed within these upper bands, reinforcing that zero waste is not just a target at Cipla, but a standard we operate by.

Waste Diverted from Disposal[24]

We remain focused on diverting waste from disposal through recycling and other recovery operations. In FY 2025-26, 26,517 MT of waste was sent for recycling globally, while 8,972 MT was diverted through other recovery operations building on the 18,845 MT recycled and 9,788 MT recovered in FY 2024-25. Total waste diverted/disposed has increased marginally by 1% (32,270 vs 31,900 MT) compared to the previous year, excluding waste disposed from project activities.

The table below provides details on our global waste diverted/disposal by channels

Waste Channel	Total Waste Quantity (MT)	Percentage %
Recycling	26,517	72.88
Sold as scrap	4,939	13.57
Pre-processing	1,190	3.27
Co-processing	2,087	5.74
Composting	730	2.01
Landfilling	373	1.03
Incineration	523	1.44
Buy back	26	0.07
Total	**36,385***	**100**

Zero Waste Mindset: Extracting Value at Every Stage[25]

Cipla recognizes plastic stewardship as a material ESG priority and continues to advance its efforts to promote circularity across the product lifecycle. In alignment with India's Plastic Waste Management Rules and Extended Producer Responsibility ("EPR") guidelines, we adopt a multi-pronged strategy that focuses on responsible collection, responsible plastic disposal and transparent reporting. Our EPR initiatives are executed through registered waste management partners across multiple states, enabling systematic collection, segregation, recycling, and co-processing of plastic waste in compliance with environmental standards.

In FY 2025-26, Cipla **collected 100% of the plastic waste equivalent to its pre and post-consumer plastic waste generation**, amounting to 24930 MT. Of the total plastic waste managed, 11884 MT was recycled while 13046 MT was sent for co-processing. Cipla is fulfilling its obligations as Brand owner for the organisation, Importer & Producer for applicable sites. To uphold accountability and strengthen the integrity of our Extended Producer Responsibility ("EPR") value chain, the Company filed its annual EPR returns in all the three categories Rigid, Flexible and Multi-layer on the Central Pollution Control Board's ("CPCB") EPR portal under the Plastic Waste Management ("PWM") Rules within timelines.

For FY 2026-27 we remain committed to achieving 100% EPR compliance for both pre- and post-consumer plastic waste, reinforcing our focus on circularity and responsible material management.

As a result of the plastic collected and channelised for FY 2025-26, this is equivalent to the following savings of:

26,660

Energy Saved (MWh)

3,56,520

Water Saved (Kl)

36,814

tCO2e emissions avoided

Product Lifecycle Assessment

We conducted a Product Carbon Footprint ("PCF") assessment for four anaesthetic inhaler products: Sereflo Ciphaler DPI 500mcg inhaler, Sereflo pMDI 125/25mcg inhaler, Kelhale pMDI 100mcg inhaler and Becloformo pMDI 100mcg inhaler, manufactured at our Indore and Goa facilities in India. This assessment, along with a Life Cycle Assessment ("LCA"), was performed in accordance with ISO 14067 and ISO 14040/44 standards, covering all four

[24] GRI 306-4
[25] Information in line with BRSR Question no. 4 under essential indicators of Principle 2
* waste diverted/disposal including project activities

phases: goal and scope definition, life cycle inventory analysis, life cycle impact assessment and life cycle interpretation. The outcomes of these studies continue to guide our low carbon product strategy.

Our Summary Report on the Product Life Assessment can be accessed here: Report

Cipla

PRODUCT CARBON FOOTPRINT OF INHALERS

During the financial year 2023-24, Cipla carried out Product Carbon Footprint (PCF) assessment of 4 anaesthetic inhaler products i.e. Sereflo Ciphaler DPI 500mcg inhaler, Sereflo pMDI 125/25mcg inhaler, Kelhale pMDI 100mcg inhaler and Becloformo pMDI 100mcg inhaler manufactured across 2 of its manufacturing units in India, namely, Indore and Goa. The Product Carbon Footprint along with Life Cycle Assessment (LCA) was carried out in accordance with **ISO 14067 and ISO 14040/44** standards including the four phases i.e. goal and scope definition, life cycle inventory analysis, life cycle impact assessment and life cycle interpretation.

The function of an inhaler is to deliver the APIs to the lungs either by dispersing it in a high vapour pressure propellant (pMDI) or by releasing a sealed dose of powdered medication (API) by breath-activation directly into the lungs (DPI). In this study, the functional unit for each inhaler product was taken to be 1 dose of inhaled medicine (API).

Three pMDI inhalers (Sereflo pMDI 125/25mcg, Kelhale pMDI 100mcg and Becloformo pMDI 100mcg) contain an aerosol propellant to distribute their respective APIs while the DPI inhaler (Sereflo DPI 500mcg) distributes its APIs as a dry powder.

The objective of the assessment was to quantify the life cycle greenhouse gas emissions covering **cradle to grave** stages of the 4 anaesthetic inhaler products, identify the hotspots and mitigative actions as well as communicate them to the external stakeholders.

The impacts categories covered under the LCA study as per CML – Aug 2016 are Abiotic Depletion (elements and fossils), Acidification potential, eutrophication potential, global warming potential (GWP 100 years), Global warming potential (GWP 100 excl. biogenic carbon, human toxicity potential, ozone layer depletion potential, photochem. ozone potential, primary energy demand from renewable and non-renewable sources, blue water consumption,

The impact categories covered as per ISO 14067 (based on IPCC AR6) are Aircraft emissions, biogenic GHG emissions, biogenic GHG removal, emissions due to land use change, fossil GHG emissions.

The Cradle to Grave system boundary consisted of the production phase, distribution phase, use phase and end of life phase. The production phase includes the production of the raw materials, auxiliary material production, upstream transportation, manufacturing process of the final product and its packaging. The distribution phase includes the transportation of packaged product to the respective markets. The study considers two scenarios, the first scenario where the products are being transported only to the UK market and the second scenario where products are transported to a Global market comprising of Australia, South Africa, United Kingdom, and the United States of America. The End-of-life phase includes waste processing for reuse, recycling, and disposal.

Comprehensive data collection efforts were undertaken to gather information on energy consumption, material inputs, transportation, and other relevant factors at each stage of the product life cycle. This data formed the basis for a detailed inventory analysis, ensuring accuracy and reliability of results.

The assessment followed a rigorous methodology, incorporating industry standards and guidelines to assess their carbon footprint. By systematically evaluating the environmental impacts across the product life cycle, valuable insights were gained to support sustainability efforts and informed decision-making.

In the case of pMDI inhalers, majority of the emissions associated with these products arises from their use phase due to the propellant's global warming potential when released into the atmosphere. This is followed by impacts from the cradle to gate phase which were predominantly due to the manufacturing process.

Similarly, in case of DPI inhalers, majority of the emissions arise from the cradle to gate phase due to the consumption of electricity followed by the emissions due to downstream transportation of the product to the market.

A creditable third party supported the assessment through their consulting expertise and the use of Sphera's LCA FE (GABi) Software and Managed Life Cycle Databases.

Scan here

Managing Toxic Chemicals[26]

We have established a robust, science-driven Industrial Hygiene (IH) framework designed to proactively mitigate risks across R&D, API manufacturing, and formulation operations. Our approach aligns with the guidance provided by the International Council for Chemical Arbitration (ICCA) on chemical risk management for pharmaceutical manufacturers, ensuring that every chemical, intermediate, and raw material is evaluated through both qualitative and quantitative lenses.

Cipla ensures a safe transition from R&D to production by integrating global toxicological standards with a rigorous OEB/OEL governance model. Following the Hierarchy of Controls, our data-driven monitoring programme—covering exposure assessments and physical risk mapping—continuously validates these safeguards to maintain a proactive culture of prevention

Regulatory Rigor: We maintain full compliance with **Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH")** regulations for products shipped to REACH-regulated countries. Under clause 2.2.3.2 of the REACH Registration Guidelines, our products do not require registration. And stringent quality checks and testing before market release for any substances on the SVHC list to ensure environmental and user safety. A validated digital Chemwatch ("CW") database is used as the authoritative source for chemical information, safe handling practices, and REACH compliant Safety Data Sheets ("SDS").

By fostering a culture of prevention through specialized training and real-time monitoring, we continue to advance our IH maturity. **Our goal remains steadfast: achieving Zero Harm by protecting our people and the environment**.

Nurturing Biodiversity

Our commitment to biodiversity goes beyond compliance it is a reflection of our belief that thriving ecosystems are fundamental to thriving communities. Since becoming a signatory to the India Business and Biodiversity Initiative ("IBBI") in FY 2022-23, we have taken decisive steps to embed biodiversity considerations into our operational framework.

We have established clear objectives across our India manufacturing operations to assess and mitigate risks associated with biodiversity loss, while actively identifying opportunities for sustainable value creation. This commitment is formalized through our Biodiversity Policy , which guides our approach to environmental preservation and protection.

In a pioneering move within the pharmaceutical sector, we developed our Taskforce on Nature-related Financial Disclosures ("TNFD") report covering all manufacturing units across India and their surrounding areas. This comprehensive assessment analyzed potential impacts on local biodiversity and ecosystem services, evaluating sites against national and global benchmarks including **IUCN Rare, Endangered or Threatened ("RET") species**[27] classifications, I**FC Performance Standard 6** and the **TNFD Framework.**

Our detailed TNFD and Biodiversity Risk Assessment Summary report can be accessed here: Report

Cipla's Wetland Restoration Initiatives

In the reporting year, Cipla Foundation launched **Project Sanjivani at the Ujjani Dam wetland in Maharashtra with Bombay Natural History Society (BNHS)**, to restore the ecological health by controlling invasive species, reviving native biodiversity and strengthening the livelihoods of dependent local communities. By improving habitats, water quality and bird and fish populations, the project seeks long-term environmental sustainability and community Wellbeing.

[26] Information in line with BRSR question no 10 under essential indicator of Principle 6
[27] GRI 304-4

The initiative follows a science-led, community-driven approach that includes removing invasive plants and fish, reintroducing native species and continuous ecological monitoring. Community participation is strengthened through livelihood support, bird guide training and promotion of eco-tourism, linking conservation with economic opportunity.

Going forward, the project plans to expand restoration across larger wetland areas, further reduce invasive species and embed community- and government-led systems, creating a replicable model for wetland restoration and sustainable management.

Our Restoration Approach

The initiative adopted a nature-based, phased restoration approach integrating native vegetation and habitat rehabilitation through strategic interventions including desilting, bund stabilisation, sewage diversion and the creation of avian habitats. Implemented from early 2023 through March 2025, the approach was designed to enhance water retention, improve habitat complexity and build long-term ecosystem resilience.

Measurable Outcomes

Eight sites in the Bengaluru region: Kamasandra Agrahara, Rachamanahalli, Muthagatti, Submangala, Thattanahalli, Silagowdrukere Lakes, Patnagere Gollahalli and Muthuru, are periodically monitored for the development of local flora and fauna with the support of the MYRADA team. These efforts have driven notable improvements in biodiversity, with enhanced species diversity and strengthened ecological function across the targeted wetlands.

Seasonal biodiversity evaluations conducted during the Kharif, Rabi and Zaid cycles confirmed the re-emergence of native aquatic vegetation and a growth in bird populations, including pond herons and egrets. Fauna surveys further revealed a rise in pollinator activity and amphibian presence, signalling improved habitat health. Under the watershed initiative, 100 native species were catalogued across sites such as Silagowdrukere and Kamasandra Agrahara. Plantation efforts prioritised ecologically valuable species, Stylosanthes hamata for bund stabilisation, trees such as Aegle marmelos, Butea monosperma, Dalbergia sissoo and Ficus benghalensis for canopy cover and habitat provision, grasses like Cymbopogon martinii for soil binding, herbs such as Achyranthes aspera for moisture retention, and climbers like Cardiospermum halicacabum for ground cover support. Each species was selected for its ability to thrive in local drought conditions while contributing to soil stabilisation, moisture conservation and habitat restoration.

Community at the Core

The success of these initiatives was deeply rooted in the active participation of local communities. During FY 2025-26, we organised 54 community meetings and 93 focused awareness sessions covering topics such as wetland conservation, sustainable fishing practices, waste management and climate resilience, collectively reaching approximately 600+ households and 3,400+ community members. Through sustained engagement, regular ecological monitoring and targeted outreach, a strong sense of environmental stewardship was cultivated among the communities we work with. These collective efforts enabled adaptive management practices and ensured ongoing biodiversity monitoring through the implementation of Biodiversity Management Plans ("BMPs"), embedding conservation as an integral part of everyday community life.

Impact Analysis

At Silagowdrukere tank, seventy-two pre-existing flora species demonstrated remarkable ecological resilience, persisting successfully through the civil restoration process. Post-monsoon assessments revealed a notable resurgence of aquatic vegetation, including floating species such as Lemna minor and various wetland herbs. Bird populations also witnessed a significant increase, with species like pond herons, egrets and lapwings frequently observed nesting on newly constructed islands within the tanks. This initiative stands as a replicable model for wetland biodiversity restoration, underscoring the value of native species conservation and ecosystem-sensitive interventions.

Case Story:
Cipla's Miyawaki Afforestation Initiative

Material relevancy - Biodiversity

Cipla created a 1,000 sapling Miyawaki miniforest over a 434 sq. m unused plot between June 2025 and January 2026. By densely planting multiple layers of indigenous species with drip irrigation and soil enrichment, the project restores native biodiversity, improves air quality and microclimate, and enhances natural carbon sequestration. The low maintenance Miyawaki forest offers a scalable, high density green cover model that can be replicated across corporate campuses, residential communities and schools to deliver rapid, nature positive impact in compact urban spaces.

Financial Capital[1]

Our Contribution to Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Strategic Focus Areas

- Productivity & Profitability
- Strategic Investments
- Capital Allocation
- Shareholder value

[1]GRI 201-1

Our Philosophy[2]

Cipla's strong financial management system combines several financial functions, such as accounting, fixed-asset management, revenue recognition and payment processing. By integrating these key components, it ensures real-time visibility into the financial state of a company while facilitating day-to-day operations, like period-end close processes. This approach creates long-term value for all stakeholders including customers, investors, employees and the communities in which it operates.

The Company has consistently demonstrated sustained financial performance, underpinned by strategic investments and prudent financial management. This section provides a comprehensive overview of our financial health, highlighting key metrics and capital allocation strategy.

Revenue from operations

In FY 2025-26, the Company reported global revenue of ₹ 28,163 crores (FY 2024-25: ₹ 27,548 crores). This performance was supported by growth in focused portfolios of One-India, North America, One Africa and EMEU.

Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA")[3]

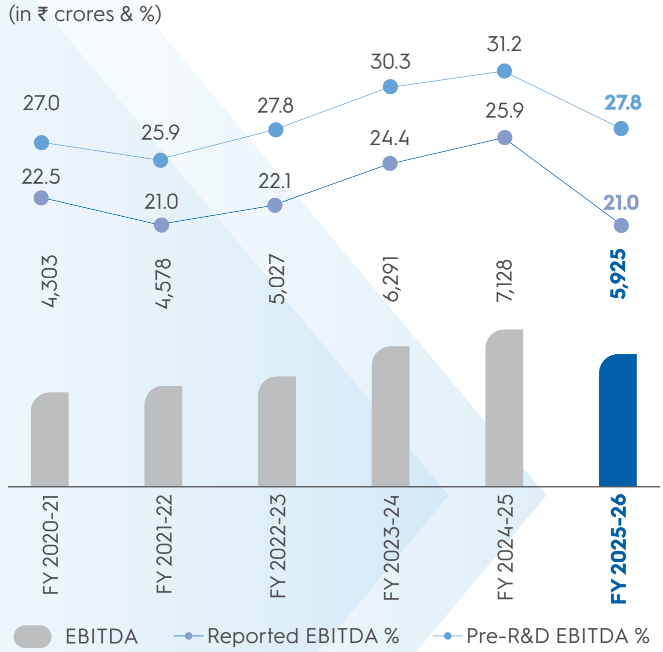
The Company has achieved EBITDA amounting to ₹ 5,925 crores in FY 2025-26 which is 21.0% of global revenue.

Revenue from operations

(in ₹ crores)

EBITDA and EBITDA margin

(in ₹ crores & %)



[2]GRI 3-3

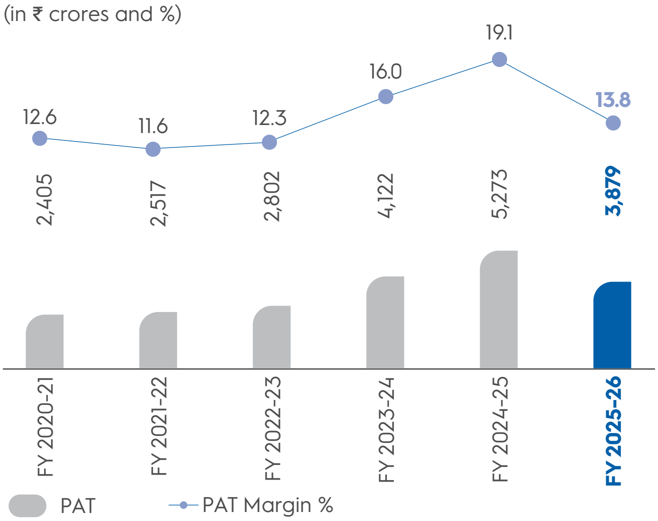
[3]EBITDA = Revenue from Operations - (Cost of Material Consumed + Purchase of Stock-in-Trade + Changes in inventory of Finished Goods, Work-in-Progress and Stock-in-Trade + Employee Benefits Expense + Other Expenses)

Profit after tax ("PAT")

The Company achieved PAT amounting to ₹ 3,879 crores in FY 2025-26 which is 13.8% of global revenue.

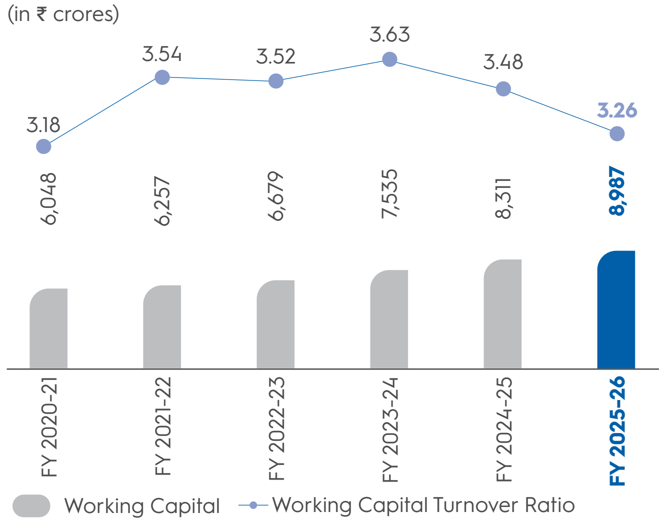
PAT and PAT Margin

(in ₹ crores and %)



Working Capital and Working Capital Turnover Ratio[5]

(in ₹ crores)

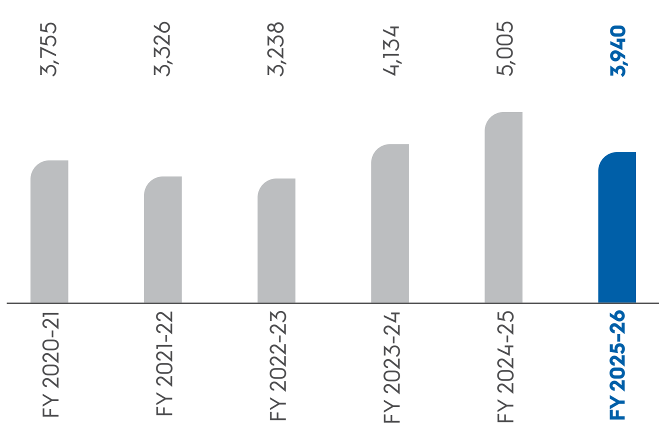


Optimising working capital and cash conversion cycle

Cipla has consistently prioritised effective working capital management, implementing targeted initiatives to manage inventory, receivables and payables. In FY 2025-26, the Company was committed to enhancing liquidity and mitigating risks associated with supply disruptions by taking proactive measures to ensure the timely collection of receivables, maintained sufficient stock of essential raw materials and finished products and extended support to its suppliers and distributors, as necessary. Such efforts help ensure that the markets have adequate supply of products, so that consumers can access products conveniently and continually.

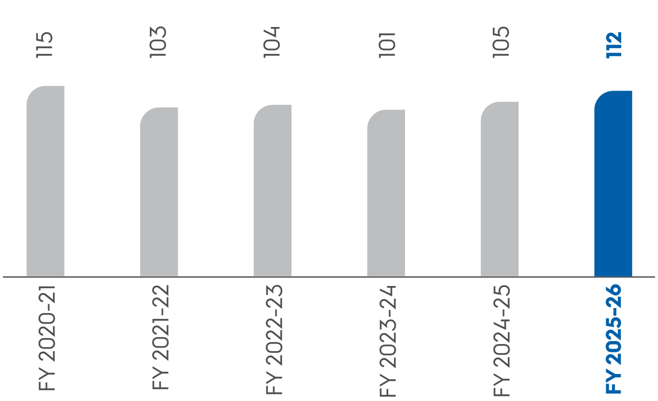
Cash Flow from Operations

(in ₹ crores)



Cash Conversion Cycle[4]

(Number of days)



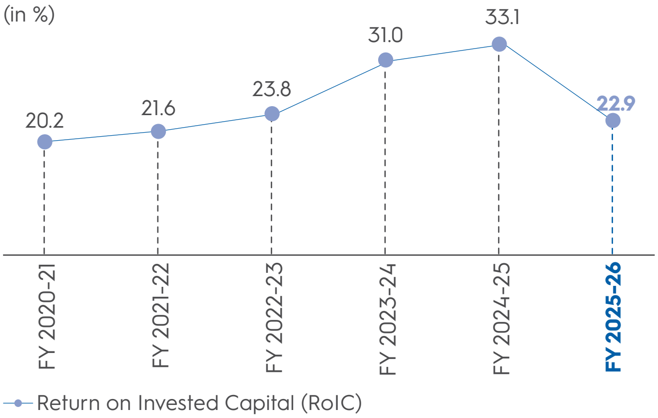
Free Cash Flow[6]

(in ₹ crores)

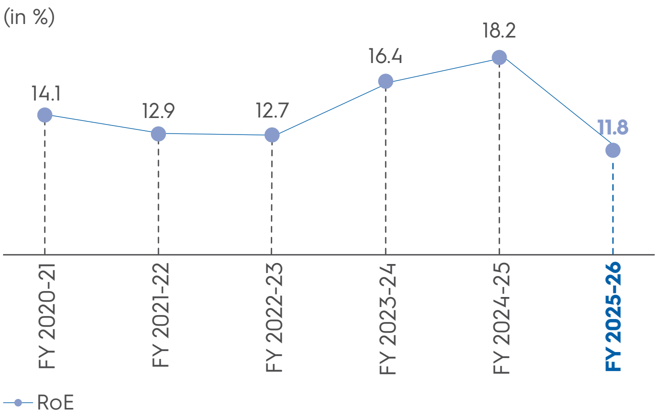
[4]Cash Conversion Cycle = Average Working Capital ÷ Revenue Per Day
[5]Working Capital = Trade Receivables + Inventory – Trade Payables I Working Capital Turnover Ratio = Revenue ÷ Average Working Capital
[6]Free cash flow = Cash Flow from operations (net of tax) + interest income - interest expenses – capex (tangible and intangible)

Key Shareholder Return and Capital Efficiency Metrics

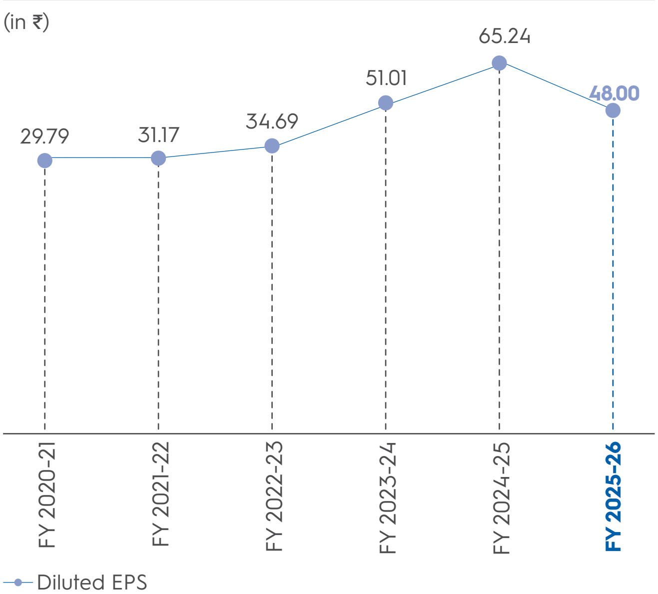
Return on Invested Capital ("ROIC")[7]



Return on Equity ("RoE")[8]



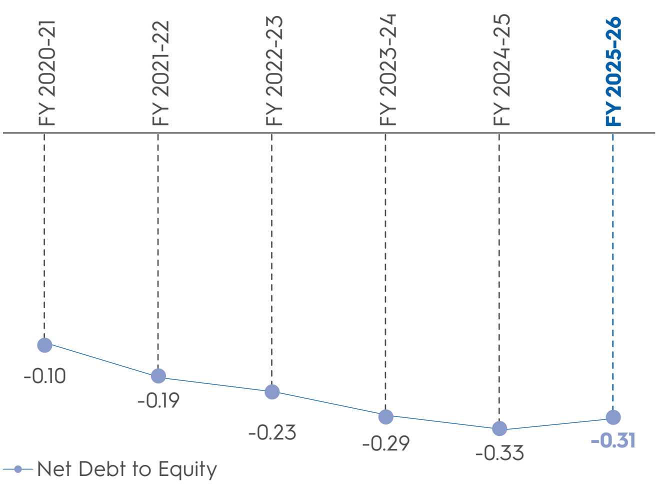
Diluted Earnings per Share ("Diluted EPS")



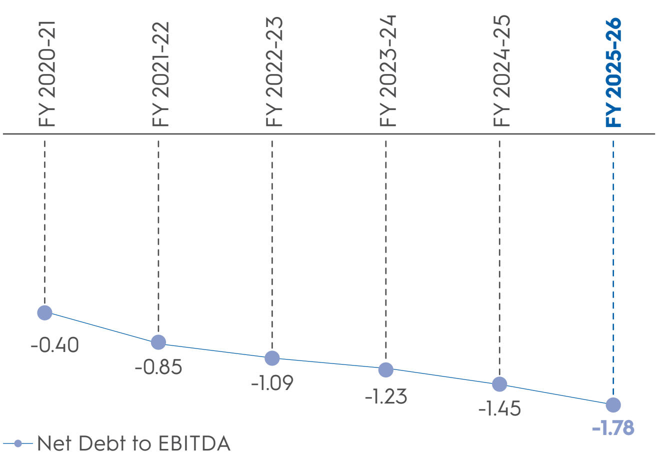
Net Debt Ratios[9]

Cipla's financial prudence and commitment to sustainable growth is evident in negative net debt to equity and net debt to EBITDA ratios.

Net Debt to Equity Ratio

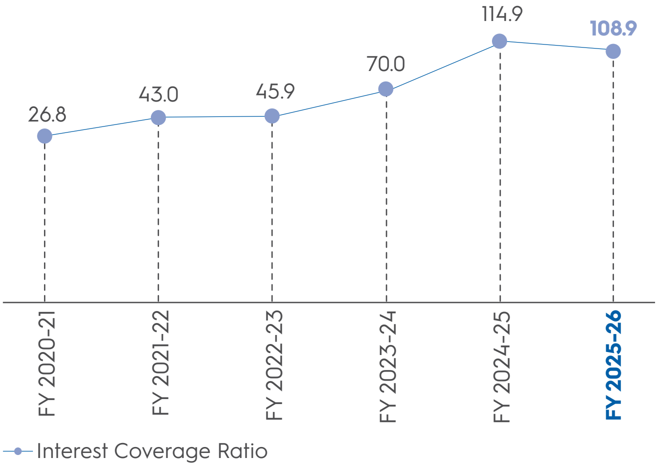


Net Debt to EBITDA Ratio



[7] RoIC = EBITDA - depreciation & amortisation ÷ Average [(Fixed assets including goodwill + Current assets excluding cash and cash equivalent) - Current liabilities excluding borrowings)]
[8] RoE = PAT (after non-controlling interest) ÷ Average Shareholder's Funds (excluding non-controlling Interest)
[9] Total debt = Total borrowings + lease liabilities I Net debt = Total debt less Cash and Cash equivalents including fixed deposits, current investments, margin deposits and excludes unclaimed dividend balances

Interest Coverage Ratio[10]



Other key ratios

Ratio	FY 2025-26	FY 2024-25
Debtors' turnover ratio	5.1	5.4
Return on Networth	11.8%	18.2%
Inventory turnover ratio	1.6	1.6
Current ratio	3.4	4.2
Debt-service coverage ratio	35.8	55.2
Operating profit ratio	16.6%	21.9%
Net profit margin	13.8%	19.1%

No material changes and commitments have occurred after the close of the year till the date of this report, which may affect the financial position of the Company. Further, there have been no significant changes in other key financial ratios requiring disclosure and explanation as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Key Financial Highlights

Employee expenses: Cipla's employee expenses for the year stood at ₹ 5,366 crores, an increase of 11% over FY 2024-25. The increase in employee costs reflects our planned investments in talent to support upcoming product launches and strengthen manufacturing readiness.

Other expenses: In FY 2025-26, the other expenses which included R&D, quality, sales and marketing, regulatory, manufacturing, etc. stood at ₹ 7,322 crores, increasing by 10% over FY 2024-25. The other expenses accounted for 26.0% of the revenue (FY 2024-25: 24.2%).

Depreciation and Amortisation: During FY 2025-26, depreciation and amortisation expenses stood at ₹ 1,253 crores (FY 2024-25: ₹ 1,107 crores) including impairment of investment in associates of ₹ 42 crores. This includes impairment of intangible assets under development.

Finance cost: During FY 2025-26, finance expenses stood at ₹ 54 crores, which is in line with FY 2024-25 expenses of ₹ 62 crores.

Tax expenses: The effective tax rate stood at 25.9% for FY 2025-26.

Leverage position: Healthy operating profitability and strong free cash-flow generation enabled the Company to maintain a debt to equity ratio, at 0.02 in FY 2025-26 (FY 2024-25: 0.01). Driven by relentless focus on cash generation and rigour on cost discipline, the Company continues to be a net cash positive as 31st March, 2026.

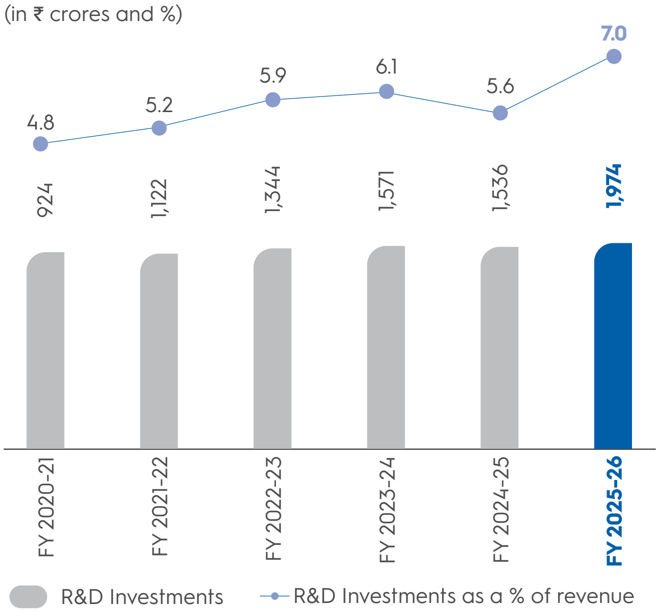
Operating Profit Margin: Operating profit for FY 2025-26 stands at 16.6% (FY 2024-25: 21.9%)

R&D expenditure

In FY 2025-26, the Company's investment in R&D was ₹ 1,974 crores or 7% of revenues, aligned with our pipeline priorities, enabling new launches and building readiness for our upcoming products.

R&D Investments

(in ₹ crores and %)



[10]Interest Coverage Ratio = EBITDA ÷ Total Finance Cost

The absolute trajectory of the spending and product filings remains intact, with all priority assets progressing well and other portfolio development efforts remaining on course.

ANDA and NDA Portfolio and Pipeline

(As on 31st March, 2026)

181
Approved ANDA and NDA

49
Tentatively approved ANDA and NDA

55
Under-approval ANDA and NDA

285
Total ANDA and NDA

Note: Cumulative 285 ANDAs+ NDAs includes under approval, tentatively approved, approved ANDAs / NDAs/PEPFAR ANDAs for Cipla/InvaGen/Partner.

Capital Allocation[11]

Cipla's management and the Board strive to optimise capital allocation based on business and financial parameters, ensuring a sustainable foundation for its operations. Shareholders play a crucial role in success, demonstrating continued trust and also providing them with the capital required for growth aspirations. The Company's capital allocation policy aims to strike a judicious balance between retaining cash for operations and contingencies, while also rewarding and creating value for shareholders.

The Board has a policy of dividend pay-out of up to 30% of consolidated PAT. Nonetheless, it retains the flexibility to recommend a lower dividend based on a comprehensive analysis of the business environment and other internal, external and regulatory factors.

Cipla recognises the importance of cash retention for its growth, expansion and diversification endeavors. The Company has a robust financial management process that assesses the requirement of funds for sustainable business operations and continues to strategically commit capital across value-accretive avenues and future growth levers.

01 Organic and inorganic growth opportunities

02 Enhancements/sustenance in manufacturing infrastructure

03 Working capital requirements

04 Research and development to strengthen portfolio

[11]GRI 3-3

Management Discussion and Analysis

Cipla is dedicated to enhancing healthcare outcomes for patients across global markets. Guided by its purpose of 'Caring for Life', the Company demonstrates strong capabilities across multiple therapeutic areas, with a leadership position in Respiratory care, particularly in India and select emerging markets. The Company continues to transform its business models, expand its global footprint, and reinforce its competitive edge.

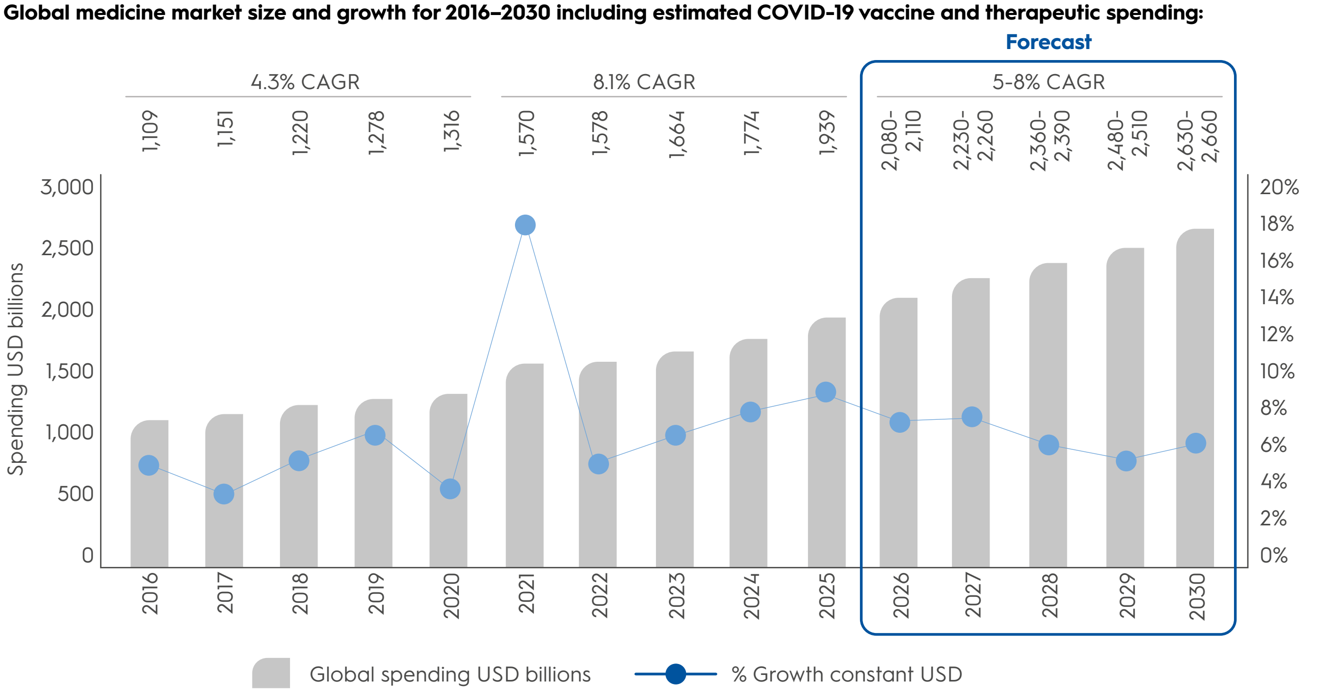
The Company invests in automation and digitalisation to improve efficiency, reliability and scalability across portfolio selection, manufacturing operations, supply chain management and quality systems. A sustained emphasis on talent development and capability building supports a culture rooted in agility, innovation and operational discipline. A robust quality management framework allows for strict adherence to global regulatory standards, supported by advanced manufacturing infrastructure that enables the delivery of high quality products across markets. In research and development, the Company has been increasing investments in Respiratory therapies, peptide injectables and biosimilars, while embedding data science and digital technologies to enhance productivity, decision making and development outcomes.

Cipla offers complex products at affordable prices, serving patients with innovative Respiratory drug-device combinations, complex formulations and a wide array of capabilities across injectables, oral solids and inhalation therapies. The Company strategically leverages opportunities while managing the associated risks.

Globally, Cipla works to meet patient expectations, strengthen core operations and identify emerging opportunities to deliver superior value to the shareholders. Cipla focuses on fortifying core franchises while exploring new areas like complex generics, biosimilars, new therapies, inhalation devices, diagnostic solutions, advanced technology platforms and digitised business models. The consumer business has shown steady growth, addressing unmet needs in categories such as pain relief, cold and cough, smoking cessation, gut health, skincare and feminine hygiene.

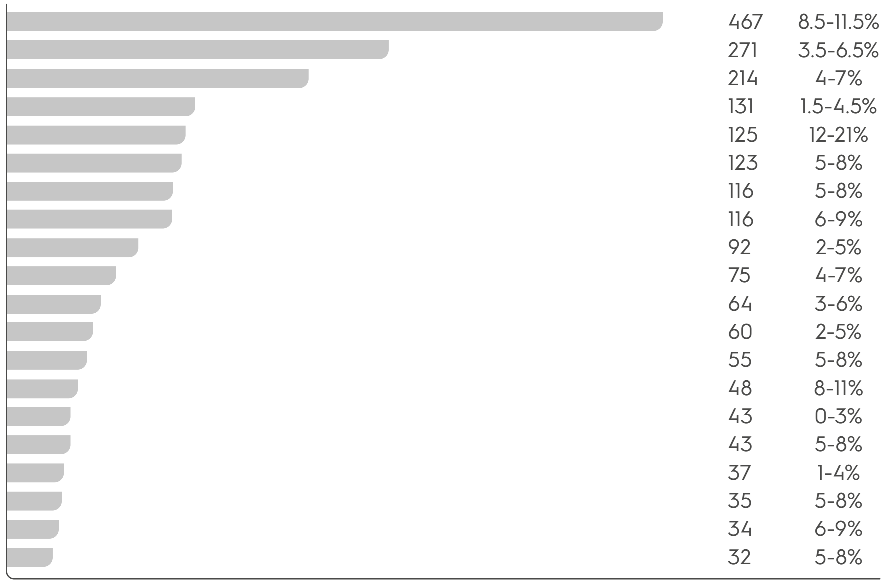
Global Overview and Key Therapy Areas:

Global medicine market size and growth for 2016–2030 including estimated COVID-19 vaccine and therapeutic spending:



Source: IQVIA Market Prognosis, Sep 2025; IQVIA Institute, Dec 2025.

The total amount spent on purchasing medicines from manufacturers before off-invoice discounts and rebates is projected to reach USD 2.6 trillion by 2030, growing at an annual rate of 5-8%. Key drivers of growth through the forecast period include the contribution of new products and the impact of patent expiries, including the growing impact of biosimilars.



	2030 spending	5-Year CAGR 2026-2030 const USD
Oncology	467	8.5-11.5%
Immunology	271	3.5-6.5%
Diabetes	214	4-7%
Cardiovascular	131	1.5-4.5%
Obesity	125	12-21%
CNS	123	5-8%
Respiratory	116	5-8%
Other endocrine & metabolic (inc MASH)	116	6-9%
Infectious diseases	92	2-5%
GU sexual health	75	4-7%
GI products	64	3-6%
Mental health	60	2-5%
Pain	55	5-8%
Ophthalmology	48	8-11%
HIV antivirals	43	0-3%
Musculoskeletal	43	5-8%
Blood coagulation	37	1-4%
Vaccines ex Flu and COVID	35	5-8%
Lipid regulators	34	6-9%
Dermatology	32	5-8%

Source: IQVIA Forecast Link, Dec 2025; IQVIA Institute, Dec 2025.

By 2030, the highest forecasted therapy areas for spending include Oncology, Immunology, Diabetes, Cardiovascular and Obesity. Oncology is expected to see a 9-12% CAGR with spending expected to reach USD 467 billion in 2030. It is driven by the continued launch of novel cancer treatments and the availability of biosimilars and generics for key products. Diabetes is projected to become the third-largest therapy area globally, reaching nearly USD 214 billion by 2030, with an estimated growth of 4–7% over the next five years. Respiratory also forms part of the top 10 therapies with global spending expected to reach USD 116 billion by 2030. Global obesity spending is projected to reach approximately USD 125 billion by 2030, with growth of 12-15% per year due to rapid adoption of GIP/GLP-1 Drugs.

Cipla is moving in line with the global trends:

Respiratory:

The Company's One India business leads in Respiratory, ranking first with a market share of 25%+ as per IQVIA MAT March 2026. Foracort continues to dominate as one of the leading brands in the Indian Pharmaceutical Market. In North America, Cipla is the third largest Respiratory player in terms of prescriptions. Albuterol enhanced its market share to 19.6% during the year as per IQVIA MAT March 2026. The Company received regulatory approval for the first AB-rated gVentolin with Competitive Generic Therapy ("CGT"), representing the first commercial MDI product to be manufactured from the US facility.

Oncology:

The Company's North America business has consolidated its Oncology franchise with gRevlimid and Lanreotide in the portfolio. The business also launched Nano Paclitaxel (ANDA) and its first biosimilar Filgrastim in the Oncology supportive care segment. Cipla has entered into an exclusive licence and supply agreement with ImmunoACT to commercialise Talicabtagene Autoleucel, an anti CD19 CAR-T cell therapy in Africa.

Diabetes and Obesity:

The Company introduced Afrezza, India's first rapid acting inhaled insulin for Type 1 and Type 2 Diabetes. It also launched Yurpeak (Tirzepatide) in collaboration with Eli Lilly to mark entry into GLP-1 and GIP-based obesity care. The US business strengthened its portfolio with the launch of generic liraglutide across indications, namely Saxenda for weight management and Victoza for Diabetes.

Other Therapies:

Cipla augmented its Antimicrobial resistance ("AMR") portfolio through the introduction of HUENA®, ZEMDRI® and Cipenmet, addressing unmet needs across non-antibiotic and advanced antibiotic therapies. Cipla launched XTIKTR, a minimally invasive treatment for urethral strictures which is first-of-its-kind in Asia. The Company also strengthened its Central Nervous System portfolio through acquisition of brands like Doloneuron and Zolsoma.

In the long term, the Company plans to enhance its footprint in 505(b)(2) and oligonucleotide assets, while pursuing biosimilar opportunities through partnerships. Additionally, the Company aspires to become 'Future Fit' by continuing to invest in emerging therapies.

Evolving Framework across Key Regulated Markets

The approval of novel drugs, first generics, biologics and biosimilars progressed steadily across nations, ensuring seamless availability of essential chronic treatments for patients globally. Meanwhile, the global pharmaceutical sector is witnessing major influences from evolving regulatory policies, rising geopolitical uncertainties, the adoption of advanced digital health solutions and therapeutic advancements. These elements are collectively driving innovation and shaping the industry's future.

Evolving Geopolitical Dynamics

Global geopolitical and economic uncertainty is increasingly exposing pharmaceutical companies to a range of operational vulnerabilities. Supply chain disruptions, rising logistics, compliance costs and heightened foreign exchange volatility are affecting the reliability and cost efficiency of global operations. Geopolitical tensions and evolving regulatory actions are creating additional uncertainties around sourcing, manufacturing and product availability in key markets. These pressures are amplified by the industry's dependence on third party manufacturers and sole source suppliers, making pharma companies more susceptible to interruptions, delays and market-wide shortages.

National List of Essential Medicines, 2022 - Indian Pharmaceutical Market

In a bid to make drugs affordable, the Ministry of Health and Family Welfare revisits and revises the National List of Essential Medicines ("NLEM") every five years. The NLEM 2022 was released by the Ministry in September 2022, a revision to the previous NLEM 2015 (delayed by around two years due to the pandemic). From 11st November, 2022, the prices of numerous antibiotics, vaccines, anti-cancer drugs and other essential medications have been reduced to improve affordability. The NLEM focuses on aspects such as safety, efficacy, availability and affordability. It comprises of 384 drugs across 27 categories. While the 2022 list has 34 new drugs, 26 drugs from the 2015 list have been removed. Cipla is compliant with the Drug (Prices Control) Order ("DPCO") and ensures adherence to pricing regulations set by the government. The Company is committed to patient well-being by prioritising patient-centricity, affordability, and accessibility through the production of high-quality medicines.

Advanced Therapies

The pharmaceutical industry is increasingly shifting towards advanced therapeutic modalities, including cell and gene therapies such as CAR-T, oligonucleotides and next generation biologics, reflecting a broader move towards precision-based and high impact treatments. These modalities are gaining prominence across global R&D pipelines, particularly in therapies like Oncology and rare diseases, supported by improving late stage success rates, advances in manufacturing technologies and the use of expedited regulatory pathways. As our understanding of diseases advances and therapeutic innovations focus more on complex conditions with high unmet needs, advanced therapies are poised to become a key driver in the next phase of biopharmaceutical innovation.

Health Tech Innovations

Digital health solutions are revolutionising the pharmaceutical industry by enhancing patient care and streamlining operations. By leveraging telemedicine, health apps and wearable technologies, these solutions enable remote monitoring and personalised treatment. These innovations improve medication adherence, facilitate real-time data collection and support R&D. Additionally, digital platforms strengthen communication between healthcare providers, patients and pharma companies. Together, they drive efficiency, accessibility and better health outcomes globally.

Medical Devices

In FY 2025-26, the medical devices sector in India continued to mature through stronger risk-based regulation, expanded digital licensing and sustained government support under the National Medical Devices Policy and Production Linked Incentive ("PLI") framework (for Promoting Domestic Manufacturing of Medical Devices). Against this evolving regulatory and market environment, Cipla remained focused on strengthening its respiratory devices and diagnostics ecosystem, supported by enhanced internal regulatory governance and lifecycle management practices aligned with global quality and post-market surveillance expectations. The Company continued to build regulatory-ready, scalable device capabilities to support access to high quality. Respiratory solutions in India and select international markets, reinforcing its long term commitment to lung health and patient-centric innovation.

Artificial intelligence

Cipla is reimagining the future of healthcare by placing Artificial Intelligence at the heart of its enterprise. What began as a set of digital enablers has evolved into an intelligence-driven operating model—one that accelerates discovery, personalises care, and elevates quality at scale. From AI-guided molecule exploration in our core therapy areas, to autonomous manufacturing systems that sense, learn and self-optimise, to predictive supply chains and next generation patient engagement platforms, we are building capabilities that redefine both speed and certainty. GenAI copilots are now embedded across functions, transforming how the Company develops medicines, designs clinical evidence, engages physicians and runs operations. These advancements reflect more than technological progress; they embody Cipla's long term vision of shaping an agile, insight led and resilient healthcare ecosystem that advances our purpose of Caring for Life in a world being rewritten by intelligence.

Key Financial Highlights

Please refer to Financial Capital on page no. 126 of this Report for key financial highlights and the financial performance of the Company in FY 2025-26.

Business Performance and Outlook

One-India

Cipla's One-India business comprises its branded formulations segment, the trade generics portfolio (operating under Cipla Pharma and Life Sciences Limited, wholly owned subsidiary of the Company) and consumer health division (operating under Cipla Health Limited, wholly owned subsidiary of the Company). The One-India business delivered a 9% growth for the year, driven by strong performance across Branded Prescription, Trade Generics, and Consumer Health. The business continues to experience sustained momentum across its core therapeutic areas.

For FY 2026-27, the strategic focus will be on sustaining market outperforming growth, increasing the contribution from Respiratory and chronic therapies with increasing presence in Anti-diabetes, strengthening the performance of key brands, enhancing medical representative productivity to industry leading levels and elevating patient experience through advanced digital analytics and data science initiatives.

Branded Prescription business

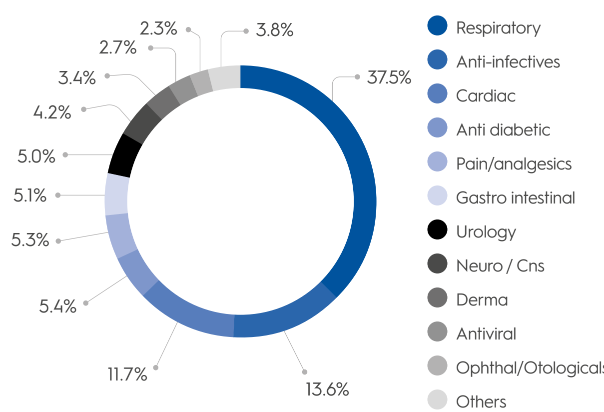
Cipla's Branded Prescription business delivered healthy growth this year, supported by continued traction in key segments, especially chronic therapies. Chronic therapies have contributed significantly to growth, with therapies like Respiratory, Urology, Anti-Diabetes and Cardiology maintaining double-digit growth. (Source: IQVIA MAT March 2026)

Foracort surpassed the ₹ 1,000 crores milestone and continues to dominate as one of the leading brands in the Indian Pharmaceutical Market ("IPM"). Other key brands have continued to outperform the market across key therapies. Dytor franchise and Montair LC have entered into the IPM top 50 in their respective segments and are now set to cross ₹ 700 crores and ₹ 400 crores milestones respectively in the near future. Cipla has six brands above the ₹ 300 crores milestone, further cementing our presence in the market. (Source: IQVIA MAT March 2026)

Therapy	Market Share	Cipla Growth	Market Growth
Overall	5.6%	8.5%	9.9%
Respiratory	26.2%	10.9%	11.8%
Urology	12.4%	11.3%	11.0%
Anti-infectives	7.4%	5.3%	4.8%
Cardiac	4.9%	12.1%	14.3%
Anti-diabetes	3.4%	17.3%	12.2%
Derma	2.9%	11.1%	6.8%

Source: IQVIA MAT March 2026

Therapy-wise share split of India Branded prescription business



Source: IQVIA MAT March 2026

Cipla's Branded Prescription business continues to reinforce leadership in targeted therapies through strategic collaborations with leading global pharmaceutical companies. The Company's in-licensing portfolio has continued to scale steadily over the past few years. Key partnerships include in-licensing agreements with Novartis and Eli Lilly in the Anti-Diabetes segment, Roche in Oncology, Sanofi in Anti-epilepsy, and Orchid Pharma in the Antimicrobial resistance portfolio. The collaboration with MannKind for inhaled insulin Afrezza will be the first-of-its-kind in India, significantly enhancing Cipla's Anti-Diabetes offerings. Further strengthening its Ophthalmology portfolio, the Company has signed the first multi-regional licensing agreement with Formosa Pharmaceuticals to bring the innovative clobetasol propionate ophthalmic suspension to market. In addition, the agreement with Eli Lilly on Yurpeak marks Cipla's entry into GLP-1 and GIP obesity care with the same commitment and scale that have defined its efforts in Respiratory and chronic therapies. Cipla and Pfizer entered a multi-year exclusive partnership in December 2025 under which Cipla will market and distribute four key brands of Pfizer. This collaboration leverages Cipla's extensive domestic distribution network to significantly expand patient access to these established therapies across the country.

During the year, Cipla strategically expanded its branded portfolio with high-impact launches across priority therapies. In Respiratory, we introduced Voltido Trio Ciphaler in Q1, an advanced triple combination (fluticasone furoate, umeclidinium, and vilanterol) for Chronic Obstructive Pulmonary Disease ("COPD") and Asthma designed to improve lung function. The Company also launched XTIKTR, the first minimally invasive solution of its kind in Asia for the management of urethral strictures, strengthening its Urology franchise. To address the growing burden of Antimicrobial resistance, Cipla augmented its Antimicrobial resistance portfolio with HUENA®, ZEMDRI®, and Cipenmet, broadening both non-antibiotic and advanced antibiotic options to meet critical care needs. The Company further reinforced its presence in acute infections with the introduction of Rizontem as an anti-infective therapy, and launched Tedispan (Tedizolid Phosphate), a next-generation oxazolidinone antibiotic for the treatment of acute bacterial skin and skin structure infections (ABSSSI). In Gastroenterology, the launch of Elbicip, a first-in-class molecule for constipation management, expanded Cipla's offerings in chronic care.

Complementing organic growth, the Company executed focused M&A to build scale in priority therapies and enhance capabilities. Cipla acquired the Doloneuron and Zolsoma brands from Pulse Pharmaceuticals, strengthening its Central Nervous System ("CNS") portfolio in neuropathic pain and sleep disorders. The Company also completed the 100% acquisition of Inzpera Healthsciences Limited, adding a differentiated pediatric and wellness portfolio with strong brand equity and channel adjacency. In addition, Cipla secured 20% voting rights in iCaltech Innovations Private Limited, a Bangalore-based systems engineering company founded in 2017, deepening access to high-quality medical device development that supports accurate diagnostics and better clinical outcomes. Furthering the Company's commitment to Respiratory care, Cipla launched the Breathfree Lung Wellness Center in Delhi and Mumbai - India's first dedicated lung diagnostics and wellness center—offering, for the first time, comprehensive panel testing for Asthma, COPD and Interstitial Lung Disease ("ILD").

Outlook for FY 2026-27

The Cipla Branded Prescription business remains committed to boosting growth trajectory and delivering market beating growth. The strategy will be to focus on strengthening the Company's strong brands and developing new launches in Anti-obesity, Anti-diabetes, Antimicrobial Resistance ("AMR") and Respiratory therapies. Cipla will continue to empower its field force to better engage with Healthcare Professionals ("HCPs") and provide comprehensive support. With the advent of emerging technologies and analytics solutions, the Company will seek to leverage such technologies to enhance existing business operations. Cipla will continue to maintain focus on volume-driven and new introduction-driven growth, to mitigate any impact due to NLEM-driven changes.

Trade Generics business

In FY 2025-26, the Generics business unit delivered double-digit growth, centred on building stronger brands, deepening consumerisation, accelerating new product launches, and strengthening customer engagement delivering robust growth. The year marked significant progress in enhancing brand equity, with several flagship brands delivering robust growth and reinforcing the Company's leadership within the trade generics market. Notably, Cipcal, Cheston, Rexcof, Nodard all delivered robust 20% + growth with Cheston entering ₹ 100 crores+ club.

The retail vertical remained a key growth engine, registering strong performance while expanding its reach to more than 1.5 lacs retail and pharmacy outlets. This deepened footprint ensured broader last-mile access to high-quality generics, strengthened on-ground execution, and supported sustained demand generation across diverse markets. High value brands like Montecip and Clearwax clocked 40%+ growth. Further, secondary demand exposure increased to a wider range of portfolios during the year.

During the year, the business also expanded its portfolio into high-potential consumer health categories, including ortho-support and sexual wellness. These additions enabled meaningful participation in fast-growing, consumer-driven segments and complemented the existing portfolio to better align with evolving patient needs.

Customer-centricity remained a core focus, with several initiatives rolled out to enhance experience and loyalty across retail and trade channels. These programmes delivered measurable improvements in satisfaction and strengthened long-term partnerships. Supported by greater adoption of digital tools and data-driven insights, the business further sharpened its ability to engage customers effectively and responsively.

Outlook for FY 2026-27

In the coming fiscal year, the Company is positioning itself to accelerate sustainable, high quality growth by advancing a digitally-enabled business model that broadens access to affordable, quality medicines across geographies and therapeutic categories. This will be supported by differentiated brand building, innovative marketing approaches, and data driven digital engagement that enhance visibility and strengthen market relevance. Deepening market penetration will remain a key priority, with continued efforts to enhance last mile access and improve engagement productivity across an extensive network of retailers, further reinforcing the Company's distribution advantage. The business also plans to scale its consumerisation initiatives, expanding its product portfolio to bring a wider range of solutions closer to users and unlocking long term growth opportunities.

Aligned with its commitment to delivering value, the Company remains focused on improving access to medicines and strengthening outcomes for all stakeholders across the healthcare ecosystem.

Consumer business

In India, Cipla's consumer health business is operating under its wholly owned subsidiary, Cipla Health Limited ("CHL"). In FY 2025-26, the business continued to drive the theme of 'illness to wellness' led by brand building initiatives, deep distribution, and category innovations.

Consumer reached

~600K+ Pharmacies*

375K+ Grocers and Others*

~15K Modern Trade**

12 E-commerce**

125K+ Cosmetics*

*Basis AC Nielsen Data

** Basis Internal Data

The business delivered strong growth with healthy profit margins led by healthy traction in both core and emerging brands driven by high consumer awareness through robust media campaigns and in-depth consumer insights conducted throughout the year. The business has five core ₹ 100 crores+ brands and is well-positioned for growth across brands.

CHL has an omni channel sales distribution with presence across chemists, grocers, cosmetic stores, modern trade, e-commerce, quick commerce as well as D2C channels. CHL entered the sexual wellness segment as a new category in FY 2025-26.

Top brands like Nicotex, Omnigel, Cofsils, Prolyte, Cipladine, Endura Mass, Maxirich continue to build a strong connect with their consumers through a '360 degree' approach.

Anchor Brands

Nicotex	#1*	Nicotine replacement
Cofsils	#2**	Sore Throat
Omnigel	#1**	Pain Care
Cipladine	#1***	Medicated Ointments
Prolyte ORS	#2***	ORS
Astaberry	#2**	Hair Removal Cream

Note: Market share as per the market estimates (*IQVIA estimates as on March 2025 I ** AC Nielsen Estimates as on March 2025) I *** AC Nielsen Estimates as of January 2026

Outlook for FY 2026-27

- CHL aspires to maintain leadership position for top brands in portfolio: Omnigel, Cipladine, Nicotex, Cofsils and Prolyte.
- CHL will focus on brand building of existing brands while also exploring inorganic opportunities and strengthening its play in the digital channels of growth.

North America

Cipla's North America business reported revenue of USD 780 million in FY 2025-26, reflecting sustained traction in the differentiated portfolio and steady performance of the base business. North America remains a key strategic market for Cipla and contributed 24% of the Company's consolidated revenue during the year.

The business continued to benefit from Cipla's focus on complex generics, respiratory therapies and differentiated products, supported by strong customer partnerships and reliable supply across key product categories. Cipla also maintained its leadership position in the Respiratory segment, with its Albuterol franchise continuing to hold a strong presence in the US market, achieving a market share of 19.6% of the total Albuterol MDI market as per IQVIA MAT March 2026. Since launch, the Company has shipped over 67 million inhalers cumulatively to patients in the US.

During FY 2025-26, Cipla expanded its portfolio through several differentiated launches across therapeutic segments. The Company strengthened its peptide portfolio with the introduction of Liraglutide (gVictoza) and Liraglutide (gSaxenda) and further expanded its presence in complex injectables with the launch of Glucagon, another peptide-based therapy. In Oncology, Cipla launched Paclitaxel Nano, a complex Oncology injectable, reinforcing its focus on specialised therapies. During the year, the Company launched its first biosimilar product, the Filgrastim injection in the US.

Cipla continued to invest in strengthening its Respiratory development and manufacturing capabilities, including ongoing investments in its Long Island and Fall River facilities in the United States. These capabilities support the Company's pipeline of metered-dose inhalers ("MDIs"), dry powder inhalers ("DPIs") and other complex Respiratory products.

Cipla also continued to advance its pipeline of complex generics and differentiated products for the US market. The Company is preparing for upcoming Respiratory launches, including gVentolin, gAdvair and gSymbicort, while continuing to expand its peptide and complex injectable portfolio.

Market Segment	NSP Overall Market Rank	NSP Overall Market Share
Albuterol HFA*	1	19.6%
Budesonide Solution	3	16.0%
Sertraline	2	25.0%
Esomeprazole Granules	1	44.0%
Ipratropium + Albuterol Solution	4	13.0%

Source: IQVIA NSP for the month of MAT March 2026

*Total Albuterol MDI market

Outlook for FY 2026-27

Looking ahead, Cipla remains focused on strengthening its leadership in the US market through a differentiated portfolio and continued investments in complex therapies. The Company's strategy is anchored on achieving market leadership by volume in the Respiratory segment over the next five years, supported by strong commercial execution in Albuterol and launch readiness for high-value Respiratory assets such as gSymbicort and gAdvair. In April 2026, the Company received regulatory approval for the first AB-Rated gVentolin with CGT, representing the first commercial MDI product to be manufactured from the US facility. The Company is in the process of launching the product in coming months. Leveraging its respiratory platform expertise, development capabilities and manufacturing network, Cipla is well positioned to expand its presence across MDI, DPI and respule dosage forms, covering nearly 70% of the Respiratory market opportunity by size through products launched, filed, or under development.

Beyond Respiratory, Cipla continues to advance its portfolio through complex injectables, IP-led differentiated products and selective 505(b)(2) opportunities, aimed at addressing unmet clinical needs and strengthening long-term portfolio sustainability. The Company is also expanding its presence in biosimilars, with the launch of Filgrastim injection, its first biosimilar product in the United States, and ongoing development through its partnership with Kemwell, alongside exploration of licensing opportunities to further accelerate growth in this segment.

Pipeline Portfolio Update and Break-up

Cipla continues to build a robust pipeline of complex generics and differentiated products for the US market, with focus areas including Respiratory inhalation products, peptide-based injectables, Oncology therapies and specialty formulations.

79 Total UA/TA* March 2025

10 Filed in FY 2025-26

9 Final Approvals FA* & TA to FA in FY 2025-26

6 Withdrawals

74 Total UA/TA Mar 2026

Note: * UA- Under Approval, TA- Tentative approval, FA- Final approval

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

FY 2025-26 delivered strong performance across multiple parameters. Despite an intensive competitive environment, One Africa landed at a revenue of ₹ 4,287 crores with growth of 12% in INR terms. Focus on profitability improvements also yielded significant profitability growth for the region.

South Africa

Cipla South Africa continues to perform well, marked by core revenue growth and accelerated profit growth. Overall, the Cipla South Africa business grew by 4% in local currency terms exceeding ZAR 6.5 billion in revenue; led by the exceptional performance in both private and tender businesses. The private business contributed 76% to the overall revenue, with the balance contributed by tender business.

Private Market – OTC and Rx

The South African private market business excelled, outpacing the market with strong growth of 7.1%, more than 1.4 times the market growth, 185 bps ahead of the market. Cipla ranks second in the Rx market with 8.9% market share, ranking first or second where we play in six major therapies representing 75% of the total private market – central nervous system, anti-infectives, men's and women's health, respiratory, oncology, cardio-vascular and metabolic therapies.

Cipla ranks third in the OTC business, with the maximum no. of brands within the top 30 and 50 of the generic OTC segments and 14 brands worth more than ZAR 50 million. Actor Pharma (Pty) Limited continues to drive growth in the OTC segment, with the Sterimar brand growing 14% year-on-year (IQVIA MAT March 2026).

Cipla's South Africa business continues to outperform the market, driven by strong momentum across both Rx and OTC. The Rx portfolio remains a key growth engine, delivering nearly 11% growth and outperforming the market by ~422 bps (IQVIA MAT March 2026), while maintaining the second market position with an 8.9% share. OTC performance remains resilient, with Cipla retaining its third position with an 8.0% market share. Overall, Cipla ranks third in the total market, with growth ahead of the market, reinforcing the strength and balance of its portfolio.

Market Segment	Market Rank	Market Share	Cipla Growth	Market Growth
OTC	3	8.0%	0.2%	2.7%
Rx	2	8.9%	11.0%	6.7%
Overall	**3**	**8.6%**	**7.1%**	**5.3%**

Source – IQVIA MAT March 2026

Private Market - Therapy View

At a therapy level, Cipla has a leadership position in 6 major therapies, building on this leadership with strong growth and market share increases in all but one.

Therapy	Covered Market Rank	Covered Market Share	Cipla Growth	Market Growth
Central Nervous System	1	32.7%	10.2%	4.2%
Anti-Infectives	1	25.5%	9.8%	1.4%
Men's and Women's Health	1	31.7%	18.6%	8.8%
Respiratory	1	38.9%	3.5%	-0.2%
Pain/Rheuma	2	18.6%	6.2%	2.7%
Dermatology	1	35.6%	11.9%	5.8%

Source – IQVIA MAT March 2026

CAR-T Deal

Cipla entered an exclusive licensing and supply partnership with ImmunoACT to commercialise Talicabtagene Autoleucel, India's first indigenously developed anti CD19 CAR-T cell therapy, in the Republic of South Africa, Algeria, and Morocco. This collaboration reinforces the Company's commitment to leveraging cutting edge science to deliver transformative and affordable treatments for patients with critical healthcare needs.

Tender

Cipla remains a top five player in the South African tender market, with a longstanding commitment to expanding affordable access to essential medicines across priority disease areas. With the current tender portfolio, Cipla provides treatment to approximately 3 million patients annually, reflecting both the scale of operations and Cipla's continued contribution to the public healthcare system.

Cipla's tender participation is anchored in a mission driven focus on Antiretrovirals ("ARVs"), Respiratory, Oral Solid Dosage and Vaccines, supporting the delivery of quality, affordable therapies across high impact treatment areas. While the outcome of the current Antiretroviral tender would alter the portfolio mix in the next financial year, Cipla remains committed to advancing patient access and public health outcomes through its broader and diversified tender presence, alongside continued engagement in therapies critical to South Africa's healthcare priorities.

Outlook for FY 2026-27

FY 2026-27 will focus on building momentum and strengthening the quality of growth for Cipla South Africa, with a continued emphasis on profitability, portfolio optimisation, and long term market relevance. As the business adapts to shifts in the tender landscape, priorities will include maximising value from the existing tender portfolio, accelerating organic launches in priority therapies, and expanding participation across non ARV and adjacent segments. Strategic partnerships and targeted collaborations will remain important enablers to drive sustainable growth, enhance resilience, and reinforce Cipla's commitment to affordable access and improved patient outcomes in South Africa.

Sub-Saharan Africa (SSA)

Cipla's Sub-Saharan Africa business delivered resilient performance in FY 2025-26. While primary sales were impacted by deliberate channel destocking across selected markets like Kenya, Uganda and Mauritius, the business recorded secondary growth of 11% YoY, reflecting healthy underlying demand and improved market offtake.

A defining highlight of the year was the continued premiumisation of the portfolio towards chronic therapies. The chronic segment's contribution grew from 34% to 39% of the business, underpinned by strong momentum in Respiratory and Cardiovascular & Metabolic ("CVRM") therapies. Respiratory delivered 19% secondary growth, further consolidating Cipla's market leadership with over 10% market share in this therapy area and CVRM recorded exceptional secondary growth of 38%, driven by both core brand performance and new product launches, reflecting the early success of Cipla's strategic pivot into cardiometabolic disease management across Sub-Saharan Africa. (Source : IQVIA MAT March 2026)

Kenya remained an important market within the region, with Cipla retaining market leadership in Gastroenterology and establishing a growing commercial presence in Cardiovascular and Diabetes.

Outlook for FY 2026-27

The Sub-Saharan Africa business enters FY 2026-27 with clear strategic intent, to accelerate the shift towards a chronic-led portfolio and further cement Cipla's position as a leading pharmaceutical partner across the region. The business is targeting a continued scale up in the chronic segment's contribution. The SSA business remains committed to sustainable quality growth, building on its market leadership in Respiratory and Gastroenterology while scaling its Cardiovascular and Diabetes footprint. With channel inventory levels normalising following the destocking cycle, primary and secondary growth are expected to realign in FY 2026-27, providing a stronger foundation for top-line recovery and long-term value creation across the region.

North West Africa ("NWA")

In FY 2025–26, the Company's operations delivered steady performance. This performance was delivered despite operational headwinds during the year, primarily arising from supply shortages linked to a third-party partner in Morocco.

During the year, Cipla strengthened the leadership position across Morocco and Algeria supported by strong secondary market performance in its core therapy areas. In Morocco, Cipla gained significant traction in core therapy areas of Respiratory (Market share is 30.4% and growth is 18.2%) and Central Nervous System (Market share is 18.4% and growth is 18.3%), supported by strong portfolio execution and improved market access. (Source : IQVIA MAT March 2026)

A key strategic milestone was the successful localisation of Metered Dose Inhaler manufacturing in Morocco, with the production of Salmeterol + Fluticasone at the Rabat inhalation facility. This initiative strengthens supply resilience, supports local healthcare priorities.

FY 2025–26 also marked Cipla's entry into Oncology in North Africa, with the introduction of Lenalidomide for Multiple Myeloma and Fulvestrant for breast cancer, expanding access to critical oncology therapies for patients in the region.

Beyond core markets, the Business Unit expanded its regional footprint by integrating Ghana into the North Africa cluster, unlocking growth opportunities in institutional and tender-driven markets. Cipla also strengthened the B2B partnerships across French West Africa and Egypt, enabling broader access to Cipla's portfolio across underserved markets.

Outlook for FY 2026-27

Looking ahead to FY 2026–27, Cipla will continue to build on the strong regional foundation by scaling the Respiratory & Central Nervous System leadership, expanding the Oncology portfolio, and deepening regional partnerships across North and West Africa. The focus will remain on portfolio expansion in specialty therapies, and strengthening institutional and B2B market access, positioning North Africa as a key growth engine within Cipla's One Africa business.

Cipla Global Access ("CGA")

Since 2001, Cipla has been at the forefront of expanding global access to affordable, life-saving HIV/AIDS and Malaria therapies through strong partnerships with leading international funding agencies. Cipla's breakthrough in 1st-line Antiretroviral, TLD (Tenofovir/Lamivudine/Dolutegravir 300/300/50 mg), remains one of the most widely used treatments worldwide and has transformed care for millions. In FY 2025-26, Cipla Global Access reached over 1.5 million patients across 72 countries, underscoring Cipla's deep commitment to equitable healthcare. Building on this legacy, the CGA business is advancing a robust pipeline that includes Cabotegravir LAI for HIV PrEP, Cabotegravir + Rilpivirine LAI for HIV treatment, and Tenofovir Alafenamide-based tablets and dual regimens. Through innovation, quality, and strong global alliances, Cipla continues to strengthen health systems and improve patient outcomes across low and middle-income countries.

Outlook for FY 2026-27

Looking ahead to FY 2026-27, Cipla Global Access will focus on expanding its patient reach by identifying new molecules, securing additional licenses with innovators, and closely engaging with countries to understand evolving funding dynamics and procurement constraints. In parallel, the business will advance the portfolio by deepening engagement in high-impact therapeutic areas. Scaling capacity, driving operational excellence, and strengthening the customer and partner networks will remain key enablers as the CGA business works to broaden access to high-quality, affordable medicines for patients worldwide.

Emerging Markets and Europe ("EMEU")

Cipla's EMEU continued the growth momentum in FY 2025-26 after the turnaround last year and delivered USD 405 million revenue, growing 4% over FY 2024-25, despite ongoing geopolitical volatility.

EMEU continued to hold leadership position in Sri Lanka and Nepal, maintaining respectively third rank and ninth rank in the market. In Germany, Respiratory portfolio further strengthened its presence, with Beclomethasone +Formoterol emerging as the second largest brand in its category.

Portfolio Update:

The focus is to build a future pipeline of differentiated products, both in-house and through licensing route, to drive growth in our deep markets. In FY 2025-26, EMEU filed 200+ products across markets.

Key Launches during FY 2025-26 across Emerging Markets and Europe

Molecules	Therapy	Geography
Liraglutide	Anti-diabetes	Australia
Palbociclib	Antineoplastic	Mexico, Brazil and Thailand
Azelastine + FP spray	Respiratory	France
Eltrombopag	Hematinic agent	Germany and Spain
Icatibant	Angioedema	Brazil
Beclomethasone + Formoterol MDI	Respiratory	Europe

Outlook for FY 2026-27

EMEU will continue to prioritise deep market engagement while advancing a differentiated product pipeline. Our focus remains on strengthening our DTM business, fostering meaningful partnerships and ensuring timely product launches. Building on our strategy of investing in priority markets, we have further expanded our regional footprint with the establishment of a dedicated commercial front end and a new manufacturing facility in Saudi Arabia.

Active Pharmaceutical Ingredients ("API")

With its 60+ years of experience in manufacturing APIs, Cipla has produced 200+ APIs of various complexities. The APIs are supplied to 50+ countries across the globe helping local pharmaceutical companies reach out to their patients. The Company continues to be a preferred partner to many large generic pharmaceutical companies globally due to its focus on niche molecules and manufacturing scale. A strong dedicated team of over 300+ scientists aid the Company to differentiate itself with the capability to handle a wide range of chemistries and complex molecules.

Cipla covers a wide array of therapies with 2824 Drug Master Files ("DMFs") submissions till date. Within FY 2025-26, Cipla made 359 DMF filings in various countries. The Company has a robust portfolio of over 170 APIs across regulated markets in various stages of development.

Manufacturing Capability

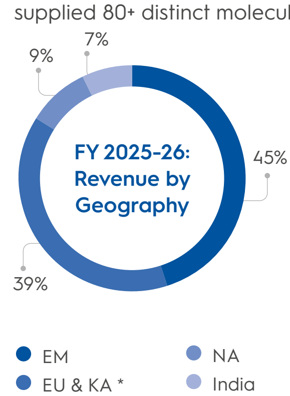
Cipla has four cGMP compliant sites, approved by the major international regulatory agencies including the US FDA, EDQM (Europe), PMDA (Japan) WHO, TGA (Australia), and KFDA (Korea). These sites include dedicated facilities for Oncology, hormones, and corticosteroid APIs. Additionally, a new unit was commissioned in FY 2025-26 under Cipla Pharmaceutical Limited for manufacturing of Respiratory API with installed capacity of 10 metric tonnes per annum. Cipla offers a total capacity for API manufacturing of 792 MT. Cipla offers high competency in handling broader range of batch sizes and expertise in particle engineering and micronisation to meet required particle sizes for Respiratory APIs.

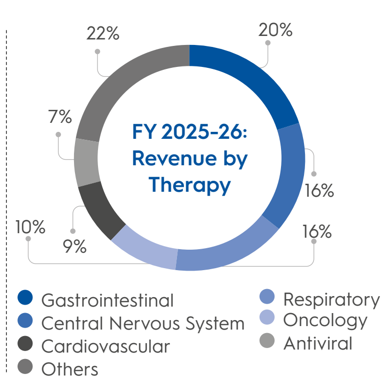
The Company has three API R&D Centres, two pilot plants and one safety screening lab. All facilities and Cipla's plants have zero liquid discharge and waste-water treatment facilities that include Effluent Treatment Plants ("ETP") with Multi Effect Evaporators ("MEE"), Agitated Thin Film Dryer ("ATFD"), Vertical Thin Film Dryer ("VTFD") and Reverse Osmosis ("RO") facilities. Cipla has secured 'Zero Waste to Land Fill' certification for all the manufacturing sites based in India.

Business Performance

In FY 2025-26, the API Business had multiple headwinds like geopolitical issues, global supply chain interruptions, high inflation rates and pressure on margins for commercialised molecules. Geopolitical issues majorly impacted on the prices of Key Starting Materials and Intermediates thereby increasing the API prices. However, Cipla was not only agile with regular supplies but also ensured timely supplies to support customers with their critical launches and lock-in with multiple customers.

The FY 2025-26 API business revenue stood at USD 55 million (₹489 crores) of which 45% was contributed by Emerging Markets, followed by 39% from Europe and Global Key Accounts, 9% from North America and 7% from India. The key therapy segments that contributed to these were Gastrointestinal (20%), Respiratory (16%), Central Nervous System (16%), Oncology (10%) and Cardiovascular (9%). Successful deliveries of differentiated product mix, improved traction in seeding and lock-ins are the key drivers for API business. The API team in Cipla successfully supplied 80+ distinct molecules to 230+ customers.





KA* = Key Accounts

Cipla continues to partner with leading generic companies and innovators for their new products to further expand in markets in Europe, Japan, Korea and Brazil. Strong relationships with the world's largest generic pharmaceutical companies have helped Cipla to take necessary steps to provide better realisations to its partners. Additionally, it aims to support a higher number of seeding and lock-ins for new molecules under development that will help in achieving sustainable growth. The Company plans to enhance its API R&D and manufacturing capacities. The Company is focused on productivity and achieved cost optimisation through continuous process/yield improvements.

Outlook for FY 2026-27

The API team remains committed to Cipla's focus on 'Caring for Life' by improving the health conditions of the people over the upcoming years. The API business continues to work with a reimagined strategy to focus on its critical and high-demand APIs and to ensure uninterrupted supplies to customers. In FY 2026-27, API business will continue to focus on maintaining a strong market position in top 10 APIs and bringing new business on board with new pipeline molecules and enhancing its market presence via organic launches, partnering with innovators and deepening its footprint by increasing outreach to newer untapped markets.

Human Resource Management and Industrial Relations

For details on Cipla's approach towards Human Resources, refer to Human Capital on page no. 72 of this Report.

Adherence to accounting standards

The Company continues to adhere to standard accounting policies under the Indian Accounting Standards ("Ind AS"), applicable since 1st April 2016. IND AS 116 pertaining to Leases was the sole addition under Section 133 of the Companies Act, 2013. These policies are to be read along with the relevant applicable rules and accounting principles. Changes in policies, if any, are approved by the Audit Committee.

Opportunities

Please refer page no. 42 for opportunities on material topics for the Company in the Double Materiality Assessment section.

Threats, risks and concerns

The Cipla Enterprise Risk Management ("ERM") programme covers its key risks across all its business areas. The Investment and Risk Management Committee of the Board reviews and discusses the risk updates on a quarterly basis.

During the reporting period, the Company faced heightened risks due to escalations in geopolitical conflicts, regulatory audits at manufacturing sites, supply chain complexities, increased input costs, continued foreign exchange volatility, delayed launches in key products and cyber and information security risks exacerbated by advancements in artificial intelligence. Additionally, climate change and adverse weather events continue to be a concern which has potential to disrupt business.

Please refer to page no. 48 for risk management framework and key risks including the mitigation measures.

The Company laid down risk response measures to:

further the agenda of achieving excellence in relation to Environment, Sustainability and Governance norms

address business continuity challenges

ensure continued compliance with applicable laws and regulations

overcome growth hurdles

strengthen and secure enterprise-wide cybersecurity

navigate through geopolitical complexities

The Company continued its efforts to maintain sound financial discipline and explore partnerships in niche therapies to expand its presence and meet its mission of Caring for Life.

Internal control and its adequacy

Cipla has an adequate system of internal controls commensurate with the nature of its business and the size and complexity of its operations. The Company has adopted policies and procedures covering all financial, operating and compliance functions. These controls have been designed to provide a reasonable assurance over:

- Effectiveness and efficiency of operations,
- Prevention and detection of fraud and errors,
- Safeguarding of assets from unauthorised use or losses,
- compliance with applicable laws and regulations,
- Accuracy and completeness of the accounting records, and
- Timely preparation of reliable financial information.

The existing framework of Internal Financial Controls ("IFC") is aligned with applicable statutory requirements and is based on the globally recognised risk-based framework issued by the Committee of Sponsoring Organizations ("CDSCO") of the Treadway Commission. The Company's internal financial controls over financial reporting are considered adequate and have been operating effectively during the year under review.

The effectiveness of these controls is monitored through a combination of management reviews, periodic control self-assessments, and independent testing carried out by the internal audit function. The Audit Committee periodically reviews the adequacy and effectiveness of the internal financial control systems to ensure that the Company's books of account are properly maintained and that transactions are recorded in accordance with applicable accounting standards, laws, and regulations.

The Company recognises the fact that any internal control framework would have some inherent limitations and hence has inculcated a process of periodic audits and reviews to ensure that such systems and controls are upgraded at regular intervals.

Board's Report

Dear Members,

The Board is pleased to present its report on comprehensive review of performance of the Company along with the audited standalone and consolidated financial statements for the financial year ended 31st March, 2026.

Financial Summary and State of Affairs

(₹ in crore)

Year ended 31st March, 2025		Particulars	Year ended 31st March, 2026	
Standalone	**Consolidated**		**Standalone**	**Consolidated**
19,044.85	27,547.62	Gross total revenue	18,979.95	28,162.59
6,174.16	6,820.81	Profit before tax and exceptional item	4,880.31	5,499.54
5,157.65	5,272.52	Profit after tax attributable to shareholders	3,515.18	3,879.23
(12.58)	(56.17)	Other comprehensive income not to be reclassified to statement of Profit & Loss (P&L)	(9.43)	(186.86)
2.60	274.83	Other comprehensive income to be reclassified to statement of P&L	(136.87)	874.60
22,950.83	21,438.78	Surplus brought forward	27,045.69	25,644.28
28,095.52	26,694.11	Profit available for appropriation	30,547.35	29,508.40
		Appropriations:		
(1,049.83)	(1,049.83)	Dividend	(1,292.40)	(1,292.40)
27,045.69	25,644.28	Surplus carried forward	29,254.95	28,216.00

The financial results and the results of operations, including major developments and statement of affairs of the Company which are prepared on the basis of the standalone and consolidated financial statements have been discussed in detail in the Management Discussion and Analysis and the Financial Capital.

Share Capital

During the year, the Company issued and allotted 1,65,511 equity shares of ₹ 2/- each to its employees under the Employee Stock Option Scheme 2013-A and Cipla Employee Stock Appreciation Rights Scheme 2021. As a result, the issued, subscribed and paid-up share Capital of the Company increased from ₹ 1,61,52,34,240/- (divided into 80,76,17,120 equity shares of ₹ 2/- each) as on 31st March, 2025 to ₹ 1,61,55,65,262 /- (divided into 80,77,82,631 equity shares of ₹ 2 each) as on 31st March, 2026. The equity shares issued under the Employee Stock Option Scheme 2013-A and Cipla Employee Stock Appreciation Rights Scheme 2021 rank pari- passu with the existing equity shares of the Company.

Apart from the above, there were no other changes in the equity share capital during the year.

Dividend

The Board recommends a final dividend of ₹ 13/- per equity share for the members for FY 2025-26. The divided as recommend by the Board is in line with the Dividend Distribution Policy of the Company as applicable. The payment of dividend is subject to the approval of members at the ensuing Annual General Meeting ("AGM") and deduction of income tax at source. Upon approval at the AGM, the dividend will be paid to those members whose names will appear in the Register of Members / Beneficial Owners as on 5th June, 2026 i.e. Record Date.

The total dividend pay-out will be approximately ₹ 1,050.12 crores, resulting in a payout of 29.87% of the Standalone profits after tax of the Company.

The Dividend Distribution Policy of the Company is available on the website of the Company in the investor section and can be accessed at https://www.cipla.com/sites/default/files/2023-05/Dividend-Distribution-Policy.pdf.

Management Discussion and Analysis Section

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Management Discussion and Analysis Section has been presented in a separate section on page no. 132.

Corporate Social Responsibility ("CSR")

A detailed report on the CSR initiatives of the Company has been provided in the Social Capital section of the Integrated Annual Report on page no. 102.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, the Annual Report on the CSR initiatives of the Company, including, requisite details is annexed as Annexure I to this report on page no. 151. The details pertaining to the terms of reference of the Committee have been provided in the Corporate Governance report on page no. 214.

Integrated Annual Report

In compliance with Securities and Exchange Board of India ("SEBI") circular dated 6th February, 2017, the Company has voluntarily published the Integrated Annual Report, which includes both financial and non-financial information and is based on the International Integrated Reporting <IR> Framework.

M/s DNV Business Assurance India Private Limited was appointed as an independent assurance partner to issue the assurance report on the non-financial information in the Integrated Annual Report for FY 2025-26.

Business Responsibility & Sustainability Report (BRSR)

In compliance with Regulation 34(2)(f) of SEBI Listing Regulations, read with SEBI Master Circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January, 2026, the Business Responsibility & Sustainability Report ("BRSR"), for FY 2025-26 has been presented in a separate section on page no. 167.

Corporate Governance

In compliance with Regulation 34 read with Schedule V of the SEBI Listing Regulations, the Corporate Governance Report for FY 2025-26, has been presented in a separate section on page no. 197.

A certificate from M/s BNP & Associates, Company Secretaries, confirming compliance with corporate governance requirements under the SEBI Listing Regulations, is annexed as Annexure II to this report.

Directors' Responsibility Statement

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

i. in the preparation of the annual accounts for the year ended 31st March, 2026, followed the applicable accounting standards and there are no material departures from the same;

ii. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2026 and of the profit of the Company for the year ended on that date;

iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv. prepared the annual accounts on a going concern basis;

v. laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Details of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure III to this report.

Share-based incentive schemes

The Company has the following share-based incentive schemes in force:

- Employee Stock Option Scheme 2013-A ("ESOS 2013 – A")
- Cipla Employee Stock Appreciation Rights Scheme 2021 ("ESAR Scheme 2021")

The Nomination and Remuneration Committee ("NRC") administers the ESOS 2013 – A and the ESAR Scheme 2021 (collectively referred to as "Schemes"). The Schemes are compliant with Section 62 of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). The details of the Schemes have been provided in note no. 43 of the standalone financial statements. The disclosure as required under the SEBI SBEB Regulations is available on the Company's website at https://www.cipla.com/investors/annual-reports.

In compliance with the requirements of the SEBI SBEB Regulations, a Certificate from the Secretarial Auditors is obtained, confirming that the Schemes have been implemented in accordance with the SEBI SBEB Regulations and Shareholders resolution and is uploaded on the website of the Company at https://www.cipla.com/investors/annual-reports. The Certificate will also be available for electronic inspection by the members during the AGM of the Company.

Human Resources

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in Annexure IV to this report.

Further, the information required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate exhibit forming part of this report and is available on the website of the Company at https://www.cipla.com/investors/annual-reports.

Particulars of Loans, Guarantees and Investments

Particulars of loans, guarantees and investments under Section 186 of the Act have been provided in note no. 45 of the standalone financial statements.

Annual Return

In compliance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company i.e. Form MGT-7 for FY 2025-26 has been uploaded on the website of the Company at https://www.cipla.com/investors/annual-reports.

Vigil Mechanism

The Company has a Whistle Blower Policy, which lays down the process to convey genuine concerns and seek resolution towards the same without fear of retaliation. The weblink of the Whistle Blower Policy, details on the functioning of the Policy and status of complaints has been provided in the Corporate Governance Report, on page no. 216 and 217.

Prevention of Sexual Harassment of Women at Workplace

The Company is committed to fostering a safe, respectful and inclusive work environment for all employees and stakeholders. In line with this commitment, the Company has implemented a comprehensive Policy on Prevention of Sexual Harassment ("POSH") at the Workplace, which outlines the principles, procedures and mechanisms for prevention, prohibition and redressal of sexual harassment. This policy is accessible on the Company's website at https://www.cipla.com/sites/default/files/2026-03/Policy-on-prevention-of-Sexual-Harassment-at-the-Workplace.pdf.

The policy is applicable to all employees as well as individuals associated with the Company, including consultants, trainees, volunteers, third-party personnel and visitors across all business units, functions, subsidiaries, affiliates and group companies. The Company regularly conducts awareness programmes, workshops and sensitisation sessions across the organisation to promote a culture of dignity, mutual respect and zero tolerance towards any form of sexual harassment.

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee ("ICC") at its workplaces in accordance with the statutory requirements regarding composition and governance. The ICC is responsible for addressing complaints related to sexual harassment in a fair and timely manner. The status of such complaints is periodically reviewed by the Audit Committee to ensure appropriate oversight and effective redressal mechanisms.

Details of complaints received/disposed during FY 2025-26 have been provided in the Corporate Governance report on page no. 221.

Scheme of Amalgamation of Inzpera Healthsciences Limited with the Company

During the year, the Board approved a Scheme of Amalgamation of Inzpera Healthsciences Limited, a wholly owned subsidiary of the Company ("Inzpera"), with the Company. The appointed date of the amalgamation is 1st April, 2026. The Scheme is subject to the approvals required under the Companies Act, 2013, including approval of the Hon'ble National Company Law Tribunal, Mumbai Bench. The proposed amalgamation is not expected to have any material impact on the financials of the Company. The amalgamation would result in a simplified group structure, eliminate redundant administrative overheads, improve operational efficiencies, and generate business synergies.

Related Party Transactions

All contracts, arrangements and transactions entered by the Company with related parties during FY 2025-26 were in the ordinary course of business and on an arm's length basis. The Company did not enter any transaction, contract or arrangement with related parties, that could be considered material in accordance with the Act, the SEBI Listing Regulations and the Company's Policy on Related Party Transactions ("RPT Policy"). Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. The details of the related party transactions as per IND AS 24 have been provided in note no. 42 of the standalone financial statements on page no. 297 and in note no. 47 of the consolidated financial statements on page no. 411.

During the year, the RPT policy of the Company was amended to align with the amendments in SEBI Listing Regulations. A detailed note on procedure adopted by the Company in dealing with transactions with related parties and weblink of the RPT policy has been provided in the Corporate Governance report on page no. 218.

Internal Financial Controls and their adequacy

The Company has established an adequate and effective system of Internal Financial Controls ("IFC") to ensure orderly and efficient conduct of business operations. These controls ensure adequacy with reference to the Financial Statements, compliance with policies, safeguarding of assets, prevention and detection of frauds & errors and maintenance of accurate accounting records. The IFC framework is aligned with applicable statutory requirements and based on a globally recognised risk-based framework.

Further, the Statutory Auditors and the Internal Auditors have confirmed that there were no material weaknesses in the Company's internal financial controls during the year. The adequacy and effectiveness of the internal controls framework have also been discussed in detail in the Management Discussion and Analysis section of this Annual Report.

Risk Management

The Investment and Risk Management Committee ("IRMC") of the Board oversees the Company's Enterprise Risk Management ("ERM") framework and process. Updates on the ERM framework, including key risk exposures and mitigation measures, are presented to and deliberated upon by the IRMC during its meetings and are periodically placed before the Board for review, at least once in a year.

The Audit Committee provides additional oversight with respect to financial risks, internal controls, and related governance mechanisms. The major risks identified across various business units and functional areas are systematically monitored and addressed through appropriate mitigation plans, which are implemented and reviewed on an ongoing basis.

In accordance with the provisions of Section 134 of the Act, a separate section on Enterprise Risk Management has been included in this Annual Report on page no. 48. There is no element of risk which in opinion of the Board threatens the existence of the Company.

Board Evaluation

A detailed disclosure on the performance evaluation criteria and the process of Board evaluation as well as the outcome has been provided in the Corporate Governance Report on page no. 201.

Subsidiaries, Associates and Joint Ventures

The changes during the year were as follows:

1. Jay Precision Pharmaceuticals Private Limited, subsidiary of the Company acquired 26% stake in AMPIN Energy C&I Eighteen Private Limited on 28th May, 2025, making it an associate of the Company.

2. Incorporation of CiplaRna GmbH in Germany as wholly owned subsidiary of Cipla (EU) Limited, UK, wholly owned subsidiary of the Company w.e.f. 28th May, 2025.

3. Acquired 20% voting rights in iCaltech Innovations Private Limited on 26th August, 2025.

4. Acquired 100% stake in Inzpera Healthsciences Limited ("Inzpera") making it a wholly owned subsidiary of the Company w.e.f 4th December, 2025.

5. Incorporation of Cipla Middle East Company in Saudi Arabia as wholly owned subsidiary of Cipla (EU) Limited, UK, wholly owned subsidiary of the Company w.e.f. 1st March, 2026.

6. The Company and Kemwell Biopharma Private Limited incorporated a new joint venture company named Aspergen Limited in India, with effect from 5th May, 2026 with a shareholding structure of 60% by the Company and 40% by Kemwell Biopharma Private Limited.

Details of these subsidiaries and associates are set out on page no. 331. Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the subsidiary and associate companies in Form AOC-1 has been presented on page no. 421. The statement provides details of the performance, the financial position of each of the subsidiaries and associates and their contribution to the overall performance of the company during the period under report. The consolidated financial statements presented in this annual report include financial results of the subsidiary and associate companies.

Copies of the financial statements of the subsidiary companies are available on the website of the Company in the investor section and can be accessed at https://www.cipla.com/investors/annual-reports.

Nomination, Remuneration and Board Diversity Policy

The Company has in place a Nomination and Remuneration and Board Diversity ("NRC Policy") which provides the process for selection, appointment and remuneration of directors, key managerial personnel and senior management employees including other matters as provided under Section 178(3) of the Act.

The salient features of the NRC Policy are as follows:

- Criteria and terms & conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive including Independent Directors), Key Managerial Personnel and persons who may be appointed in senior management positions.

- Framework for remuneration of the Directors, Key Managerial Personnel & Senior Management Personnel and align with the Company's business strategies, values, key priorities and goals.

- Rewards linked directly to the effort, performance, dedication and achievement of Company's targets by the employees.

- Approach for board diversity.

During the year, the Policy of the Company was amended to update the age criteria for the appointment of Independent Director. The Policy is available on the Company's website at https://www.cipla.com/sites/default/files/2026-02/Nomination-Remuneration-and-Board-Diversity-Policy_1.pdf.

Directors and Key Managerial Personnel

During the year, the Company's Board underwent the following changes:

- Mr Umang Vohra (DIN: 02296740) was appointed as Director of the Company liable to retire by rotation at the 89th AGM.
- Mr Umang Vohra (DIN: 02296740) had expressed his intention to not seek re-appointment as Managing Director and Global Chief Executive Officer ("MD&GCEO") of the Company upon completion of his second term as the MD&GCEO on 31st March, 2026. He also resigned as a Director of the Company w.e.f. 1st April, 2026.
- Mr Achin Gupta (DIN: 09491674), Global Chief Operating Officer was appointed as a Director and the MD&GCEO of the Company for a term of 5 (five) years with effect from 1st April, 2026 till 31st March, 2031, liable to retire by rotation.
- Mr P R Ramesh (DIN: 01915274) was re-appointed as an Independent Director of the Company for a second term of five (5) consecutive years, commencing from 1st July, 2026 up to 30th June, 2031 (both days inclusive) and also to continue as an Independent Director of the Company upon his attaining the age of 75 years.
- Mr Robert Stewart (DIN: 03515778) had expressed his intention to not seek re-appointment as an Independent Director upon completion of his first term on 13th May, 2026 and accordingly ceased to be an Independent Director of the Company.

The Board placed on record its sincere appreciation to the outgoing directors viz, Mr Umang Vohra and Mr Robert Stewart for their guidance and invaluable contributions made over the years.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr Adil Zainulbhai, is liable to retire by rotation at the ensuing 90th AGM and being eligible, has offered himself for re-appointment. On the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, the Board of Directors recommends his re-appointment as a Director, liable to retire by rotation. The detailed proposal for re-appointment forms part of Notice of 90th AGM.

Further details including date of appointment/retirement/resignation of directorship & committee membership etc. have been mentioned in the Corporate Governance Report on page no. 228.

In the opinion of the Board, all directors including the directors appointed / re-appointed during the year possess requisite qualifications, experience and expertise and hold high standards of integrity.

The list of key skills, expertise and core competencies of the Board has been provided in the Corporate Governance Report on page no. 199.

As on the date of this report, the Company has the following Key Managerial Persons as per Section 2(51) and Section 203 of the Act:

Sr. No	Name of the Key Managerial Persons	Designation
1	Mr Achin Gupta	Managing Director & Global Chief Executive Officer
2	Mr Ashish Adukia	Global Chief Financial Officer
3	Mr Rajendra Chopra	Company Secretary & Compliance officer

During the year, no other directors received any remuneration or sitting fees from any subsidiary of the Company, except Mr Umang Vohra and Mr Robert Stewart.

Declaration by Independent Directors

All Independent Directors have submitted requisite declarations confirming that they (i) continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) and 25 of the SEBI Listing Regulations, and are independent of the management; and (ii) continue to comply with the Code of Conduct laid down under Schedule IV of the Act. The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or under the order of any such authority.

The Board has taken on record the declarations and confirmations submitted by the Independent Directors after undertaking due assessment of the veracity of the same. The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs.

The details including the meetings of the independent directors, Lead independent director, familiarisation programme etc. have been provided in the Corporate Governance Report on page no. 203.

Board Committees and number of meetings of the Board and Board Committees

As on the date of this report, the Board has the following committees:

i) Audit Committee

ii) Nomination and Remuneration Committee

iii) Corporate Social Responsibility Committee

iv) Stakeholders Relationship Committee

v) Investment and Risk Management Committee

vi) Operations and Administrative Committee

All the recommendations made by the Board Committees, including the Audit Committee, were accepted by the Board.

Committee composition and meetings of the Board & the Board Committees have been provided in the Corporate Governance report on page no. 206 and 229 respectively.

Statutory Auditors and their reports

M/s Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No 001076N/ N500013) would be completing their second term as Statutory Auditors upon conclusion of the 90th AGM and will cease to be the Statutory Auditors of the Company. The Board placed on record its sincere appreciation for their valued association with the Company over the years.

Accordingly, the Board of Directors, based on the recommendation of the Audit Committee, have recommended to the shareholders for the appointment of M/s B S R & Co. LLP ("M/s B S R & Co.") (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a term of five (5) consecutive years, commencing from the conclusion of the 90th AGM until the conclusion of the 95th AGM, along with their remuneration for FY 2026-27. The detailed proposal for their appointment and remuneration along with their brief profile forms part of the Notice of 90th AGM.

M/s B S R & Co. have confirmed that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

The Statutory Auditors' Report for the standalone and consolidated financial statements does not contain any qualification, reservation, adverse remarks or observation and has been presented separately on page no. 233 and 323 respectively.

Secretarial Auditor and their reports

M/s BNP & Associates, Company Secretaries (Firm Registration No P2014MH037400) & Peer reviewed firm (No. 7353/2025) were appointed as the Secretarial Auditors of the Company from the 89th AGM until the conclusion of the 94th AGM.

M/s BNP & Associates, Company Secretaries, has issued the Secretarial Audit Report for FY 2025-26 which is annexed as Annexure V to this report.

In compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report issued by the Secretarial Auditor was submitted to the Stock Exchanges within the statutory timelines.

The Secretarial Audit Report and the Annual Secretarial Compliance Report did not contain any qualification, reservation, adverse remarks or observation.

Cost Auditor and Cost Audit Report

The Cost Audit Report for FY 2024-25 was filed with the Central Government within the statutory timelines. The report confirmed that the Company had maintained proper cost records in accordance with the provisions of Section 148(1) of the Act and did not contain any qualification, reservation, adverse remark, or observation.

Based on the recommendation of the Audit Committee, the Board at its meeting held on 13th May, 2026 have approved the appointment of M/s Joshi Apte & Associates – Cost Accountants (Firm Registration No. 000240), as the Cost Auditor to conduct the cost audit for FY 2026-27 at a remuneration of ₹ 12,50,000 (Rupees Twelve Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, subject to approval of members of the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration to the Cost Auditor for auditing the Cost records for FY 2026-27 is required to be ratified by the members, the Board of Directors recommends the same for ratification at the ensuing 90th AGM. The proposal forms a part of the Notice of 90th AGM.

M/s Joshi Apte & Associates – Cost Accountants confirmed their eligibility and independence and had accepted the appointment upon approval. Brief profile of the cost auditors is available on the website of the Company in the investor section and can be accessed at https://www.cipla.com/sites/default/files/SignedOutcomeofBoardMeeting13thMay2026Signed_2.pdf.

The Statutory, Secretarial and Cost Auditors did not report any instance of fraud committed in the Company by its officers or employees under Section 143(12) of the Act, the details of which needs to be mentioned in the Board's report.

Other Disclosures

During the year:

- No amount was proposed to be transferred to the Reserves;
- There was no change in the nature of business of the Company;
- The Company has complied with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively;
- There was no instance wherein the Company failed to implement any corporate action within the statutory time limit;
- The Company did not accept any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2026;

- No significant or material orders were passed by the regulators or courts or tribunals which could impact the going concern status of the Company and its future operations;
- The Company has complied with the provisions of the Maternity Benefits Act, 1961;
- There were no material changes and commitments which occurred after the close of the year till the date of this report, which may affect the financial position of the Company;
- There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2026; and
- Other confirmations/disclosures as required under Section 43(a)(ii), 48, 54, 55, 61, 67, 72, 131 of the Act, Rule 8(5)(xi) and (xii) of the Companies (Accounts) Rules, 2014, Rule 4 of Companies (Share Capital and Debentures) Rules, 2014, Regulation 32(4), Regulation 32(7A) and Schedule V Part C point 9 (h) of the SEBI Listing Regulations were not applicable to the Company.

Acknowledgements

We hereby express our profound gratitude to the governments of all the countries in which the Company operates. We also wish to place on record our sincere appreciation to the Ministry of Chemicals and Fertilisers, Government of India, as well as to the Central and State Governments, National Pharmaceutical Pricing Authority, regulatory bodies / authorities, financial institutions, business partners, shareholders, healthcare professionals and all other stakeholders for the assistance, cooperation and encouragement extended to the Company. We also wish to acknowledge our appreciation for the dedication and relentless efforts of our employees.

On behalf of the Board of Directors

Y K Hamied
Chairman
DIN: 00029049

Date: 13th May, 2026
Place: Spain

ANNEXURE - I

Annual report on Corporate Social Responsibility ("CSR") activities pursuant to Rule 8 of the Companies ("Corporate Social Responsibility Policy") Rules, 2014 as amended from time to time

1. Brief outline on CSR Policy of the Company:

'Caring for Life' has been at the forefront of the Company business philosophy and remains the principal purpose of doing business. This philosophy is seamlessly integrated into the Company people, products and processes and is the foundation and underlying objective of the Corporate Social Responsibility Policy ('CSR Policy'). The Company strives to create a healthier world and enrich the lives of all our stakeholders and community at large through our CSR initiatives. Some of these initiatives were put in place long before the CSR law came into effect. The Company's CSR initiatives and related projects are undertaken through Cipla Foundation, the principal implementation agency and their implementing partners. Our initiatives are compliant with CSR requirements under Section 135 of the Companies Act, 2013 ("Act").

The CSR Policy covers the following:

- Guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan
- Mode of implementation of CSR activities of the Company through Cipla Foundation
- Key focus areas for CSR activities include:
    - Health
    - Education
    - Skilling
    - Environmental sustainability
    - Contribution to government funds for socio economic development
    - Research and development
    - Rural development projects
    - Disaster management
    - Any other activity under Schedule VII of the Act
- Process for approval of CSR activities
- Monitoring mechanism
- Responsibilities of the implementation agencies

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr Balram Bhargava	Chairperson, Independent Director	4	4
2	Mr Umang Vohra*	Managing Director and Global Chief Executive Officer	4	4
3	Mr Adil Zainulbhai	Non-Executive Director	4	4
4	Ms Sharmila Paranjpe	Independent Director	4	4

*Mr Achin Gupta appointed as MD&GCEO and as member of Committee w.e.f 1st April, 2026.

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

- CSR Committee composition: https://www.cipla.com/about-us/board-directors/committees-board
- CSR Policy: https://www.cipla.com/sites/default/files/2023-05/Corporate-Social-Responsibility-Policy.pdf
- CSR Projects: https://www.cipla.com/sites/default/files/2026-05/CSR-Projects-FY-2025-26.pdf

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.[1]

Guided by its purpose of 'Caring for Life', Cipla Limited undertakes Corporate Social Responsibility initiatives that are intended to support access, continuity and resilience across key social domains. Implemented through Cipla Foundation, these initiatives reflect a long-standing commitment to healthcare and allied areas such as education, skilling, environmental sustainability and disaster response, with a particular focus on contexts where sustained engagement and institutional capability play a critical role in shaping outcomes.

During FY 2023-24, Cipla supported 120 CSR projects in partnership with 74 implementing organisations, with a total CSR expenditure of approximately ₹69.51 crores. The portfolio reached more than 4.75 lacs beneficiaries across healthcare, education, skilling, environmental sustainability and disaster response initiatives.

In line with the provisions of the Act, CSR Rules and statutory requirement of CSR regulations, an independent impact assessment has been undertaken for CSR projects undertaken during FY 2023-24. The evaluation has been undertaken using the OECD Development Assistance Committee framework, examining project performance across six criteria: relevance, coherence, effectiveness, efficiency, impact and sustainability. Executive summary on the impact assessment report and detailed impact assessment report for FY 2023-24 can be accessed at https://www.cipla.com/investors/annual-reports

The implemented projects are also aligned with the United Nations Sustainable Development Goals as below:

The programmes, as evaluated through impact assessments, demonstrated the following key impacts:

Promoting healthcare including preventive healthcare

Palliative Care

- 50,000+ patients supported through palliative care services across 27 cities
- 13,400+ home visits conducted
- 4,000+ calls attended and 1,400+ patients and caregivers supported through Saath-Saath helpline

[1]GRI 413-1

Other Community Health Initiatives

- 7 mobile healthcare units deployed covering 118+ villages
- 1,33,000+ beneficiaries reached through maternal and child health
- 1,24,000+ primary healthcare consultations delivered
- 100+ thalassemia patients supported with 1,500+ NAT tested blood transfusions
- 65+ patients supported with bone marrow transplants

Promoting special education, and employment enhancing vocation skills especially among children, women, and the differently abled and livelihood

Promoting Quality Education

- 16,000+ students reached through experiential learning programmes
- 3,700 girls enrolled into government schools
- 460+ students supported through multi activity learning centres

E-Learning

- 22 schools supported with digital learning infrastructure
- 3,000+ students benefited through digital classrooms and libraries
- Digital content delivered are aligned with school curriculum

Scholarships

- 900+ academic achievers supported through merit-based scholarships
- 500+ COVID impacted children supported for education continuity

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water

Vocational Skills

- Specially abled beneficiaries supported for accessing the skilling initiatives programme aimed at livelihood and employability

Environmental Sustainability

- 19 villages and 3,000+ families supported through water security initiatives.
- Climate resilient farming, renewable energy and sustainable agriculture promoted.

Disaster management, including relief, rehabilitation and reconstruction activities

Disaster Response

- 2,000+ families supported through disaster relief initiatives.

5. (a) **Average net profit of the company as per sub-section (5) of Section 135.**

₹ 4,747.91 crores

(b) **Two percent of average net profit of the company as per sub-section (5) of Section 135.**

₹ 94.96 crores

(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.**

₹ 0.46 crores

(d) **Amount required to be set-off for the financial year, if any.**

₹ 0.69 crores

(e) **Total CSR obligation for the financial year [(b)+(c)-(d)].**

₹ 94.73 crores

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)**

₹ 82.39 crores

(b) **Amount spent in Administrative Overheads.**

NIL

(c) Amount spent on Impact Assessment, if applicable.

₹ 0.30 crore

(d) Total amount spent for the Financial Year [(a)+(b)+(c)].

₹ 82.69 crores

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ crores)	Amount Unspent (in ₹ crores)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
82.69	12.04	29th April, 2026	NA	NA	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	94.96
(ii)	Total CSR Obligation for the financial year (Refer Note 1)	94.73
(iii)	Total amount spent for the Financial Year (Refer Note 2)	82.69
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	NIL
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Refer Note 2
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]	NIL

Note 1: *The total CSR obligation for the company is ₹ 94.73 crores, as mentioned in point 5(e). This point is not part of the statutory format and has been voluntarily added to reflect the correct calculation on excess amount available for set-off, If any.*

Note 2: *The total amount spent for the financial year in point 6(f)(iii) above includes a surplus amount of ₹ 0.46 crore arising out of the CSR Projects of the previous financial year. Therefore, this amount has not been separately presented under point 6(f)(v).*

7. Details of Unspent Corporate Social Responsibility for the preceding three Financial Years:

Sl No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ crores)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹ crores)*	Amount Spent in the Financial Year (in ₹ crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹ crores)	Deficiency, if any
					Amount	Date of Transfer		
1	FY 2022-23	-	-	-	-	-	-	-
2	FY 2023-24	-	-	-	-	-	-	-
3	FY 2024-25	4.75	4.75	3.28**	-	-	1.47	-

* Unspent balance as on 1st April, 2025

** As the above presentation reflects the initial contribution to the unspent CSR account, the expenditure has been shown net of the surplus amounting to ₹ 0.02 crore. The surplus so generated has been fully utilised for the same project.

8. Whether any Capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☑ No ☐

If Yes, enter the number of Capital assets created/ acquired

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Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

The details of Capital assets are provided in a separate exhibit forming part of this report and is available on the website of the Company at https://www.cipla.com/investors/annual-reports

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135.

Out of the total obligation of ₹ 94.73 crores, the Company has spent ₹ 82.69 crores on various projects including surplus. The unspent balance of ₹ 12.04 crores pertains to the following ongoing projects. In compliance with the statutory provisions, the unspent CSR amount has been transferred to a special account within the prescribed timelines.

1. Foundation for Pharmaceutical Academy for Global Excellence ("PAGE"), a company registered under Section 8 of the Companies Act, 2013, is in the process of setting up skilling institutes in Ahmedabad and Hyderabad, India. During FY 2025-26, PAGE achieved significant milestones through the acquisition of land in Ahmedabad, Gujarat as well as the successful commencement of its first training batches. A considerable portion of the anticipated project cost was proposed to be deployed towards the commencement of construction at the Ahmedabad site. As of 31st March, 2026, PAGE is awaiting approval of the architectural and building plans from the government authorities, without which construction activity could not be initiated.

2. The Company made a contribution to the Indian Institute of Science (IISc), Bengaluru, which is a trust governed by the Charitable Endowments Act, 1890 and an autonomous institution funded by the Ministry of Education, Government of India, towards meeting infrastructure costs and procurement of specialised medical equipment. Out of the total amount contributed, amount pertaining to procurement of specialised medical equipment remained unspent as at the end of the financial year, due to delays in procurement from overseas suppliers.

Further for FY 2023-24, the CSR obligation was recomputed due to revisions in provision for bad and doubtful debts of FY 2022-23, and as a result, the shortfall of ₹ 3,334 was deposited in the Prime Minister National Relief Fund to comply with the provision of the Act.

Balram Bhargava
Chairman – CSR Committee
DIN: 10479707
Place: Mumbai

Achin Gupta
Managing Director and Global Chief Executive Officer
DIN: 09491674
Place: Mumbai

Date: 13th May, 2026

Annexure II

Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of,
Cipla Limited

We have examined all relevant records of **Cipla Limited having CIN: L24239MH1935PLC002380** (hereinafter referred to as "the Company") for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the listed companies under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March 2026. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of corporate governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as specified for a listed company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR. No. 7353/2025

Avinash Bagul
Partner
FCS No. 5578
CP No. 19862
UDIN: F005578H000344499

Date: 13th May, 2026
Place: Mumbai

Annexure III

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo[1]

The information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for FY 2026-27 is given below and forms part of the Board's Report.

A. Conservation of Energy

The steps taken or impacted on conservation of energy

The Company continues to place strong emphasis on energy conservation, consistently adopting innovative approaches to minimise wastage and optimise consumption across its operations. Some of the specific measures undertaken during the year are outlined below:

I. Steps taken by the company for utilising alternate sources of energy:

- As of 31st March, 2026, the Company's operational renewable energy capacity comprises 59 MWp of captive solar power through open access, 2.7 MVA of captive wind power through open access and 11.8 MWp of solar rooftop installations across multiple sites. We have continued to invest in building robust renewable infrastructure across our operations to further accelerate the clean energy transition. These collective efforts enabled the Company to procure a total of 2,64,812 MWh of renewable electricity during the financial year ended 31st March, 2026, meeting 84% of the renewable electricity requirement for India manufacturing operations, advancing from 64% achieved in FY 2024-25.
- The 46 MWp captive solar plant located in Tuljapur, Maharashtra, remains a cornerstone of our renewable energy strategy, supplying 55% of the electricity needs of the manufacturing facilities at Kurkumbh and Patalganga and our R&D centre at Vikhroli, Mumbai.
- We have commenced sourcing renewable energy from a 4 MWp captive solar plant for our subsidiary Jay Precision Pharmaceuticals Private Limited and expanded our rooftop solar capacity at Vikhroli from 85 kWp to 130 kWp in the current financial year.
- The captive 9 MWp solar and 2.7 MVA wind installations in Jagalur, Karnataka, supplemented by third-party solar and wind power procurement, together met 96% of the electricity requirements of the manufacturing units at Virgonagar and Bommasandra, positioning these locations remarkably close to fully renewable operations.
- The Company's strategic alliance with Juniper Green Cosmic Private Limited provides access to 112 MWp of solar capacity in Bikaner, Rajasthan. Commissioned in September 2024, this project delivered 1,68,056 MWh of renewable power in FY 2025-26, resulting in a reduction of 1,19,320 tCO_2e in Scope 2 emissions, building on the 95,005 MWh and 69,068 tCO_2e reduction achieved in FY 2024-25.
- Additionally, in April 2025, the Goa-I facility installed a ₹24 lac rooftop solar system with capacity of 53 KWp, displacing grid electricity with renewable power and contributing to lower Scope 2 emissions.

II. Steps taken on conservation of energy (based on plant wise location):

Kurkumbh

- Electronically Commutated ("EC") blowers have been installed, resulting in energy savings of approximately 56 MWh/202 GJ.
- Timer-based operation has been introduced for supply and exhaust blowers, optimising energy consumption and delivering savings of approximately 60 MWh/ 216 GJ.
- Variable Frequency Drive ("VFD") based operation has been provided for Air Handling Unit ("AHU") and ventilation units, achieving energy optimisation and savings of approximately 80 MWh/ 288 GJ.
- A standard efficiency pump has been replaced with an energy efficient variant, resulting in savings of approximately 69 MWh/ 248 GJ.

Patalganga

- A dedicated cooling water pump has been installed for the air compressor, resulting in energy savings of approximately 88 MWh/ 317 GJ.

Bommasandra

- VFDs have been installed for ventilation supply and exhaust systems, yielding energy savings of approximately 73 MWh/ 263 GJ.

Virgonagar

- N_2 compressor power consumption has been optimised through rectification of the PRV for the nitrogen plant, delivering savings of approximately 43 MWh/ 155 GJ.

[1]Information in line with BRSR question no. 8 under essential indicators of Principle 6

- ETP cooling tower pump operations have been optimised, resulting in energy savings of approximately 42 MWh/ 151 GJ.

Goa-I

- Segregation of pressure lines in the compressed air system has led to more efficient operations and energy savings of approximately 295 MWh/ 1,062 GJ.
- Chiller operation optimisation has delivered energy savings of approximately 283 MWh/ 1,019 GJ.

Indore

- The installation of an Auto Condenser Cleaning System for chillers has resulted in significant energy savings of approximately 923 MWh/ 3,323 GJ.

Sikkim

- High energy efficient pumps and motors (IE3 rated) have been installed, generating energy savings of approximately 131 MWh/ 472 GJ.
- PET bottle decluttering initiatives have resulted in energy savings of approximately 291 MWh/ 1,048 GJ.
- At Sikkim-II, the existing State Electricity Board ("SEB") power source was located at a considerable distance and was shared with domestic consumers, leading to frequent power failures and voltage fluctuations. This compelled the facility to rely on diesel generators for extended periods, incurring costs nearly four times higher per unit compared to SEB supply, alongside elevated carbon emissions. To address this, Sikkim-II migrated its SEB power connection to a new, more reliable substation. This transition has resulted in savings of approximately 52,000 litres of diesel (~1,987 GJ of energy) and annual cost savings of ₹47 lacs.

Baddi

Cooling tower fan motors have been replaced with EC fan blowers, resulting in energy savings of approximately 75 MWh/ 270 GJ.

III. **During the year, the Company has made a capital investment of ₹ 5.54 crores towards energy conservation equipment.** These targeted energy efficiency initiatives delivered aggregate energy savings of approximately 19,911 GJ across India manufacturing locations, representing a 45% increase compared to 13,704 GJ of savings achieved in FY 2024-25.

B. Technology Absorption

Driven by its commitment to innovation and sustainability, the Company focuses on initiatives that advance process development and operational efficiency. Through disciplined management practices, Cipla ensures the optimisation of resources, cost reduction and adherence to environmentally responsible methodologies.

I. **The efforts made towards technological absorption and the benefits derived thereon are as follows:**

Innovations in Active Pharmaceutical Ingredient ("API")

Polymorph (Crystal Forms) Selection & Risk Intelligence

We introduced a decision framework that enables early selection of right solid-state crystal forms and resolution of solid-state risks. Expansion of knowledge-driven databases improved early risk prediction and translated into higher success rates.

Advanced Isotope Profiling

A robust Liquid Chromatography-Mass Spectroscopy ("LC-MS/MS") based method now enables precise measurement of isotope incorporation across APIs and raw materials from development through manufacturing.

Physicochemical Capability

We have established in-house capabilities such as partition coefficient (Log P) and dissociation constant (pKa) to test important chemical properties of drug substances. These support API DMF submissions and enable stronger regulatory readiness.

Complex Biomolecule Characterisation

Adoption of Diffusion Ordered Spectroscopy Nuclear Magnetic Resonance ("DOSY-NMR") allows us to distinguish closely related biomolecules, providing clear identification and deeper insight into complex biomolecules.

Green Chemistry Initiatives: Driving Sustainable Innovation

Our innovation strategy is closely aligned with sustainability, supported by targeted green chemistry initiatives that reduce environmental impact, improve operational efficiency and maintain compliance while delivering high-quality medicines. These efforts have lowered the use of hazardous solvents, enhanced process safety and sustainability and strengthened overall process robustness in line with green chemistry principles

Biocatalysis: We implemented an enzyme-catalysed chiral resolution to replace conventional chemical methods, delivering higher stereoselectivity and a more sustainable route.

Strengthening Process Safety and Sustainability: We implemented several process improvements during the year, including the replacement of Methyl Tert-Butyl Ether ("MTBE") with Ethyl Acetate for product isolation to enhance safety and compliance. We also transitioned to a safer reaction system that significantly reduces the use of dioxane, with aqueous hydrochloric acid in a methanol-water medium. A greener ester-hydrolysis method, improving overall safety and reducing waste.

Advanced Synthesis: We developed an improved amide bond reduction methodology offering a safer, more efficient alternative for complex API synthesis. This advancement addresses key challenges in difficult reaction pathways, improving process reliability and overall synthetic accessibility.

II. The details of imported technology (imported during the last three years reckoned from the beginning of the financial year)

No expenditure has been incurred on the import of new technology during FY 2023-24, FY 2024-25 and FY 2025-26.

III. The expenditure incurred on research and development (standalone)

(₹ crores)

Capex	24.70
Opex (excluding depreciation)	1,593.77
Total	**1,618.47**

The total R&D expenditure as a percentage of total revenue is approximately 8.53%.

C. Foreign Exchange Earnings and Outgo

Export Sales amounted to ₹ 6,711.08 crores for FY 2025-26. The Company earned ₹ 1,310.32 crores towards royalty, technical knowhow & licensing fees and ₹ 73.19 crores for other services. During the year, the total foreign exchange outgo was ₹ 4,225.96 crores, while earnings in foreign exchange stood at ₹ 9,144.72 crores on an actual basis.

On behalf of the Board of Directors

Y K Hamied
Chairman
DIN: 00029049

Date: 13th May, 2026
Place: Spain

Annexure IV

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2025-26 and the percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary during the FY 2025-26:

Name	Designation	Ratio to median remuneration	% increase/ decrease in remuneration in FY 2025-26
Dr Y K Hamied	Non-Executive Chairman	45:1	0.39%
Mr Umang Vohra	Managing Director and Global Chief Executive Officer	682:1	122.74%
Mr Abhijit Joshi	Non-Executive Director	45:1	NA[i]
Mr Adil Zainulbhai	Non-Executive Director	46:1	NA[i]
Dr Balram Bhargava	Independent Director	16:1	3.37%
Mr Kamil Hamied	Non-Executive Director	46:1	NA[i]
Dr Mandar Vaidya	Independent Director	16:1	4.04%
Ms Maya Hari	Independent Director	19:1	NA[i]
Mr P R Ramesh	Independent Director	19:1	6.04%
Mr Robert Stewart	Independent Director	19:1	(1.38%)[ii]
Ms Sharmila Paranjpe	Independent Director	17:1	NA[i]
Mr Ashish Adukia	Global Chief Financial Officer	208:1	74.55%[iii]
Mr Rajendra Chopra	Company Secretary	65:1	21.41%

i. As the remuneration paid for FY 2024-25 is for part of the year, the field for "% increase/ decrease in remuneration in FY 2025-26" is not comparable.

ii. The decrease in remuneration was due to lower number of meetings attended during the year, resulting in reduced sitting fee payments compared to the previous year.

iii. Includes perquisite value of stock options (which were granted in earlier years but exercised in current year). Had this perquisite value not been considered, there is increase of 31.01% over the year.

2. The percentage increase in the median remuneration of employees in the financial year: 2.32%.

3. Number of permanent employees on the rolls of the Company as on 31st March, 2026: 26,388.

4. For the FY 2025-26, the average annual increase in the remuneration of employees (excluding the remuneration of managerial personnel) was 2.43% and in case of managerial remuneration there was an increase of 122.74%.

   The % increase in the managerial remuneration for FY 2025-26 includes one-time long-term incentive of ₹ 25 crores as approved by the shareholders vide resolution dated 16th May, 2024 and retiral benefits of ₹ 0.94 crores. Had the one-time long-term incentives and retiral benefits not been considered, there is a decrease of 25.17% in the managerial remuneration over last year.

5. It is affirmed that the remuneration is as per the Nomination, Remuneration and Board Diversity Policy of the Company.

6. In addition, Mr Umang Vohra and Mr Robert Stewart received director's remuneration/sitting fees from the subsidiaries during FY 2025-26. The details for which have been presented in the Corporate Governance Report.

On behalf of the Board of Directors

Y K Hamied
Chairman
DIN: 00029049

Date: 13th May, 2026
Place: Spain

Annexure V

Secretarial Audit Report

For the financial year ended 31st March, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Cipla Limited
Cipla House Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai - 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to the good corporate practices by **Cipla Limited having CIN: L24239MH1935PLC002380** (hereinafter called "the Company") for the financial year ended on 31st March, 2026 (the "Audit period"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company;

(ii) The certificates confirming compliances of all applicable laws as submitted to the Board of Directors on a quarterly basis by the management;

(iii) Representations made and information provided by the Company, its officers and authorised representatives during our conduct of the secretarial audit;

(iv) Compliance related action taken by the Company after 31st March, 2026 but before the date of issuance of this report to the Company for placement of the same at its Board Meeting.

We hereby report that, in our opinion, during the Audit period covering the financial year ended on 31st March, 2026, the Company has complied with the statutory provisions listed herein below. The Company has adequate board processes and compliance mechanisms and our views are limited to the reporting made hereinafter:

1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS

We further report that:

1.1 We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the applicable provisions/clauses of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and byelaws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations");

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations");

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025.

*The Company has also maintained a Structured Digital Database ("SDD") pursuant to the requirements of regulation 3(5) and 3(6) of PIT Regulations.

(vi) The Secretarial Standards 1 & 2 ("Standards") issued by the Institute of Company Secretaries of India and notified by the Central Government under section 118 (10) of the Act.

(vii) The following specific acts, laws, rules and regulations are applicable to the Company, based on the nature of its business activities:

a) The Drugs and Cosmetics Act, 1940;

b) The Narcotic Drugs and Psychotropic Substances Act, 1985; and

c) The Drugs Price Control Order, 2013.

1.2 We report that during the Audit period, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

1.3 We are informed that, during the Audit period, there were no transactions undertaken by the Company which required compliance of the following Acts, Rules and Regulations:

(i) The Foreign Exchange Management Act, 1999 to the extent of the rules and regulations made for External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

(v) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

2. BOARD PROCESSES:

We further report that:

2.1 The Board of Directors (“Board”) of the Company as on 31st March, 2026 was duly constituted with the proper balance of executive directors, non-executive directors and independent directors, as stated below:

(i) One Executive Director –

- Mr Umang Vohra (DIN-02296740);

(ii) Four Non-Executive, Non-Independent Directors –

- Dr Y K Hamied (DIN-00029049);
- Mr Abhijit Jagdish Joshi (DIN-07115673).
- Mr Adil Zainulbhai (DIN- 06646490); and
- Mr Kamil Hamied (DIN- 00024292).

(iii) Six Independent Directors including Two-Women Independent Directors –

- Dr Balram Bhargava (DIN-10479707)
- Dr Mandar Vaidya (DIN-09690327);
- Ms Maya Hari (DIN- 01123969);
- Mr P R Ramesh (DIN-01915274);
- Mr Robert Stewart (DIN-03515778); and
- Ms Sharmila Nitin Paranjpe (DIN-02328770).

2.2 The changes in the composition of the Board and the Key Managerial Personnel (“KMPs"), during the Audit period, were carried out in compliance with the provisions of the Act and the SEBI Listing Regulations:

(a) At the 89th Annual General Meeting dated 16th July, 2025:

- Mr Umang Vohra (DIN: 02296740), Managing Director and Global Chief Executive Officer, was re-appointed as Managing Director, liable to retire by rotation. Upon completion of his term as the Managing Director and Global Chief Executive Officer of the Company on 31st March, 2026, Mr Umang Vohra has resigned from as a Director of the Company w.e.f. 1st April, 2026.

(b) The Members of the Company by way of Postal ballot held on 25th March, 2026 approved the appointment of:

- Mr Achin Gupta (DIN: 09491674) as Managing Director and Global Chief Executive Officer of the Company, liable to retire by rotation, for a period of five (5) years commencing from 1st April, 2026 till 31st March, 2031 (both days inclusive).
- Re-appointment of Mr Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) as Independent Director of the Company for a second term of 5 (five) years commencing from 1st July, 2026 till 30th June, 2031 (both days inclusive).

(c) Mr Robert Stewart (DIN: 03515778) has expressed his intention not to seek re-appointment for a second term as an Independent Director of the Company upon completion of his current term on 13th May, 2026.

2.3 The Board Committees reviewed compliance status of their charter and confirmed it to be compliant.

2.4 Adequate notices for the meetings of the Board and the Board Committees, constituted by the Board, were given to all the directors and members of the Committee. The agenda and detailed notes on agenda were sent at least seven days in advance. In case of circulation of agenda or detailed notes on agenda at shorter notice, due consent of the Board and the Board Committees was taken. The Company has a system in place where the directors can seek further information and clarifications on the agenda items before the meeting to ensure their meaningful participation at the meetings.

2.5 All the decisions at Board and the Board Committee meetings were approved unanimously. All the recommendations made by the Board committees, including the Audit Committee, were accepted by the Board.

There was no instance of any dissent raised by any Board/ Committee Member in any of the business matters approved at such meetings.

3. MANAGEMENT RESPONSIBILITY:

3.1 Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit of these records.

3.2 We have followed the audit practices and the processes as are considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification has been done to ensure that correct facts are reflected in the secretarial records and compliance procedures.

3.3 We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

3.4 We have obtained the representations from the management on the compliance of laws, rules, regulations and happening of certain specific events, wherever required.

3.5 This report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

4. COMPLIANCE MECHANISM

4.1 We further report that the internal compliance mechanism and processes in the Company are adequate and commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4.2 We further report that, during the Audit period:

(i) All the business activities undertaken by the Company were authorised under Clause III (i.e. Objects Clause) of the Memorandum of Association of the Company;

(ii) The Company has filed all applicable forms, returns, disclosures etc. pursuant to the provisions of the applicable laws;

(iii) All statutory registers and records as required to be maintained under the applicable laws were duly maintained and found to be in order;

(iv) All meetings of shareholders, Board of Directors and Board committees were duly and validly conducted and the minutes and necessary records were properly maintained;

(v) The remuneration paid to the managerial personnel was within the limits as approved by the shareholders and within the permissible limits under the Act;

(vi) The Company had not accepted any public deposits under the Act read with the Companies (Acceptance of Deposits) Rules, 2014;

(vii) The Company had not advanced any loans and/ or given any guarantee or provided any security in connection with any loan taken by any Director(s) of the Company or any other person in whom any of the Directors were interested;

(viii) The Company did not avail any secured loan and did not create any charge on the asset(s) of the Company;

(ix) All the investments made by the Company within or outside India were in compliance with the Act, the SEBI Listing Regulations and the Foreign Exchange Management Act, 1999 and the other applicable rules and regulations;

(x) The Company did not enter into any material transaction with any related party that required approval of the shareholders under the provisions of the Act or the SEBI Listing Regulations. All transactions with related parties were in compliance with the provisions of the Act and the SEBI Listing Regulations;

(xi) The Company has complied with the provisions of Section 135(6) of the Act read with Schedule VII and the rules framed thereunder. Further, pursuant to the provisions of Section 135 of the Act, there was an unspent amount of ₹ 12.04 crores relating to ongoing projects which was transferred to the Unspent CSR Account. The said amount was transferred on 29th April, 2026;

(xii) The Nomination and Remuneration Committee ("NRC") had engaged an independent external agency that had carried out an annual evaluation of the performance of the Board, Board Committees as well as the performance of each individual director. The Chairman, and the Managing Director were also evaluated on certain additional parameters. The outcome of performance evaluation was discussed at the respective Board/ Committee meetings and by the Independent Directors at their meeting.

(xiii) In compliance with the provisions of Section 125 of the Act, the Company had transferred all unpaid/ unclaimed dividends for the financial year ended 31st March, 2018, which remained unclaimed/unpaid for seven (7) years, to the Investors Education and Protection Fund ("IEPF").

(xiv) The Company had implemented the Employee Stock Option Scheme 2013-A ("ESOS 2013-A Scheme") and the Cipla Employee Stock Appreciation Rights Scheme, 2021 ("Cipla ESAR Scheme 2021") for grant of share-based benefits to its employees and the employees of its subsidiary companies. During the year, the Company had granted 1,04,079 stock options and 3,54,518 ESAR's under the schemes. During the audit period, upon exercise, the Company allotted 1,65,511 equity shares to the eligible employees under the ESOS 2013-A scheme and Cipla ESAR Scheme 2021.

All grants, vestings and exercises as well as the disclosures and statutory filings with the Central Depository Services (India) Limited and the National Securities Depository Limited ("Depositories") and the BSE Limited and the National Stock Exchange of India Limited ("Stock Exchanges") were in compliance of the applicable laws.

All the shares allotted were duly listed on the Stock Exchanges, where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited within the prescribed timeline. The ESOS 2013-A Scheme and the Cipla ESAR Scheme 2021 of the Company were compliant with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(xv) At its meeting on 19th March, 2026, the Board of Directors approved the Scheme of Amalgamation of Inzpera Healthsciences Limited ("Transferor Company"), wholly-owned subsidiary with the company ("Transferee Company"). The Scheme of Amalgamation is subject to necessary approvals as may be required under the Act and rules framed thereunder, the Listing Regulation 2015 and other statutory or regulatory or governmental authorities, including approval of the Hon'ble National Company Law Tribunal, Mumbai.

(xvi) We have, neither identified nor have we reported on any fraud committed under the provisions of Act or applicable laws.

4.3 We further report that, during the audit period, the Company has timely disclosed all material information to the Stock Exchanges and, other than the disclosures already made earlier, no events occured that had a material bearing on the Company's affairs.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 7353/2025

Avinash Bagul
Partner
FCS: 5578/ CP No. 19862
PR No. 7353/2025
UDIN: F005578H000344466

Date: 13th May, 2026
Place: Mumbai

*The members are requested to read this report along with our letter of even date annexed to this report as "**Annexure-A**"

Annexure A to the Secretarial Audit Report for the financial year ended 31st March, 2026

To,
The Members,
Cipla Limited
Cipla House Peninsula Business Park,
Ganpatrao Kadam Marg Lower Parel,
Mumbai – 400013

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's Management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.

4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

6. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of significant events, wherever required.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No. 7353/2025

Avinash Bagul
Partner
FCS: 5578/ CP No. 19862
PR No. 7353/2025
UDIN: F005578H000344466

Date: 13th May, 2026
Place: Mumbai

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity[1]

1	Corporate Identity Number ("CIN") of the Listed Entity	L24239MH1935PLC002380
2	Name of the Listed Entity	Cipla Limited
3	Year of incorporation	1935
4	Registered office address	Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
5	Corporate address	Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
6	E-mail	cosecretary@cipla.com
7	Telephone	+91 22 4191 6000
8	Website	www.cipla.com
9	Financial year for which reporting is being done	1st April, 2025 to 31st March, 2026
10	Name of the Stock Exchange(s) where shares are listed	a. National Stock Exchange of India Limited b. BSE Limited c. Societe De La Bourse De Luxembourg (Luxembourg Stock Exchange) for GDRs
11	Paid-up capital	₹ 1,61,55,65,262
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	a. Name – Mr Rajendra Chopra b. Designation – Company Secretary c. Telephone Number – +91 22 4191 6000 d. Email ID – cosecretary@cipla.com
13	Reporting boundary	Financial disclosures in the Report are made on a consolidated basis. Non-financial disclosures cover Cipla Limited and its subsidiaries unless otherwise specified in relevant sections.
14	Name of assurance provider	DNV Business Assurance India Private Limited
15	Type of assurance obtained	a. Reasonable assurance for BRSR Core indicators b. Limited assurance for other selected BRSR indicators

II. Products/services[2]

16. Details of business activities (accounting for 90% of the turnover)*:

Sr. No.	Description of main activity	Description of business activity	Percentage of turnover of the entity
1.	Trade	Wholesale Trading	21.06
2.	Manufacturing	Manufacture of pharmaceuticals, medicinal chemical and botanical products	69.03

*This data is specific to Cipla Limited

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

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):[3]

Sr. No.	Product / Service	NIC code	Percentage of total turnover contributed
1.	Manufacture of allopathic pharmaceutical / nutraceutical preparations excluding vaccines	210002	55.61
2.	Wholesale of pharmaceutical and medical goods	464907	42.80
3.	Manufacture of medicinal substances used in the manufacture of pharmaceuticals: antibiotics, endocrine products, basic vitamins, opium derivatives, sulpha drugs, serums and plasmas, salicylic acid, its salts and esters, glycosides and vegetable alkaloids, chemically pure sugar etc	210001	1.59

III. Operations[4]

18. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	No. of plants	No. of offices	Total
National	39	66	105
International	9	36	45

19. Markets served by the entity:

a. Number of locations

Locations	No.
National (No. of States)	28 states and 8 union territories
International (No. of Countries)	68*

*Represents countries / markets where sales are more than USD 0.5 million

b. What is the contribution of exports as a percentage of the total turnover of the entity?

40.82% (standalone).

c. A brief on types of customers

We cater to a diverse customer base comprising B2B and institutional partners, channel partners, government agencies and individual consumers. These customer groups enable effective distribution, wider market reach and access to our products. For further details please refer page no. 96 of the Relationship Capital.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Refer to page no. 74 of Human Capital.

b. Differently abled employees and workers:

Refer to page no. 74 of Human Capital.

21. Participation/Inclusion/Representation of women*

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors*	11	2	18.18
Key Management Personnel	3	-	-

*As on 31st March, 2026

[3]GRI 2-6

[4]GRI 2-1, GRI 2-6

22. Turnover rate for permanent employees and workers

Refer to page no. 84 of Human Capital.

V. Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Details of subsidiary / associate / joint venture companies are given in Form AOC-1, on page no. 421 of this Integrated Annual Report. All the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the Company, except associate companies and joint venture companies.

VI. CSR Details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Standalone numbers as on 31st March, 2025 (in crores)

i. Turnover: ₹ 19,044.85

ii. Net worth: ₹ 32,096.51

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:[5]

Stakeholder group from whom complaint is received	Grievance redressal mechanism in Place (Yes/No) (If Yes, then provide weblink* for grievance redress policy)	FY 2025-26			FY 2024-25		
		No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks
Communities	Yes Code of Conduct	-	-	-	-	-	-
Investors (Other than Shareholders)	Not applicable						
Shareholders	Yes Investor Servicing and Grievance Redressal Policy	33	1	-	23	1	-
Employees and Workers	Yes Employee Grievance Policy (available on the intranet)	-	-	-	-	-	-
	Yes Code of Conduct	68	9	-	66	12	-
	Yes Human Rights Policy	-	-	-	-	-	-
	Yes Policy on Prevention of Sexual Harassment at the Workplace	19	1	-	19	2	-
Customers	Yes Adverse Event Reporting	4,503	729	-	5,260	641	-
	Yes Code of Conduct	-	-	-	2	-	-
Value Chain Partners	Yes Adverse Event Reporting	929	187	-	584	138	-
	Yes Code of Conduct	7	3	-	6	2	-

*Weblink of the policies are available in the Corporate Governance Report on page no. 216. Direct access links to the policies are tabulated above.

[5]GRI 2-24, GRI 2-25 , GRI 2-26

Stakeholder group from whom complaint is received	Grievance redressal mechanism in Place (Yes/No) (If Yes, then provide weblink* for grievance redress policy)	FY 2025-26			FY 2024-25		
		No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks
Healthcare Professionals	Yes Adverse Event Reporting	168	33	-	303	42	-
	Yes Code of Conduct	6	-	-	2	-	-
Government and Regulators	Yes Adverse Event Reporting	132	27	-	179	16	-
	Yes Code of Conduct	-	-	-	-	-	-
Others	Yes Code of Conduct	12	2	-	10	3	-

*Weblink of the policies are available in the Corporate Governance Report on page no. 216. Direct access links to the policies are tabulated above.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Refer to page no. 42 of Double Materiality Assessment.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes[6]									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes. Policies are approved by the Board, respective Board committees, MD & GCEO, designated department heads, wherever applicable.								
c. Web Link of the Policies, if available	The policies are available on the website of the Company - www.cipla.com and the weblink of the policies are also available in the Corporate Governance Report on page no. 216. Direct access links to the policies are tabulated below.								

S. No.	Name of policy	Principle
1	Anti-Bribery and Anti-Corruption Policy	P1
2	Anti-Trust and Fair Competition Policy	P1, P9
3	Archival Policy	P1
4	Biodiversity Policy	P2, P6
5	Cipla UK Tax Strategy 2026	P1
6	Code of Conduct for Prevention of Insider Trading	P1
7	Code of Conduct	P1, P2, P3, P4, P5, P6, P7, P8, P9
8	Code of fair disclosures of unpublished price sensitive information	P1, P4
9	Conflict of Interest Policy	P1
10	Corporate Responsibility Policy	P1, P2, P3, P4, P5, P6, P8, P9
11	Corporate Social Responsibility Policy	P8, P4
12	Data Privacy Management Policy	P1, P3, P4, P9
13	Dividend Distribution Policy	P1, P4
14	Environment, Health, Safety & Sustainability (EHS&S) Policy	P2, P3, P6
15	Equal Opportunity Policy	P3, P5, P8
16	Guidance on Adverse Event Reporting	P1, P2, P4, P9
17	Human Rights Policy	P3, P4, P5
18	Investor Servicing and Grievance Redressal Policy	P1, P4
19	Nomination, Remuneration and Board Diversity Policy	P1, P3
20	Policy for Determination of Materiality of Event	P1, P4
21	Policy for Determining Material Subsidiaries	P1
22	Policy for Payment of Remuneration to Non-Executive Directors including Independent Directors	P1
23	Policy for Preservation of Documents	P1
24	Policy on Prevention of Sexual Harassment at Workplace	P3, P5
25	Policy on Related Party Transactions	P1
26	Responsible Sourcing Policy	P1, P2, P3, P4, P5, P6
27	Risk Management Policy	P1, P2, P6
28	Supplier Code of Conduct	P1, P2, P3, P4, P5, P6
29	Supply Chain Management Sustainability Policy	P1, P2, P3, P5, P6
30	Whistle Blower Policy	P1, P3, P4, P5

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								

[6]GRI 2-23, GRI 2-24

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Code of Conduct and other applicable policies extend to our value chain partners.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• **Principle 1:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 2:** ISO 9001:2015, United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 3:** ISO 45001: 2018 at 38 of 48 manufacturing sites, United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 4:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 5:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 6:** ISO 14001: 2015 at 38 of 48 manufacturing sites globally, ISO 50001 at 22 of 39 Indian manufacturing operations, United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 7:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 8:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct • **Principle 9:** United Nations Sustainable Development Goals, National Guidelines on Responsible Business Conduct								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The specific ESG commitments, goals and targets are provided on page no. 32 of Advancing Our Sustainability Vision. Other commitments, goals and targets are provided in respective capitals of this Integrated Annual Report, wherever applicable.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance against specific ESG commitments, goals and targets is provided on page no. 32 of Advancing Our Sustainability Vision. Performance against other commitments, goals and targets, are provided in the respective capitals of this Integrated Annual Report, wherever applicable.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Refer to MD & GCEO's Message on page no. 16								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).[7]	Mr Umang Vohra, Managing Director and Global Chief Executive Officer ("MD & GCEO") (DIN: 02296740). Mr Achin Gupta (DIN: 09491674) appointed as MD & GCEO, in place of Mr Umang Vohra, w.e.f. 1st April, 2026.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Our Investment and Risk Management Committee ("IRMC") is responsible for periodically reviewing environmental, social and governance ("ESG") / sustainability matters pertaining to the Company. The IRMC composition as on 31st March, 2026 is as follows:								

Name	DIN	Designation
Mr Robert Stewart (Chairperson)*	03515778	Independent Director
Mr Kamil Hamied (Member)	00024292	Non-Executive Director
Mr Umang Vohra (Member)**	02296740	MD & GCEO
Mr Abhijit Joshi (Member)	07115673	Non-Executive Director
Mr P R Ramesh (Member)	01915274	Independent Director

* Dr Mandar Vaidya designated as Chairperson w.e.f 1st April, 2026. Mr Robert Stewart continued as member.

** Mr Umang Vohra ceased to be a member w.e.f. 1st April, 2026. Mr Achin Gupta appointed as a member w.e.f. 1st April, 2026.

[7]GRI 2-12

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

10. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by director / committee of the Board/ any other committee									Frequency (annually / half yearly / quarterly / any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads / directors / Board committees, wherever applicable.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by the Board and the Audit Committee on a quarterly basis.																	

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	• DNV Business Assurance India Private Limited ("DNV") has been engaged to provide assurance on Cipla's Integrated Annual Report, including the Business Responsibility & Sustainability Report for FY 2025-26. As part of the assurance process, DNV has reviewed implementation of ESG related policies at operational level. • SGGS & Associates, Practicing Company Secretaries were engaged to conduct a detailed assessment of the effectiveness of policies and practices relating to human rights. • The procedures and compliances pertaining to the working of Company's policies are also evaluated by the internal auditors of the Company from time to time.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**[8]

Segment	Total no. of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors ("BoD")*	13	The Company conducts familiarisation programmes for its BoD and KMPs at regular intervals which covers topics such as ESG parameters and targets, corporate governance practices, various other industry, business and regulatory updates.	86.01
Key Managerial Personnel ("KMP")			100
Employees other than BoD and KMPs	4,599	Employees / workers undergo various trainings and awareness programmes, including induction training at the time of joining, as well as ongoing leadership, policy, technical and compliance training during the course of employment.	75.17
Workers	43		66.04

*It includes programmes which are offered to all the Board members of Cipla Limited. For further details, please refer Familiarisation programme for Independent Directors in the 'Corporate Governance Report'

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format:**[9]

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the appeal / revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	Not applicable

[8] GRI 2-17, GRI 2-24
[9] GRI 2-27

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.[10]

Yes. The Company has a formal Anti-Bribery and Anti-Corruption ("ABAC") Policy in place

Web Link: https://www.cipla.com/sites/default/files/2026-01/Anti-Bribery-and-Anti-Corruption-Policy.pdf

Brief Summary of the Policy

The Policy establishes zero tolerance towards bribery, corruption, facilitation payments and kickbacks. It applies to all employees (associates), directors and business partners (as defined in the Policy) across all Cipla entities globally.

This Policy demonstrates our firm position against corruption and bribery.

Key provisions include:

- Absolute prohibition on offering, soliciting, giving or receiving bribes (directly or indirectly).
- Strict controls and guidelines w.r.t. gifts, hospitality, entertainment and donations, etc.
- Instructions for interactions with Government Officials and Healthcare Professionals.
- Robust requirements for accurate books, records and internal controls.
- Mandatory reporting of concerns through the Whistle Blower mechanism, with protection against retaliation.

Oversight and enforcement are governed by the Chief Compliance Officer, Ethics Committee and the Board of Directors. Violations may result in disciplinary action, termination, fines, or prosecution.

Additionally, the policy assists business partners and associates in reporting bribery and corruption in alignment with our Whistle Blower Policy. As part of our Enterprise Risk Management activities, we conduct risk assessments regarding compliance with anti-corruption and anti-bribery laws, as required, and implement appropriate mitigation measures. All employees also receive training on anti-corruption and anti-bribery practices as a part of our Code of Conduct training.

5 Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:[11]

Particulars	FY 2025-26	FY 2024-25
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	No.	Remarks	No.	Remarks
No. of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
No. of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.[12]

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	66	62

[10]GRI 205-1, GRI 205-2

[11]GRI 205-3

[12]GRI 205-3

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	5.45%	6.30%
	b. No. of trading houses where purchases are made from	257	292
	c. Purchases from top 10 trading houses as % of total purchases from trading house	56.51%	49.05%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	96.96%	96.32%
	b. No. of dealers/ distributors to whom sales are made	18,024	16,071
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	26.32%	29.95%
Share of RPTs in	a. Purchases (Purchases with Related Parties / Total Purchases)	0.05%	0.11%
	b. Sales (Sales to Related Parties / Total Sales)	0.0006%	0.0004%
	c. Loans & Advances (Loans & Advances given to Related Parties / Total Loans & Advances)	99.51%	61.95%
	d. Investments (Investments in Related Parties / Total Investments made)	27.77%	63.21%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**[13]

Total no. of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	During the year, we conducted capacity building sessions which focused on enhancing sustainability awareness across the value chain. These programmes covered topics such as Net Zero, Water and Waste Management, Health and Safety, Human Rights, Diversity and Inclusion, Labour Management, Community Relations and CSR, Corporate Governance etc. We further utilised our membership in Pharmaceutical Supply Chain Initiative ("PSCI") to provide in-person workshops for our suppliers. Further details are available on page no. 101 of the Relationship Capital.	6.75%

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.**[14]

Yes, the Company has in place a 'Conflict of Interest Policy' and a 'Policy on Related Party Transactions', which are applicable to our Board members. Transactions with the Board members or any entity in which such Board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain themselves from the discussions at the meeting.

[13]GRI 2-24
[14]GRI 2-15

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D*	100% (₹ 1,974 crore)	100% (₹ 1,536 crore)	Our R&D efforts are focused on enhancing the accessibility and affordability of medicines globally. In addition, our R&D investments have led to process enhancements that strengthen product safety, promote sustainable production and minimise waste. Further details are available on page no. 65 of the Intellectual Capital.
Capex**	17%	25%	Capex investments in specific technologies and corresponding environmental and social impacts are detailed on page no. 59 of the Manufactured Capital. These initiatives have inter-alia resulted in reduced emissions, improved air quality, energy savings and better water conservation.

*R&D operating expenses

** Includes R&D capex

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No):** Yes

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Cipla has established structured processes to promote sustainable sourcing by systematically integrating sustainability criteria into its supply chain framework. This approach is supported by the Supply Chain Management Sustainability Policy, the Responsible Sourcing Policy and the Supplier Code of Conduct, which collectively guide supplier engagement and oversight. Suppliers are evaluated against ESG parameters and targeted capacity-building workshops are conducted for key suppliers identified based on their value, volume and criticality to Cipla's operations. During the year, ESG audited suppliers accounted for 21.61% of our total procurement expenditure. Further details are available on page no. 99 of the Relationship Capital.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   As a pharmaceutical company, we are not involved in the reclamation or recycling of products once they reach the end of their lifecycle. However, we have put in place robust waste management procedures across all our manufacturing sites and warehouses. Unsold expired products are gathered by our warehouses and disposed off safely through incineration.

4. **Whether Extended Producer Responsibility ("EPR") is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, the Company filed its annual EPR returns on the Central Pollution Control Board's ("CPCB") EPR portal under the Plastic Waste Management Rules within prescribed timelines. Further details are available on page no. 123 of the Natural Capital.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments ("LCA") for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:**

NIC Code	Name of Product/ Service	% of total turnover contributed	Boundary for which the LPA was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/No) If yes, provide the weblink.
210002	Sereflo Ciphaler DPI 500mcg inhaler	0.002%	Cradle to Grave	Yes	Yes https://www.cipla.com/sites/default/files/Product_Carbon_Footprint_of_Inhalers.pdf
	Sereflo pMDI 125/25mcg inhaler	0.14%			
	Kelhale pMDI 100mcg inhaler	0.02%			
	Becloformo pMDI 100mcg inhaler	0.73%			

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the LCA or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product /Service	Description of the risk / concern	Action taken
Sereflo Ciphaler DPI 500mcg inhaler	Use of propellant with global warming potential.	We are transitioning to Green Propellants (with low Global Warming Potential) to reduce emissions and support environmentally responsible product innovation.
Sereflo pMDI 125/25mcg inhaler		
Kelhale pMDI 100mcg inhaler		
Becloformo pMDI 100mcg inhaler		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).[15]**

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Not applicable - Since we are in the pharmaceutical business, we do not recycle or reuse input material.		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed, as per the following format:[16]**

Particulars	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste (Date Expired Product)	-	-	1,248	-	-	1,992
Other waste	-	-	-	-	-	-

Being a pharmaceutical company, Cipla does not reclaim products at the end of their lifecycle for reuse or recycling, given the inherent nature of the industry. Instead, products that have expired or remain unused are collected from the market and securely disposed of through incineration.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.[17]**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

As a pharmaceutical company, Cipla does not reclaim products at the end of their lifecycle for reuse or recycling, owing to regulatory and safety requirements.

[15]GRI 301-2
[16]GRI 301-3, GRI 306-5
[17]GRI 301-3

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

   Refer to page no. 80 of Human Capital

   b. **Details of measures for the well-being of workers:**

   Refer page no. 80 of Human Capital

   c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

   Refer page no. 80 of Human Capital

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

   Refer page no. 81 of Human Capital

3. **Accessibility of workplaces**

   Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes.

   Accessibility remains our key priority, our offices and site locations comply with established accessibility standards to ensure an inclusive and equitable experience for all. Our offices are designed and progressively upgraded for enhancing accessibility across key areas such as entrances, workstations, restrooms and common facilities, to ensure barrier free accessibility and availability of any assistive devices in line with applicable accessibility standards. The Company also regularly reviews and strengthens its accessibility framework through periodic assessments and feedback mechanisms, ensuring that both existing and new office premises align with universal design principles and support employees and workers with diverse abilities.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a weblink to the policy.**

   Yes.

   The Company has an Equal Opportunity Policy that upholds the principles of fairness, inclusion and non-discrimination, in line with the requirements of the Rights of Persons with Disabilities Act, 2016. The Policy reinforces the Company's commitment to providing equitable opportunities and ensuring a respectful and inclusive work environment for all employees, including persons with disabilities. The Policy prohibits discrimination on any grounds, including disability and promotes equal access to employment, career development, training and workplace resources through unbiased hiring practices. Weblink of the Policy:https://www.cipla.com/sites/default/files/2023-07/Equal-Opportunity-Policy.pdf.

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

   Refer page no. 79 of Human Capital.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes. The Company has #WeAreListening Grievance Redressal Committee which is committed to addressing employees and workers concerns promptly and effectively. Guided by our Code of Conduct and Employee Grievance Policy, the framework provides clear procedures for raising issues, helping cultivate trust, transparency and accountability across the organisation. In India, a self-reporting system enables employees to communicate concerns directly with leadership, facilitating transparency and timely resolution. In South Africa, Sub-Saharan Africa and the Cipla Global Access (One Africa) regions, grievance management aligns with internal policies as well as the Employment Equity Act, ensuring fairness and regulatory compliance. In the United States, the Open Door Policy empowers employees to raise concerns directly with management or the HR team.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Refer page no. 87 of Human Capital section.

8. **Details of training given to employees and workers:**

Refer page no. 83 of Human Capital

9. **Details of performance and career development reviews of employees and workers:**

Refer page no. 84 of Human Capital

10. **Health and safety management system:**[18]

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes. At Cipla, we are committed to maintaining the highest standards of occupational health and safety across our operations. Our comprehensive EHS&S Policy, aligned with statutory requirements, including ISO 14001 and ISO 45001 standards, as well as global best practices, provides a robust framework to monitor both qualitative and quantitative objectives and targets. These include reducing incidents, ensuring regulatory compliance, protecting the environment, and conserving energy, among others.

Further details are available on page no. 88 of Human Capital.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We are committed to providing a safe and healthy workplace, recognising its importance for employee well-being and operational excellence. In line with ISO 45001, each site conducts an annual Occupational Safety and Health ("OHS") Hazard Identification and Risk Assessment ("HIRA") covering both routine and non-routine activities. While most of the routine activities undergo a structure HIRA, Non routine activities are undertaken with JSA/ Permit to work ensuring adequate risk assessment. All of our operational sites have completed an employee health and safety risk assessment in FY 2025-26. This process involves process owners, safety professionals, engineers and workers, ensuring comprehensive hazard identification and effective risk control.

Further details are available on page no. 88 of Human Capital.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes, the Company has established robust processes that enable workers to report work-related hazards and our EHS standards affirm that every workforce can take necessary actions to remove themselves from unsafe situations that poses a risk to their health or safety. Employees and workers can report incidents, near-misses and potential hazards through structured reporting mechanisms.

During the year, we have transitioned to a new digital reporting platform with AI feature along with many latest features, QR codes placed across facilities will enable employees and visitors to submit safety observations, anonymously or with identification. Further details are available on page no. 90 of Human Capital.

d. **Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. The entity provides employees and workers access to non-occupational medical and healthcare services. An Occupational Health Centre ("OHC"), staffed with qualified doctors and nurses, operates at all manufacturing sites. In addition to managing occupational health, the OHC also provides non-occupational medical consultation, allowing employees to seek support for personal health concerns and general illnesses.

Doctors review annual and periodic medical examination reports, counsel deviated health cases, provide necessary treatment, refer employees to specialists when required, and ensure appropriate follow-up until full rehabilitation. Employees also have access to a Wellness Corner for specialist referrals and 1-to-1 digital mental-health support.

11. **Details of safety related incidents, in the following format:**

Refer page no. 91 of Human Capital.

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

The entity ensures a safe and healthy workplace through a robust Environment, Health and Safety ("EHS") framework, anchored by a formally implemented EHS&S Policy aligned with statutory requirements, ISO 14001 and ISO 45001 standards, and global best practices. Adequate full-time safety professionals are deployed at all sites with clearly defined roles and responsibilities. Regular EHS training programs, including annual refresher sessions, are conducted for all employees and contractors to ensure awareness and adherence to safety protocols and obligations.

We also place strong emphasis on employee participation, encouraging the workforce to actively contribute to safety-related decisions. Employees and contractors are represented across unit-level, site-level, and contractor EHS committees, ensuring inclusive participation from all functions. Additionally, committees such as the Canteen Committee and Transport Committee provide structured platforms for dialogue and collaborative problem-solving. These initiatives collectively foster a culture of shared responsibility and continuous improvement in workplace safety.

13. **Number of complaints on the following made by employees and workers:**

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

[18]GRI 403-1

14. Assessments for the year:

Please refer page no. 88 of the Human Capital.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The entity addresses safety related incidents through a structured process of immediate reporting, investigation within defined timelines and corrective action. All incidents and near misses are promptly reported, undergo an initial investigation and are followed by a formal root cause analysis ("RCA") conducted by a designated RCA team. Corrective and Preventive Actions ("CAPA") are defined, implemented and tracked, with closure verified by the Site EHS Head. Issues requiring broader intervention are escalated as global CAPA for deployment across all sites, which is also tracked till closure. All events/ incidents such as unsafe acts / conditions, high potential incidents, dangerous occurrences, spills and process safety events are reviewed and investigated to ensure right CAPA viz. retraining, updated risk assessments and strengthened engineering, and administrative controls etc., to minimise repeated incidents.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, Cipla provides health, accident and term-life insurance benefit provided in case of employees and workers on Cipla payroll.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All value chain partners are expected to uphold ethical and responsible conduct, maintaining high standards of fair business practices in every transaction and engagement.

Cipla has established robust processes to ensure that all applicable statutory dues arising from such transactions are accurately deducted, deposited within prescribed timelines and periodically reviewed through regular audit mechanisms. The Company also collects necessary certificates and documentary evidence from contractors to verify their compliance with statutory obligations, including Provident Fund ("PF"), Employees' State Insurance Corporation ("ESIC") and other applicable dues concerning contractual employees and workers.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	-	-	-	-
Workers	-	2	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:[19]

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	21.61%
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.[20]

During supplier assessments, only a limited number of partners were identified as high risk in relation to environment, health and safety. Such suppliers were placed on CAPA plans, with progress monitored and reassessment scheduled for the following year. Reassessment opportunities are provided to enable suppliers to demonstrate progress and strengthen their practices.

[19 & 20] GRI 414-2

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Refer to page no. 36 of the Stakeholder Engagement.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

   Refer to page no. 36 of Stakeholder Engagement.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.[21]**

   Structured stakeholder engagements are undertaken across identified stakeholder groups to capture inputs on ESG aspects. Feedback from these consultations is reviewed by the Management Council, with key insights presented to the Board, wherever applicable. The detailed consultation process is outlined on page no. 42 of the Double Materiality Assessment.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.[22]**

   Yes. Stakeholder consultations form an integral part of the Company's approach to identifying and managing material ESG issues. The Company's maiden Double Materiality Assessment incorporated inputs from diverse stakeholder groups to identify key ESG priorities. Insights derived from these structured engagements guide our sustainability policies, risk management frameworks and long-term priorities. The identified material issues are further integrated into policy formulation, target setting and action planning. For details on stakeholder consultation for identification of material issues, please refer page no. 42 of the Double Materiality Assessment.

3. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   The Company engages with a diverse set of stakeholders, including vulnerable and marginalised groups. These engagements are undertaken to understand the specific needs, concerns and expectations of our stakeholders, particularly in areas relating to access to healthcare, livelihood enhancement and overall well-being.

   Based on the insights gathered, the Company implements targeted interventions through its CSR and social impact programmes, focusing on areas such as public health, access to affordable healthcare, awareness and preventive care, education, skill development and community infrastructure.

   As part of its ongoing engagement processes, no material or systemic concerns have been reported that remain unaddressed with respect to vulnerable and marginalised stakeholder groups. For more details, please see page no. 36 of the Stakeholder Engagement and page no. 103 of the Social Capital.

[21]GRI 2-12
[22]GRI 2-12

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

   Refer page no. 86 of Human Capital.

2. **Details of minimum wages paid to employees and workers, in the following format:**

   Refer page no. 85 of Human Capital.

3. **Details of remuneration / salary / wages**

   a. **Median remuneration/ wages**

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9	2,58,00,000	2	1,04,00,000
Key Managerial Personnel	2	7,81,25,930	-	-
Employees other than BoD and KMP	25,835	7,54,997	5,185	7,36,491
Workers	244	16,73,337	103	18,97,240

   b. **Gross wages paid to females as a % of total wages paid by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Gross wages paid to females as a % of total wages	18.47%	16.01%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, the Company has Ethics Committee responsible for monitoring and addressing human rights impacts and issues. Employees and external stakeholder can report their concern directly to the chairperson of the Ethics Committee or to the Chief Internal Auditor through designated reporting channels, including ethics@cipla.com.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.[23]**

   The Company has established a robust governance mechanism to address human rights impacts or issues. Employees as well as external stakeholders can raise concerns through designated reporting channels such as including escalation to the Ethics Committee Chairperson or the Chief Internal Auditor at ethics@cipla.com. Oversight is provided by the Ethics Committee, which is responsible for reviewing, monitoring and ensuring appropriate action on such matters. This framework ensures accountability, timely investigation and resolution of concerns in line with the Company's human rights commitments and Code of Conduct.

6. **Number of complaints on the following made by employees and workers:**

Particulars	FY 2025-26			FY 2024-25		
	Filed	Pending	Remarks	Filed	Pending	Remarks
Sexual Harassment	19	1	-	19	2	-
Discrimination at workplace[24]	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced labour/ Involuntary labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

[23]GRI 2-25
[24]GRI 406-1

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2025-26	FY 2024-25
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH")*	15	17
Complaints on POSH as a % of female employees / workers	0.18%	0.23%
Complaints on POSH upheld	15	17

* Includes complaints specific to Cipla Limited and its Indian subsidiaries as per statutory requirements.

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.[25]**

The Company maintains a strict zero-tolerance approach towards retaliation against complainants and whistle-blowers. Comprehensive mechanisms are in place to encourage reporting of concerns, ensure confidentiality and safeguard of individuals raising issues throughout and beyond the investigation process. Any form of retaliation is treated as a violation of the Code of Conduct and is subject to appropriate disciplinary action, ensuring fair and prompt investigation and resolution of grievances.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)[26]**

Yes, our business agreements require partners and suppliers to adhere to applicable laws, conventions and internal policies related to human rights, reinforcing responsible practices across our value chain.

10. **Assessments for the year:**

Refer page no. 86 of Human Capital.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

There were no significant risks/concerns arising from the assessments at question no. 10 above.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not applicable

2. **Details of the scope and coverage of any Human Rights due-diligence conducted.**

Refer page no. 86 of Human Capital.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Company has taken adequate steps to ensure compliance of act across its site and place of operation and continuously enhancing accessibility at its plants and offices for easy movement of differentially abled employees and visitors. The requisite infrastructure, including ramps, elevators and disabled friendly washrooms are being installed at all the premises of the Company.

4. **Details on assessment of value chain partners:[27]**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	21.61%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.[28]**

During supplier assessments, only a limited number of partners were identified as high risk in relation to human rights practices. Such suppliers were placed on CAPA plans, with progress monitored and reassessment scheduled for the following year. Reassessment opportunities are provided to enable suppliers to demonstrate progress and strengthen their practices.

[25]GRI 2-25
[26]GRI 2-23
[27]GRI 407-1, GRI 408-1, GRI 409-1
[28]GRI 414-2

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**[29]

Parameter	FY 2025-26	FY 2024-25
From renewable sources*		
Total electricity consumption (A)	3,48,322	3,45,021
Total fuel consumption (B)	1,43,495	1,63,158
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C) GJ	**4,91,817**	**5,08,179**
From non-renewable sources*		
Total electricity consumption (D)	10,11,428	9,57,899
Total fuel consumption (E)	5,96,789	5,89,442
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F) GJ	16,08,217	15,47,341
Total energy consumed (A+B+C+D+E+F) GJ	**21,00,034**	**20,55,520**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) GJ/₹ lac of Revenue	0.75	0.75
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity ("PPP") (Total energy consumed / Revenue from operations adjusted for PPP)	15.17	15.42
Energy intensity in terms of physical output (GJ/MT Product)	137.44	136.24

*This table does not include the attributes of International Renewable Energy Certificates ("IRECs"). In FY 2025-26 we have procured 1,68,056 IRECs to convert our non-renewable power into renewable. Based on GHG Protocol, USEPA and RE100 guidelines, after including the attributes of 1,68,056 IRECs, the total electricity consumption from renewable sources (A) becomes 9,53,323 GJ and total electricity consumption from non-renewable sources (D) stands at 4,06,427 GJ for FY 2025-26.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

2 **Does the entity have any sites / facilities identified as designated consumers ("DCs") under the Performance, Achieve and Trade ("PAT") Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable. None of our API sites meet the energy threshold of 3,000 metric tons of oil equivalent in FY 2025-26.

3. **Provide details of the following disclosures related to water, in the following format:**[30]

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	42,027	43,140
(ii) Groundwater	2,23,045	2,16,318
(iii) Third party water	14,71,418	13,73,079
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**17,36,490**	**16,32,537**
Total volume of water consumption (in kilolitres)	16,06,140	14,93,995
Water intensity per rupee of turnover (Total water consumption /₹ lac of Revenue)	0.57	0.54
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	11.60	11.20
Water intensity in terms of physical output (Water consumption/MT Product)	105.12	99.02

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

[29]GRI 302-1, GRI 302-3
[30]GRI 303-3

4. **Provide the following details related to water discharged:**[31]

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(ii) To Groundwater		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iii) To Seawater		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties	1,30,350	1,38,541
- No treatment	87,446	94,222
- With treatment – Primary treatment	16,150	11,699
- With treatment – Tertiary treatment	26,754	32,620
(v) Others		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	1,30,350	1,38,541

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

We have implemented a Zero Liquid Discharge ("ZLD") system at our manufacturing facilities in Sikkim, Kurkumbh, Virgonagar, Indore, Goa and Bommasandra. As of 31st March, 2026, ZLD operations are in place at 54% of our global manufacturing units. Please refer page no. 119 of the Natural Capital for further details.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**[32]

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm3	95.7	54.4
SOx	mg/Nm3	30.8	25.8
Particulate matter ("PM")	mg/Nm3	35.4	56.5
Persistent organic pollutants ("POP")	NA	NA	NA
Volatile organic compounds ("VOC")	NA	NA	NA
Hazardous air pollutants ("HAP")	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

[31]GRI 303-4
[32]GRI 305-7

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**[33]

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions* (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	Energy based – 38,426 Refrigerant Emissions – 5,88,321	Energy based – 38,283 Refrigerant Emissions – 7,39,935
Total Scope 2 emissions* (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	85,906	1,29,087
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e/ ₹ lac of Revenue	0.25	0.33
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	tCO_2e/lac USD	5.15	6.80
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/MT Product	46.64	60.13

1. *References for emissions factors: The Intergovernmental Panel on Climate Change Assessment Report 6, India Central Electricity Authority 2025 report, Harmonised IFI Default Grid Factors 2021, V3.2, United States EPA eGrid Database.
2. **PPP considered for FY 2025-26 is 20.34 and FY 2024-25 was 20.66.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes.

Following initiatives and projects were undertaken during the year to reduce Green House Gas emission:

1. Electric mobility transition: Expanded Electric Vehicle ("EV") fleet replacing conventional vehicles, achieving 2,55,262 km coverage (+49% YoY), reducing fossil fuel dependence and lowering Scope 1 emissions while improving local air quality.
2. Power reliability optimisation (Sikkim): Migration to a stable sub-station minimised diesel generator usage, cutting ~52,000 litres of diesel (~1,987 GJ energy) and avoiding significant emissions alongside cost savings.
3. Energy efficiency in cooling (Indore): Installation of Automatic Condenser Cleaning System ("ACCS") in chillers improved heat transfer efficiency, reducing compressor load and saving ~923 MWh of electricity, directly lowering Scope 2 emissions.
4. Renewable Energy - We have commenced sourcing renewable energy from a 4 MWp captive solar plant for our subsidiary Jay Precision Pharmaceuticals Private Limited in the current financial year.

For other details and initiatives, refer page no. 113 and 114 from Natural Capital and page no. 158 of Annexure III to the Board's Report.

9. **Provide details related to waste management by the entity, in the following format:**[34]

Parameter	FY 2025-26	FY 2024-25
Total waste generated (in metric tonnes)		
Plastic waste **(A)**	3,199	3,351
E-waste **(B)**	66	96
Bio-medical waste **(C)**	93	114
Construction and demolition waste **(D)**	4,867	792
Battery waste **(E)**	50	107
Radioactive waste **(F)**	--	--
Other Hazardous waste. Please specify, if any. **(G)**	17,855	18,541
Other Non-hazardous waste generated **(H).** Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	10,697	9,212
Total (A+B+C+D+E+F+G+H)	**36,827**	**32,213**

[33]GRI 305-1, GRI 305-2, GRI 305-4
[34]GRI 306-3

Parameter	FY 2025-26	FY 2024-25
Waste intensity per rupee of turnover (Total waste generated / ₹ lac of Revenue)	0.013	0.012
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity ("PPP") (Total waste generated / Revenue from operations adjusted for PPP) MT/lac USD	0.27	0.24
Waste intensity in terms of physical output (Total waste generated/MT product)	2.41	2.14
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled and re-used	26,517	23,859
(iii) Other recovery operations	8,972	4,774
Total	35,489	28,633
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	523	2,683
(ii) Landfilling	373	584
(iii) Other disposal operations	--	--
Total	**896**	**3,267**

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Refer page nos. 121 and 124 of the Natural Capital.

11. **If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:**[35]

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
Cipla Limited Bommasandra - Jigani Link Road, Industrial Area, Plot No. 285, KIADB Bangalore, Krishnapuram, Jigani, Karnataka 560105, India.	API manufacturing	Yes

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant weblink
The Company has not undertaken any Environmental Impact Assessments of its projects in FY 2025-26.					

[35]GRI 304-1

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company is compliant with all applicable environmental laws and regulations.

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**[36]

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:** Baddi, Bommasandra, Virgonagar, Indore, Satara

Note: As per WRI Aqueduct tool (Beta Version 3.0), sites with water stress >80% are considered

(ii) **Nature of operations:** API- Bommasandra, Virgonagar; Formulations - Baddi, Indore, Satara

(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	555	-
(ii) Groundwater	70,840	62,324
(iii) Third party water	3,40,107	3,36,159
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres)	**4,11,502**	**3,98,483**
Total volume of water consumption (in kilolitres)	**3,95,352**	**3,86,784**
Water intensity per rupee of turnover (Water consumed /₹ lac of Revenue)	0.14	**0.14**
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(ii) Into Groundwater		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iii) Into Seawater	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties	16,150	11,699
- No treatment	--	--
- With treatment – Primary treatment	16,150	11,699
(v) Others	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	**16,150**	**11,699**

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

[36]GRI 303-3, GRI 303-4

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**[37]

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)**	Metric tonnes of CO2 equivalent	43,76,533	39,93,872*
Total Scope 3 emissions per rupee of turnover	tCO2e/ ₹ lac of Revenue	1.55	1.45
Total Scope 3 emission intensity adjusted for PPP	tCO2e/lac USD	31.61	29.95
Total Scope 3 emission intensity in terms of physical output	tCO2e/MT Product	286.43	264.71*

*In FY 2025-26, we updated our calculation methodologies, emission factors, and expanded the Scope 3 reporting boundaries. Accordingly, the emissions for FY 2024-25 have been restated using the current year's methodology, scope, and factors to ensure consistency and comparability in reporting.

**References for emissions factors: Region specific IEA, IPCC AR6, India GHG Program, Defra, USEEIO US EPA and ecoinvent specific emission factors. Emission factors for APIs were derived from the molar mass and number synthesis steps required for the respective API as mentioned from the methodology provided in the research paper.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by DNV Business Assurance India Private Limited.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**[38]

Bommasandra site is under notified Industrial Area, located within 10 km of the Bannerghatta National Park. We have conducted Environmental Impact Assessment studies and no significant impact of the organisation on Biodiversity has been observed.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Refer to page no. 59 of Manufactured Capital.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words / weblink.**[39]

A detailed framework and guidelines have been provided in Cipla's Business Continuity Plan ("BCP") guidance document to support Cipla's business units and operations to respond, restore and check critical business processes when normal operations are disrupted. This document provides an overview of ongoing functions, describes an approach to supporting critical business functions and defines personal roles and responsibilities. It also outlines notification procedures and communication methods, protocols for activation deactivation plans, provisions for alternative workplaces/manufacturing/ product development and a plan for the maintenance and recovery of important records.

This document contains BCP guidelines to respond to outages caused by natural, technical and man-made events, as well as events that cause loss of access to parts or the entire facility or loss of service due to failure of equipment or systems. The effect of the above disruptive events can lead to the realisation of risks in main risk categories i.e. EHS and business / financial risks. The BCP guidelines provide a framework for addressing these EHS and business / financial risks. BCP guidelines apply to Cipla, its subsidiaries and affiliates. Additionally, every Cipla location has an on-site emergency response plan.

Furthermore, due to the variability of disruptions, from time to time, business functions may define specific business continuity / risk mitigation plans which are taken with due consideration towards risks involved and are subject to cross functional deliberations and approvals.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**[40]

There were no significant adverse impacts identified during ESG assessments of our value chain partners. For additional details please refer page no. 100 of the Relationship Capital.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**[41]

We conduct both desk-based and onsite evaluations of our suppliers using a comprehensive ESG questionnaire. During the year, ESG audited suppliers accounted for 21.61% of our total procurement expenditure. For further information, refer to page no. 100 of Relationship Capital.

8. **How many Green Credits have been generated or procured:**

(i) **By the listed entity:** Nil

(ii) **By the top ten (in terms of value of purchases and sales, respectively) value chain partners:** Nil

[37]GRI 2-4, GRI 305-3, GRI 305-4
[38]GRI 304-2
[39]GRI 3-3
[40]GRI 308-2
[41]GRI 308-2

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers / associations.**[42]

14

Our approach on Policy Advocacy and Regulatory Engagement is provided on page no. 97 of the Relationship Capital.

b. **List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.**[43]

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1.	Indian Pharmaceutical Association ("IPA")	National
2.	International Generic and Biosimilar Medicines Association ("IGBA")	
3.	Confederation of Indian Industry ("CII")	
4.	Federation of Indian Chambers of Commerce & Industry ("FICCI")	
5.	Federation of Pharma Entrepreneurs ("FOPE")	
6.	Pharmaceutical Export Promotion Council ("PHARMEXCIL")	
7.	Indian Drug Manufacturers' Association ("IDMA")	
8.	Federation of Indian Export Organisations ("FIEO")	
9.	Generics & Biosimilars Medicines of South Africa ("GBMSA")	International
10.	Fédération Marocaine de l'Industrie et de l'Innovation Pharmaceutiques ("FMIIP"), Morocco	
11.	Association of Accessible Medicines ("AAM"), USA	
12.	Healthcare Distribution Alliance ("HDA"), USA	
13.	Community Oncology Alliance ("COA"), USA	
14.	Asociación Nacional De Empresarios De Colombia ("ANDI"), Colombia	

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not applicable - There are no adverse orders from regulatory authorities pertaining to anti-competitive activity.		

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/Half Yearly/Quarterly/ Others -please specify)	Weblink (if available)
1	**Clarity on the prior-intimation pathway for bioavailability / bioequivalence ("BA/BE") studies.** **Advocated:** Regulatory clarity on the implementation of the prior-intimation pathway for BA / BE studies pursuant to amendments to the New Drugs and Clinical Trials (NDCT) Rules, 2019.	Representations through industry associations viz FICCI, CII and IPA.	No	NA	NA

[42] GRI 2-28
[43] GRI 2-28

Sr. No.	Public policy advocated	Method resorted for advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/Half Yearly/Quarterly/ Others -please specify)	Weblink (if available)
	Outcome: Improved clarity on the operationalisation of the prior-intimation pathway for eligible BA / BE studies, enabling greater predictability in study initiation timelines, while reinforcing the understanding that complex products remain subject to full BA / BE study requirements within the streamlined regulatory framework.				
2	**Sustaining availability of critical inputs (HFC-152a propellant) amid HFC phase-down.** **Advocated:** A calibrated and streamlined regulatory approach to HFC-152a imports, instead of blanket prohibitions, to ensure continuity of supply for essential therapies while aligning with environmental compliance requirements. **Outcome:** Import of HFC-152a has been moved to a restricted import framework route through official digital mechanisms, enhancing process visibility, reduced approval uncertainties and improved supply continuity.	Representations through industry associations viz FICCI, CII and IPA.	No	NA	NA
3	**Streamlining permissions via deemed approval for Form-29 licenses** **Advocated:** Introduction of a time-bound approval mechanism, including deemed approvals, to streamline Form-29 licences (a permission issued by State Licensing Authorities to manufacture small quantities of drugs for examination, testing or analysis) and reduce delays from dual (CDSCO and State) approvals. **Outcome:** Implementation of time-bound processing and deemed approval provisions improved timelines, reduced approval delays and enhanced predictability for R&D and testing activities.	Representations through industry associations viz FICCI, CII and IPA.	No	NA	NA
4	**Promotion of adaptive and innovative clinical trial designs** **Advocated:** Adoption of adaptive and innovative clinical trial designs with clear regulatory expectations on protocols. **Outcome:** Improved regulatory acceptance and consistency in review of adaptive approaches, supporting more efficient clinical development.	Representations through industry associations viz FICCI, CII and IPA.	No	NA	NA
5	**Regulatory reforms and ease of doing business for the pharmaceutical sector** **Advocated:** Process stabilisation and clarity, physical to digital workflows transition support and predictable turnaround timelines. **Outcome:** Process stabilisation measures, including extended timelines and system improvements, enhanced usability, reduced delays and improved predictability for approvals and export-related certifications.	Representations through industry associations viz FICCI, CII and IPA.	No	NA	NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments ("SIA") of projects undertaken by the entity based on applicable laws, in the current financial year.[44]

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant weblink
During the year, the Company was not required to undertake any SIA under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement ("R&R") is being undertaken by your entity, in the following format:

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant weblink
Not applicable					

3. Describe the mechanisms to receive and redress grievances of the community.[45]

Communities may raise their grievances through the mechanisms established under the Company's policies, which are available on its website. For relevant weblinks, please refer to our response to Question No. 25 of Section A on page 169.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs / small producers	7.9%	8.9%
Directly from within India	67%	72%

5. Job creation in smaller towns – disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2025-26	FY 2024-25
Rural	9.74%	10.66%
Semi-urban	3.62%	2.42%
Urban	24.36%	3.52%
Metropolitan	62.28%	83.40%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):[46]

Details of negative social impact identified	Corrective action taken
Not applicable	

[44] GRI 413-2
[45] GRI 2-25
[46] GRI 2-25

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount spent (in ₹ crores)
Bihar	Muzaffarpur	0.47

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups?** No

   (b) **From which marginalised / vulnerable groups do you procure?** Not applicable

   (c) **What percentage of total procurement (by value) does it constitute?** Not applicable

   The Company maintains a neutral approach in its supplier selection and procurement processes, guided by its Responsible Sourcing Policy, Supplier Code of Conduct and Supply Chain Management Sustainability Policy. The Company currently does not factor in criteria related to marginalised or vulnerable groups in its supplier selection.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sr. No.	Intellectual property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not applicable - We do not own or acquire any intellectual property based on traditional knowledge				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the case	Corrective action taken
	Not applicable	

6. **Details of beneficiaries of CSR projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Cipla Palliative Care	1,213	100%
2.	Access to palliative care services through various partner organisations, encompassing awareness initiatives, home-based support, patient assistance and the provision of supportive care units within hospitals and healthcare institutions.	64,713	100%
3.	Providing primary health care support through diagnosis and treatment, building awareness on health, hygiene, nutrition and providing infrastructure support.	37,710	100%
4.	Public system partnership for maternal and newborn child health.	49,256	100%
5.	Mobile Health Vans	17,044	100%
6.	Promoting quality education through initiatives such as mobile science vans, science centres, primary education support, career counselling, access to technology, infrastructure development and scholarships.	54,973	100%
7.	Skill development initiatives encompassing vocational training for livelihood opportunities as well as capacity-building programmes.	1,175	100%
8.	Water rejuvenation and product reuse recycling and waste management.	28,848	100%
9.	Emergency relief and support in response of natural disaster.	300	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Consumer complaints and feedback are addressed through a robust mechanism and focused efforts are made to do so in an effective and timely manner. All patients/consumers, healthcare professionals and other concerned stakeholders can report any adverse event or product complaint through a dedicated phone line and mailbox. Consumer complaints received at drugsafety@cipla.com are assessed and addressed as per Standard Operating Procedures ("SOP"). Depending on the nature, the complaint is forwarded to the relevant department for possible further action, including appropriate response to the complaints. Consumers can also submit their complaints/ feedback as per the mechanism set out in our Code of Conduct available on the Company's website. We also take appropriate steps to address consumer complaints raised in consumer forums in accordance with applicable laws and regulations. Guidance on adverse event reporting is also hosted on the website of the Company - Guidance on Adverse Event Reporting

2. **Turnover of products and/ or services as a percentage of turnover from all products/service that carry information about:[47]**

Particulars	As a percentage of total turnover
Environmental and social parameters relevant to product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

Note: The Company does not maintain / record data pertaining to the percentage of turnover of products of the Company that carry information regarding environmental / social parameters relevant to the product and recycling and/or safe disposal of the products. The Company is in compliance of applicable laws and regulations w.r.t. product labelling and information.

3. **Number of consumer complaints in respect of the following:**

Particulars	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	1	1	-	-	-	-
Other	2	3	-	1	1	Pending before the consumer forum

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for Recall
Voluntary recalls	26	Voluntary recalls were on the account of market complaints and cGMP deviations.
Forced recalls	7	Forced recalls were on the account of non-conformity with local FDA specifications.

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a weblink of the policy.**

Yes. The Company has in place a policy governing cybersecurity and management of data privacy risks, aligned with applicable regulatory requirements and industry practices. The policy can be accessed at https://www.cipla.com/sites/default/files/2023-07/Data-Privacy-Management-Policy.pdf. Further details on the Company's approach towards managing cybersecurity and data privacy risks are provided in the Manufactured Capital on page no. 63 of this Integrated Annual Report.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

There are no specific issues related to advertising, delivery of essential services, cybersecurity, customer data privacy, re-occurrence of instances of product recalls or regulatory penalties on safety of products. For each instance of recall, we have conducted a thorough root cause analysis and implemented appropriate corrective and preventive measures to avoid recurrence. These actions include strengthening manufacturing and packaging controls, updating procedures and enhancing vendor management.

[47] GRI 417-1

7. **Provide the following information relating to data breaches:**[48]
   a. **Number of instances of data breaches:** Nil
   b. **Percentage of data breaches involving personally identifiable information of customers:** Not applicable
   c. **Impact, if any, of the data breaches:** Not applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide weblink, if available).**

   Information on Cipla's products is available on its website in a dedicated section titled https://www.cipla.com/our-offerings.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company implements multiple measures to inform and educate patients and consumers on the safe, appropriate and responsible use of its products. Transparency remains a key priority and the Company is committed to providing accurate, balanced and up-to-date information regarding product safety, efficacy, and proper usage.

   - **Product Information and Labelling:** Clear and compliant product labelling and package inserts / patient information leaflets are provided, detailing indications, usage instructions, dosage, warnings, contraindications, precautions and storage conditions, as applicable.
   - **Healthcare Professional Engagement:** The Company engages with healthcare professionals to support appropriate product counselling and facilitate dissemination of accurate product information to patients and consumers through qualified medical channels.
   - **Patient and Consumer Education Initiatives:** Disease awareness programmes, patient education materials, digital campaigns and in select therapies, patient support programmes are implemented to enhance awareness of disease management and appropriate product use. For device-based products, pictorial instructions, regional language leaflets and educational videos are also provided, as may be necessary, to support correct usage.
   - **Digital and Consumer Support Channels:** For select products and markets, QR codes, website resources and digital tools are provided to facilitate access to additional product usage and safety information. Consumer helplines and email support channels are also available in applicable markets to address queries and provide guidance.
   - **Pharmacovigilance and Safety Reporting:** The Company promotes awareness of adverse event reporting mechanisms and encourages reporting by patients, consumers and healthcare professionals, in alignment with its pharmacovigilance system to support continuous safety monitoring and patient safety.

3. **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**

   We are committed to maintaining transparency and ensuring fair, accurate disclosure of information related to our products. Regulatory authorities are notified in advance of any planned discontinuation of essential products, including those listed under applicable Essential Medicines Lists, in accordance with regulatory requirements. The Company also communicates through appropriate channels with customers and relevant stakeholders to manage potential disruptions and support continuity of supply, in accordance with applicable regulatory requirements.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable). If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).**[49]

   Yes.

   Product-related information is communicated through compliant primary and/or secondary packaging alongwith package inserts/leaflets accompanying the products, covering indications, dosage, warnings, contraindications precautions and other relevant safety information, as applicable.

   Where considered appropriate, supplementary educational materials and/or QR codes may be included on consumer-facing packs to direct consumers to additional product usage and safety information.

   For healthcare professionals, abridged prescribing information is included in product promotional and educational materials, while detailed prescribing information for Company-marketed products is available through Ciplamed, the Company's dedicated digital platform for healthcare professionals. Such information is aligned with approved regulatory documentation and updated periodically, including where required based on pharmacovigilance evaluations.

   Consumer satisfaction surveys are undertaken for Over-the-Counter ("OTC") products. Please refer to page 96 of the Relationship Capital for further details.

[48]GRI 418-1
[49]GRI 417-1

Corporate Governance Report

Cipla's Philosophy on Corporate Governance

The corporate governance philosophy at Cipla is rooted in a robust set of principles and a framework embedded in its core values. Our enduring legacy of compassion and care for patients is reflected across the organisation. Since inception, our vision of making high-quality, life-saving medicines accessible and affordable has evolved into our enduring purpose, 'Caring for Life'. This purpose guides our organisational decisions and anchors all our actions.[1]

Our ethical framework is focused on creating long-term shareholder value through responsible and transparent decision-making. Cipla's corporate governance framework is built on the following key pillars:

Transparency

For us, transparency is key to healthy, self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long-standing trust among our stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

Fairness

We practice fair play and integrity in our transactions with all our stakeholders, both within and outside the organisation. We conduct ourselves in the most equitable manner.

Accountability

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mind-set of end-to-end ownership throughout the organisation. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our patients, employees, shareholders, vendors, government agencies, society, medical community, customers and business partners and supply chain participants.

Competent Leadership and Management

We believe that a dynamic, diverse and experienced board with focus on excellence plays a pivotal role in Cipla's corporate governance aspirations. In view of this, we endeavour to maintain a board composition that brings healthy balance of skills, experience, independence, assurance, growth mind-set, and deep knowledge of the sector.

Empowerment

The empowerment of leaders and employees is an important step in enabling high performance and developing leadership capabilities within the Company. Our leadership essentials, which focus on people, performance and health, are strongly embedded in our First Principles. They establish a shared understanding and a consistent approach for building leadership within the Company.

Sustainability

At Cipla, sustainability is about effectively managing the triple bottom line i.e. the financial, social and environmental aspects, whilst focusing on business continuity. We are committed to pursuing our economic growth while concurrently watching our ecological footprint and increasing our positive social impact.

Compliance and Risk Management

Full adherence to all regulatory and statutory requirements in letter and spirit is a key guiding principle at Cipla. Our global footprint and the associated operating environment is characterised by several risks, which can potentially impact our current and future earnings. The risk management function targets to maintain a live register of important risks along with implementing a plan to monitor and mitigate them. We believe that effective compliance and risk management activities will drive the sustainability of corporate performance.

Governance structure

Cipla's robust governance philosophy is executed through a multi-tiered governance structure with clearly defined roles and responsibilities for every constituent of the governance system.[2]

Board of Directors: The Board of Directors ("Board") is responsible for the strategic supervision and overseeing the management performance and governance of the Company, on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in monitoring the Company's affairs.[3] The Board also ensures the Company's adherence to the philosophy on Corporate Governance.

Board Committees: To effectively discharge the obligations and to comply with the statutory requirements, the Board has constituted six board committees. Each committee operates under a clearly defined charter that specifies its specific roles and responsibilities. These committees deal with specific areas that are assigned to them for either final decision-making or making appropriate recommendations to the Board.[4]

Chairman: The Chairman acts as the leader of the Board and presides over the meetings of the Board and the shareholders, while ensuring that the Company's strategies are based on our purpose of 'Caring for Life' and reflect our core values.[5]

Vice – Chairman: The Vice-Chairman supports the Chairman in discharging leadership responsibilities of the Board and contributes to ensure effective governance and strategic oversight. The Vice-Chairman presides over meetings of the Board and the shareholders in the absence of, or where requested by, the Chairman.

[1]GRI 3-3
[2]GRI 2-9
[3]GRI 2-12
[4]GRI 2-13
[5]GRI 2-11

Managing Director and Global Chief Executive Officer ("MD&GCEO"): The MD&GCEO is responsible for driving business performance, growth and the implementation of the strategic decisions aligned with our First Principles. The MD&GCEO's priorities include designing and executing Cipla's long-term strategy, including both organic and inorganic opportunities, and shaping the Company's innovation and business reimagination agenda. The MD&GCEO also focuses on ensuring sustainable growth by leveraging AI, digitisation and automation initiatives while building a world-class future-ready global organisation with a vibrant and enabling culture where talent thrives and grows.[6]

Management Council: The Management Council serves as the apex leadership team, to set and deliver the strategic long-term growth agenda for group, by creating and delivering best in class practices, processes and products. The Management Council drives the growth ambition and sustainability initiatives across the organisation.[7]

The Management Council comprises of MD&GCEO (Chairman), CEO – Emerging Markets and Europe, CEO - North America, CEO -Cipla South Africa & Regional Head Africa and Access, Chief General Counsel (Global), Chief Information Officer, Global Chief – Integrated Product Development, Global Chief Financial Officer, Global Chief Manufacturing Officer, Global Chief Medical Officer, Global Chief People Officer, Global Head of Quality and Global Head Supply Chain.

Detailed profiles of members of the Management Council are available on the Company's website at https://www.cipla.com/about-us/management-council

Business Council: Business Council comprising of select business heads and functional heads, supports the Management Council in discharging its responsibilities. It plays a key role in ensuring the effective delivery of strategy at group level.[8]

Operating Committees: The Company has various cross functional committees that ensure robust delivery of business objectives and operationalisation of strategic plans. These committees also ensure that the Company maintains its growth momentum within the defined risk management framework and governance principles.[9]

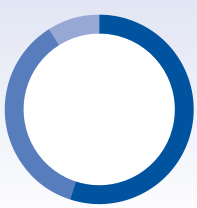
Board of Directors

Detailed profiles of the directors are available on the Company's website at https://www.cipla.com/about-us/board-directors. Further details, including their category, composition, directorships in other listed companies and committee memberships/ chairpersonships in other public companies as on 31st March, 2026, are provided in Annexure II.

Composition of the Board

Cipla's board represents an appropriate mix of executive, non-executive and independent directors, which is compliant with the requirements of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is also in line with the best global practices.[10]

Category

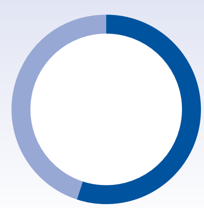


55% Independent Directors

36% Non-Executive Directors

9% Executive Directors

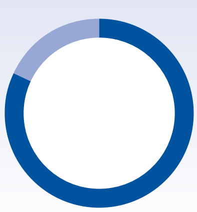
Nationality



55% Foreign

45% Indian

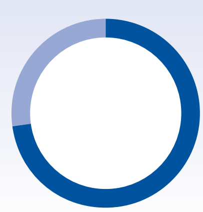
Diversity



82% Male

18% Female

Age Group



73% > 50 years

27% 30 - 50 years

[6]GRI 2-13
[7]GRI 2-13
[8]GRI 2-13
[9]GRI 2-13
[10]GRI 2-9 and GRI 2-15

Board skills matrix

The Board of the Company possesses the following skills:[11]

Board Skills			Board skill distribution (%)
Corporate Governance		Protection of stakeholders' interest, observing best governance practices, commitment to the highest standards of compliance, corporate ethics and values and identifying key governance risks.	100
Global Economics and Business		Understanding of diverse business environments, regulatory framework and global economy, political conditions & cultures.	100
General Management and Leadership		General know-how of business management, talent management and development, succession planning, workplace health & safety.	100
Operations		Expertise and technical know-how in the areas of manufacturing, quality and supply chain.	81.82
Financial Expertise		Proficiency in financial management, financial reporting process, budgeting, treasury operations, audit and capital allocation.	72.73
Mergers and Acquisitions (M&A)		Experience in evaluating M&A deals for inorganic growth and ability to align it with the Company's growth strategy and future business opportunities.	72.73
Risk Management		Ability to identify and evaluate significant risks affecting the business operations of the Company and to monitor the effectiveness of risk management framework and practices.	72.73
Pharmaceuticals, Science and Technology		Experience in pharmaceuticals sector, science and technology domain.	63.64
Sales, Marketing and Commercial		Experience in strategising market share growth, building brand awareness, enhancing enterprise reputation.	63.64
Tech and Digital		Experience in the field of technology and digitalisation, envisage new technological business trends and experience in creating new business models.	63.64
Sustainability and ESG		Understanding of diverse and global sustainability and ESG practices and the ability to align them with the Company's growth strategy.	54.55

[11]GRI 2-17

Name of Director	Special Skills
Dr Y K Hamied	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial.
Mr Kamil Hamied	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital.
Mr Umang Vohra*	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.
Mr Abhijit Joshi	Corporate Governance; Global Economics and Business; General Management and Leadership; Financial Expertise; M&A; Risk Management.
Mr Adil Zainulbhai	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology.
Dr Balram Bhargava	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; Pharmaceutical, Science and Technology; Tech and Digital; Sustainability and ESG.
Dr Mandar Vaidya	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; M&A; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital.
Ms Maya Hari	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; Risk Management; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.
Mr P R Ramesh	Corporate Governance; Global Economics and Business; General Management and Leadership; Financial Expertise; M&A; Risk Management; Tech and Digital; Sustainability and ESG.
Mr Robert Stewart	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Sustainability and ESG.
Ms Sharmila Paranjpe	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.
Mr Achin Gupta#	Corporate Governance; Global Economics and Business; General Management and Leadership; Operations; Financial Expertise; M&A; Risk Management; Pharmaceutical, Science and Technology; Sales, Marketing and Commercial; Tech and Digital; Sustainability and ESG.

*Ceased as MD&GCEO w.e.f. 1st April, 2026.

#Appointed as MD&GCEO w.e.f. 1st April, 2026.

Board membership criteria and selection process

The Company follows a well-defined process and sets of criteria for selection of new directors. The Nomination and Remuneration Committee ('NRC') is responsible for identifying and evaluating suitable candidate for the Board in accordance with the criteria specified in the Nomination, Remuneration and Board Diversity Policy ("Policy"). The Policy is available on the website of the Company at https://www.cipla.com/sites/default/files/2026-02/Nomination-Remuneration-and-Board-Diversity-Policy_1.pdf [12]

In consultation with the Board, the NRC determines the essential and desirable skills, competencies, experience and expertise required for the role of a director and outlines role specifications.

In assessing potential candidates, the NRC, inter-alia, considers the individual's professional background, experience, expertise, qualifications and time commitment. It also evaluates the individual's adherence to high standards of integrity, accountability and values, as well as the need for an appropriate balance of skills, relevant experience and diversity on the Board.

In the case of appointment of independent directors, the NRC also considers the criteria of independence under applicable laws and independence from management. For re-appointments, it takes into account the outcome of performance evaluations and the individual's contributions during their earlier term.

The Board and the NRC regularly review the composition of the Board and its Committees to ensure that they collectively possess requisite skills, knowledge and experience to effectively discharge their responsibilities and support management in achieving the group's strategic and business objectives.

[12] GRI 2-10

Role of the Board

The Board is the apex body. It is responsible for strategic supervision and overseeing the management performance and governance of the Company. In order to take an informed decision, the Board has access to all relevant information as well as to the employees of the Company and its subsidiaries. Driven by its Governance Philosophy, the Board strives to work in the best interests of the Company and its stakeholders. While discharging its roles and responsibilities, the Board, inter-alia, considers the following matters:[13]

Strategic matters:

i. Reviewing and guiding the corporate strategy;

ii. Corporate re-structuring activities including merger/ demerger; and

iii. Details of any acquisition, joint venture, collaboration agreement, or proposals for investment and divestment, and brand/intellectual property acquisition which are material in nature.

Operational matters:

i. Annual operating plans and capital budgets;

ii. Regular business/function updates;

iii. Significant labour issues and developments on the human resources/industrial relations front along with proposed solutions; and

iv. Risk management framework of the Company;

Finance matters:

i. Quarterly/Annual standalone and consolidated results and financial statements of the Company;

ii. Financial assistance to subsidiary companies;

ii. Any material default in financial obligations to or by the Company or substantial non-payment for goods sold by the Company; and

iii. Quarterly details of foreign exchange exposures and hedging.

Governance and Compliance matters:

i. Materially important show cause, demand, prosecution, penalty legal notices or any compliance matters and any issues involving possible public or product liability claims of substantial nature;

ii. Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;

iii. Statutory disclosures received from the directors;

iv. Minutes of meetings of the Board, Board Committees and subsidiary and resolutions passed by circulation;

v. Performance of the Organisation, board, board committees, MD&GCEO and other directors;

vi. Quarterly compliance certificate;

vii. Significant transactions or arrangements of subsidiary companies and review of its operations;

viii. Corporate Social Responsibility related matters;

ix. Related party transactions where directors/ Key Managerial Personnels (KMPs) / Senior Managerial Personnels (SMPs) are interested;

x. Appointment and remuneration of Directors, KMPs and SMPs including grant of shares based incentives;

xi. Appointment of auditors and their remuneration; and

xii. Report on the SEBI (Prohibition of Insider Trading) Regulations and Code of Conduct.

Board evaluation

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Board conducts an annual evaluation of its own performance, performance of the board committees as well as the individual directors.[14]

As part of this process, the Company engages an independent external agency once in every four years to undertake a detailed performance evaluation. Accordingly, a similar exercise was undertaken during the year.

Board evaluation process

- The Board evaluation process is led by the Chairperson of the NRC with support from the Company Secretary.
- All directors participate in the evaluation process. The responses are compiled by an independent external agency, and a consolidated report is shared with the Board.
- The independent external agency also shares individual evaluation reports directly with the Chairperson of the NRC and the respective directors.
- The evaluation reports are discussed at meetings of the Board, Board Committees and the independent directors.

Board evaluation criteria

M/s Solvexus Private Limited, an independent external agency was engaged to conduct the performance evaluation of the Board, its Committees, and individual directors for FY 2025-26.

As part of the evaluation process, the independent expert held structured interactions with the Chairman of the Company, the Lead Independent Director, select non-executive directors and the Company Secretary to understand the Company's governance framework and to finalise the evaluation approach, criteria, roles and scope. Building on these discussions, the expert conducted

[13]GRI 2-12
[14]GRI 2-18

one-on-one interactions with Board members and select members of the management team followed by a detailed quantitative questionnaire to assess the effectiveness and performance of the Board, Board Committees, and individual directors.

The key performance evaluation criteria were as follows:

Board – Structure, composition and quality, agenda and collateral, board meeting practices, overall board effectiveness.

Board committees - Composition and diversity, leadership of the Chair, meetings frequency and duration, role and responsibilities, etc.

Individual directors – Time spent, participation and contribution, attendance, engagement with fellow board members, Key Managerial Personnels ("KMPs") and senior management, etc.

Independent directors – Independence from the Company, independence of judgement, participation in board deliberations, etc.

Chairman – Effective leadership, conduct of impartial discussions, encouragement to the members for objective discussion and promoting positive image of the Company, etc.

MD&GCEO - The performance of the MD&GCEO was periodically evaluated by the Board and the NRC against the annual scorecard duly approved by the Board based on the recommendation of the NRC. The scorecard inter-alia included long term as well as short term strategic priorities and the financial as well as non-financial matrix. The financial matrix included targets on revenue and EBITDA. The non-financial matrix covered operational performance and strategic priorities including innovation, new business building, new market development, compliance, ESG, succession planning and development, improvements in inclusion and diversity, etc.

Before determining the final outcome of the performance evaluation, other related factors such as peer performance, wider market conditions and general industry trends are also considered.

Outcome of the performance evaluation process

As per the evaluation report, the directors were satisfied with board effectiveness, experience, diversity, expertise, quality of board discussions and board meeting processes, etc. The Committees were also found to be effective in terms of their composition, functioning, competence of the members, compliance with statutory obligations, role and responsibilities and quality of discussions at the meetings.

The Board was satisfied that each director has diligently discharged their responsibilities as board member of the Company and had contributed meaningfully.

The Board also identified certain focus areas, including (i) strengthening the board composition with deeper expertise in pharma, R&D, scientific domain and finance; (ii) optimising board meeting duration with more time allocated for strategic matters; and (iii) smooth transition of MD&GCEO.

Actions taken on recommendations received in the previous FY 2024-25

With respect to the key focus areas identified by the Board during the FY 2024-25, the following actions were, inter-alia, undertaken:

- **Successful transition of board changes**

  A structured familiarisation programme was conducted for newly appointed directors and board committee chairs, which included sharing critical discussion and decisions of the Board and Committee meetings to ensure continuity and effective governance alignment. In addition, dedicated interactive sessions with senior management were held to facilitate their seamless integration into the Company's strategic and operational framework.

- **Formation of focused groups to address critical business matters**

  Dedicated groups comprising of select Board members and senior management were constituted to deliberate on critical matters, including the Drugs (Prices Control) Order, 1995 and regulatory related issues. These focus groups undertook in-depth discussions and made appropriate suggestions to the management and recommendations to the Board.

- **Active engagement of board members in critical matters**

  The Board worked closely with management on key strategic matters, including leadership and succession planning, M&A, Drugs ("Prices Control") Order ("DPCO") related matters, and other significant business-related matters.

Succession planning for the Board and the Senior Management

Succession planning continued to remain central to the Nomination and Remuneration Committee's ("NRC") agenda during the year. The primary focus was on the succession planning of the MD&GCEO, in light of Mr Umang Vohra's decision not to seek re-appointment upon completion of his second term as MD&GCEO on 31st March, 2026.

The NRC, in close consultation with the Board, formulated a structured and forward-looking succession plan. This plan was built upon the Committee's long-term and ongoing efforts to identify, assess, and develop suitable internal candidates for the MD&GCEO role, ensuring leadership continuity and organisational stability.

Based on the evaluation against defined selection criteria, Mr Achin Gupta was appointed as the MD&GCEO with effect from 1st April, 2026.

As part of Board- level succession planning and to ensure continuity of leadership and effective governance, the NRC periodically reviews the role and composition of the Board's leadership structure. Pursuant to this review, the Board designated Mr P R Ramesh, Lead Independent Director, as Vice-Chairman of the Company with effect from 1st April, 2026.

The NRC also periodically reviews and oversees succession planning of the Management Council and select senior management positions. During the year, the NRC recommended, the appointment and extension of terms of Senior Management Personnels ("SMPs"), to ensure continuity and stability in the Company's leadership team. The update on succession plan for critical position including Management Council members is detailed in the Nomination Remuneration Committees report on page no 212 of this report.

Board and Committees meetings and procedure

The Board and the Committee meetings are pre-scheduled. An annual calendar of the meetings is circulated to the directors well in advance to ensure their availability and meaningful participation in the board and committee meetings. The Board, the Audit Committee and the NRC are guided by the Annual Agenda Plan, which helps the Board and the respective committees to ensure that they are able to discharge its roles and responsibilities effectively and take up important issues systematically over a period of time. The Annual Agenda Plan is finalised in consultation with management and the chairpersons of the respective committees and is subsequently approved by the Board. In case of urgent matters, approvals are obtained by passing the resolution by circulation.

The chairpersons of the respective board committee brief the Board on key matters discussed during its meetings, including their recommendations and approvals. The MD&GCEO is a permanent invitee to all board committee meetings, while the Global Chief Financial Officer is a permanent invitee to all committees except the NRC. The agenda for the Board meetings is finalised by the Company Secretary in consultation with the Chairman, the Lead Independent Director and the MD&GCEO, and is circulated to the board members in advance. Similarly, the agenda for the committee meetings is finalised by the Company Secretary in consultation with the Chairperson of the respective committee and the MD&GCEO.

Additional items are taken up at meetings with the permission of the respective Chairperson and the consent of a majority of members present at the board and committee meetings. The agenda of the board and board committee meetings are circulated electronically through a secured IT platform. For updates on business and functionals performance, Subsidiary performance and other important updates, the respective functional or business heads are invited to the board and board committee meetings.

Post-meeting follow-up system

Immediately upon the conclusion of the Board meeting, a summary of key discussion, decisions and action points are circulated to the Board members.

The important decisions and action points for the management at the board and board committee meetings are tracked till their closure and update on the same in the form of an 'action taken report' is placed before board and respective committee meetings for noting/review/approval.

Independent directors

As per the applicable provisions of the Act and the SEBI Listing Regulations, the Board of Cipla should comprise at least 50% independent directors. In the current composition, 55% of our board members are independent.

At the time of appointment and thereafter at the beginning of each financial year, every independent director submits a declaration confirming their independence in compliance with the provisions of Section 149(6) and Schedule IV of the Act read with the rules made thereunder, and Regulation 16(1)(b) and Regulation 25 of the SEBI Listing Regulations. The Board has taken on record the declarations and confirmations submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

In the opinion of the Board, all independent directors fulfil the criteria of independence as stated in above statutory provisions and are independent of the management.

At the time of appointment or re-appointment, each independent director is issued a formal letter of appointment containing the terms and conditions of appointment, roles and duties, the evaluation process, applicability of Code of Conduct of the Company and the Code of Conduct on Prevention of Insider Trading, etc. The draft letter of appointment is available on the website of the Company at https://www.cipla.com/sites/default/files/2020-09/Terms%20and%20Conditions%20of%20appointment%20of%20independent%20directors.pdf

During the year, none of the independent directors of the Company was serving as an independent director in more than seven listed companies or was holding whole-time directorship in any listed company.

Lead Independent Director

Mr P R Ramesh is the Lead Independent Director. The roles and responsibilities of Lead Independent Director is as follows:

i. Preside over all meetings of the independent directors.

ii. Provide objective feedback of the independent directors as a group to the Board on various matters.

iii. Liaise between the Promoters, Chairman/Vice-Chairman, CEO and independent directors on contentious matters for consensus building.

iv. Preside over meetings of the Board and shareholders when the Chairman and the Vice-Chairman are not present, or where they are interested party.

v. Help the Board and the NRC in identifying suitable candidates for the position of director and board succession planning.

vi. Advocacy with key external stakeholders.

vii. Help the Company in further strengthening the board effectiveness and governance practices, including suggestions on agenda items for Board / Committee meetings on behalf of the independent directors.

viii. Permanent invitee in all board committee meetings.

ix. Perform such other duties as may be delegated by the Board from time to time.

Meeting of the Independent Directors

During the year, the independent directors met five times without the presence of the management and Non-Executive Directors. Information about the attendance of members at these meetings has been provided in Annexure III.

At these meetings, the independent directors, inter-alia, discussed matters arising from the agendas of the Board and its Committees, the Company's performance and operations and other critical issues, while identifying areas requiring further clarity or information from management. They also reviewed the evaluation report and assessed the performance of the individual Directors, the Chairman, and the Board as a whole, taking into consideration the views of all board members. In addition, they also evaluated the quality, adequacy, effectiveness and timeliness of the flow of information between the Company's Management and the Board, and expressed satisfaction in this regard.

The Independent Directors have access to the Internal Auditor, Secretarial Auditors, Cost Auditors and management for discussions and queries, as required. During the year, the independent directors also met with the Statutory Auditors without the presence of management. The Auditors expressed satisfaction with the audit process, access to records, quality and flow of information, and engagement with management, and had no specific concerns to highlight.

The Lead Independent Director also briefed the Board on the proceedings of the independent directors' meeting and the matters that require attention at the Board or management level.

Familiarisation programme for Non-Executive Directors

Cipla has a robust induction process that enables newly appointed directors to familiarise them with the Company, management, operations and pharmaceutical industry. All the directors are made aware of their roles and duties at the time of their appointment/ re-appointment through a formal letter of appointment which also stipulates other terms and conditions of their appointment.

The Company Secretary works with the Chairman, the MD&GCEO and the Lead Independent Director to ensure that all Board members receive appropriate training, both individually and collectively, throughout their tenure on the Board. On appointment, new directors are provided with a comprehensive and tailored induction programme aligned with their individual experience, expectation, expertise and needs. The induction includes formal briefings and introductory interactions with fellow board members, senior management, legal counsel and auditors, along with plant and market visits, enabling them to gain a holistic understanding of the Company's operations and business environment.

Details of familiarisation programmes for the independent directors for FY 2025-26 is uploaded on the website of the Company at https://www.cipla.com/sites/default/files/Details-of-Familiarisation-programme-imparted-to-Independent-Director-FY-2025-26.pdf.

Remuneration, notice period and severance fees relating to Executive Director

Upon completion of Mr Umang Vohra's second term of five years as the MD&GCEO of the Company on 31st March, 2026, Mr Achin Gupta, Global Chief Operating Officer was elevated and appointed as the MD&GCEO of the Company w.e.f. 1st April, 2026.

The detailed terms and conditions of appointment and remuneration of Mr Achin Gupta are mentioned in the Postal Ballot Notice dated 23rd January, 2026 available on the Company's website.[15]

As per the terms of appointment approved by the shareholders, either the Company or Mr Achin Gupta may terminate the arrangement by providing six months' notice. In the event of termination of services/ contract by the Company (i) without cause or (ii) within 360 days of announcement of the change in control of the Company, Mr Achin Gupta shall be entitled to the severance pay in the following manner:

- In case of termination within 24 months from the date of appointment - Prevailing fixed pay for 12 months and corresponding variable bonus.
- In case of termination after 24 months from the date of appointment - The current fixed pay for six months or remainder term of appointment, whichever is lower and corresponding variable bonus.
- Additional compensation of up to ₹20 crores inter-alia depending upon the value of granted and unvested Stock Options, Stock Appreciation Rights or any other shares-based benefit of the Company relevant at that time.

Disclosure of relationships between directors inter-se

Dr Y K Hamied and Mr Kamil Hamied are related as uncle and nephew. None of the other directors are related to each other.

Remuneration to Non- Executive directors[16]

Payment of remuneration

Pursuant to the statutory provisions and the shareholder resolution passed at the 82nd Annual General Meeting ("AGM"), non-executive directors are eligible to receive remuneration of up to 1% of the Company's annual net profit, calculated as per the provision of Section 198 of the Act.

The Policy for Payment of Remuneration to Non-Executive Directors including Independent Directors is available on the website of the Company at https://www.cipla.com/sites/default/files/2024-09/Policy_for_Payment_of_Remuneration_to_Non-Executive_Directors_including_Independent_Directors.pdf The Policy provides for payment of remuneration to the non-executive directors including the Independent Directors in the following manner:

- **Commission to Independent Directors**
  - Fixed commission of ₹ 70 lacs p.a.
  - Additional commission of ₹ 10 lacs p.a. to the Lead Independent Director.

[15] GRI 2-19 and GRI 2-20

[16] GRI 2-19 and GRI 2-20

- Additional commission of ₹14 lacs p.a. to the Non-Resident Directors.
- Additional commission of ₹10 lacs p.a. to the chairpersons of the Audit Committee, the Nomination and Remuneration Committee and the Investment and Risk Management Committee (payable separately for each Committee).
- Additional commission of ₹ 5 lacs p.a. to the members of the Audit Committee, the Nomination and Remuneration Committee and the Investment and Risk Management Committee (payable separately for each Committee).

- **Commission to Non-Executive and Non-Independent Directors**
  - Fixed commission of ₹ 2.5 crores p.a.

- **Sitting Fees**
  - ₹ 1 lac per board meeting.
  - ₹ 50,000/- per committee meeting for all board committees (except Operations and Administrative Committee).

During the year, none of Non-Executive Directors had any pecuniary relationship or transactions with the Company, except payment of director's remuneration, reimbursement of expenses and a non-material rental arrangement, as disclosed in note no. 42 of the standalone financial statements.

The Company engages M/s Veritas Legal, a law firm of which Mr Abhijit Joshi, Non-Executive Director is the Founding and Managing Partner, on various legal matters. The fees paid to M/s Veritas Legal is not a significant portion of their revenue. Details of this transaction has been duly disclosed in the Statement of Related Party Transactions submitted to the Stock Exchanges, in accordance with Regulation 23 of the SEBI Listing Regulations and are also available on the Company's website at https://www.cipla.com/sites/default/files/SEBI-RPT Disclosure_H2FY26_Upload.pdf.

During the year, none of The Independent Directors had any pecuniary relationship or transactions with the Company, except payment of directors' remuneration from the Company or its subsidiaries and reimbursement of expense on actuals.

The details of remuneration to directors (on a consolidated basis) during FY 2025-26 are given below:

(₹ in crores)

Directors [1]	Sitting Fees	Salary	Commission	Perquisites	Allowances	One-time incentive	Variable Bonus	Retiral benefits and others	Total
Dr Y K Hamied	0.08	-	2.50	-	-	-	-	-	2.58
Mr Umang Vohra [2][3][6]									
• Cipla Limited	-	1.95	-	2.48 [5]	2.99	25 [7]	5.39	1.25 [8]	45.73
• Cipla USA Inc [4]	-	6.67	-	-	-	-	-	-	
Mr Abhijit Joshi	0.09	-	2.50	-	-	-	-	-	2.59
Mr Adil Zainulbhai	0.15	-	2.50	-	-	-	-	-	2.65
Dr Balram Bhargava	0.17	-	0.75	-	-	-	-	-	0.92
Mr Kamil Hamied	0.13	-	2.50	-	-	-	-	-	2.63
Dr Mandar Vaidya	0.13	-	0.80	-	-	-	-	-	0.93
Ms Maya Hari	0.16	-	0.94	-	-	-	-	-	1.10
Mr P R Ramesh	0.15	-	0.95	-	-	-	-	-	1.10
Mr Robert Stewart									
• Cipla Limited	0.08	-	0.99	-	-	-	-	-	1.51
• InvaGen Pharmaceuticals Inc. [4]	-	-	0.37	-	-	-	-	-	
• Cipla (EU) Limited [4]	0.07	-	-	-	-	-	-	-	
Ms Sharmila Paranjpe	0.18	-	0.80	-	-	-	-	-	0.98

[1] All the directors are entitled to reimbursement of reasonable expenses incurred during the performance of their duty as a director.

[2] Ceased to be Managing Director and Global Chief Executive Officer upon completion of second term on 31st March, 2026.

[3] During FY 2026-27, pursuant to the terms approved by the shareholders, Mr Umang Vohra will additionally be entitled to receive ₹ 35.04 crores towards the settlement of vested stock appreciation rights of Cipla Health Limited, a wholly owned subsidiary.

[4] Remuneration from foreign subsidiaries includes ₹ equivalent to USD paid to the director.

[5] Includes Perquisite value of stock options exercised during the year.

[6] On 10th May 2024, Mr Umang Vohra was granted 33,168 stock options at an exercise price of ₹ 2 per option and 1,14,405 stock appreciation rights (SARs) at a grant price of ₹ 1,390.9 per SAR, with graded vesting up to the end of his tenure on 31st March 2026. During the year, he exercised 16,584 stock options. The balance unexercised options and SARs are exercisable within six months from the completion of his term i.e. by 30th September, 2026.

[7] This pertains to one-time long-term incentive as approved by the shareholders vide resolution dated 16th May, 2024.

[8] Includes gratuity of ₹ 0.94 crores.

Board Committees

The composition of the Board Committees and the changes in their composition as on 13th May, 2026, are as follows:

Audit Committee

- Mr P R Ramesh ● ▲
- Dr Balram Bhargava ▲
- Ms Maya Hari ▲
- Ms Sharmila Paranjpe ▲

Nomination and Remuneration Committee

- Ms Maya Hari[1] ● ▲
- Dr Mandar Vaidya[2] ▲
- Mr Adil Zainulbhai ■
- Mr Kamil Hamied ■
- Mr Robert Stewart ▲
- Ms Sharmila Paranjpe ▲

Stakeholders Relationship Committee

- Dr Mandar Vaidya ● ▲
- Mr Adil Zainulbhai ■
- Dr Balram Bhargava ▲

Corporate Social Responsibility Committee

- Dr Balram Bhargava ● ▲
- Mr Adil Zainulbhai ■
- Ms Sharmila Paranjpe ▲
- Mr Achin Gupta[3] ★
- Mr Umang Vohra[4] ★

Investment and Risk Management Committee

- Dr Mandar Vaidya[5] ● ▲
- Mr Robert Stewart[6] ▲
- Mr Abhijit Joshi ■
- Mr P R Ramesh ▲
- Mr Kamil Hamied ■
- Mr Achin Gupta[3] ★
- Mr Umang Vohra[4] ★

Operations and Administrative Committee

- Mr Achin Gupta[7] ● ★
- Mr Umang Vohra[8] ★
- Mr Adil Zainulbhai ■
- Mr Kamil Hamied ■

The composition of the board committees meets the requirements of the Act and the SEBI Listing Regulations.

● Chairperson ▲ Independent Director ■ Non-Executive Director ★ Managing Director and Global Chief Executive Officer

[1] Designated as Chairperson w.e.f. 1st April, 2026
[2] Ceased as Chairperson w.e.f. 1st April, 2026
[3] Appointed as Member w.e.f. 1st April, 2026
[4] Ceased as Member w.e.f. 1st April, 2026
[5] Appointed as Chairperson w.e.f. 1st April, 2026
[6] Ceased as Chairperson w.e.f. 1st April, 2026
[7] Appointed as Chairperson w.e.f. 1st April, 2026
[8] Ceased as Chairperson and Member w.e.f. 1st April, 2026

These Committees deal with specific areas/activities as mandated by the statutory requirements or as delegated by the Board. The terms of reference of the Committee define its composition, meeting and quorum, role and responsibility and power. The detailed terms of reference of the board committees are available on the Company's website in the form of Charters at https://www.cipla.com/about-us/board-directors/committees-board.

As per the terms of reference, the respective committees reviewed the compliance status of their charters (i.e., roles and responsibilities) and noted that all responsibilities assigned thereto had been duly complied with.

All the committees are authorised to obtain professional advice from external sources and have full access to Company records.

Generally, the committee meetings are held prior to the Board meeting and the Chairperson of the respective Committee brief the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are also submitted to the Board for its consideration. During the year, all recommendations of the Committees were accepted by the Board.

Audit Committee

Fully Independent

4 members

10 meetings

Average attendance 100%

Brief description of the terms of reference:

i. Review the accuracy, integrity and comprehensiveness of the Company's financial statements and ensure adequate and timely disclosure;

ii. Recommend the terms of appointment and remuneration of auditors and review their performance;

iii. Oversee the monitoring and reporting of security trading and handling of Unpublished Price Sensitive Information related to the Company or its securities, in accordance with applicable statutes;

iv. Approve the internal audit plans and review internal audit reports;

v. Review statutory audit reports, limited review reports, and other reports in accordance with applicable statutes;

vi. Recommend the appointment of Chief Financial Officer;

vii. Recommend quarterly/annual financial results and financial statements and related matters;

viii. Approval and review of Related Party Transactions; and

ix. Review the utilisation of funds raised through various capital issues, including deviations from stated purposes and examine monitoring agency reports to recommend appropriate actions to the Board.

Meetings:

The Committee met ten (10) times during the year. In compliance with the SEBI Listing Regulations, the gap between the two meetings was not more than 120 days. Information about the attendance of members at these meetings and at the AGM has been provided in Annexure III.

As a practice before the regular quarterly meetings for approval of the results, pre-audit committee meetings are held to discuss the key accounting matters, internal audit reports, update on internal financial controls, material legal matters, report on vigil mechanism, POSH, etc. These pre-audit meetings help the Committee to optimise it's time to discuss and review the statutory auditors presentation and the financial results in the main meeting.

Audit Committee Report:

Dear Members,

I am pleased to present the Audit Committee report for the year ended 31st March, 2026:

I. Constitution and Charter

The composition of the Committee is compliant with statutory requirements. The Committee held sufficient number of meetings and spent sufficient time discharging its responsibilities. The Committee's composition, terms of reference, meetings, attendance and other relevant details have been disclosed in the relevant section of the Corporate Governance Report, in compliance with the applicable statutory requirements.

As part of its annual review, the Committee evaluated its charter and confirmed that all responsibilities were comprehensively addressed.

II. Key matters taken up by the Committee during the year

Sr. no.	Items placed	May 2025	July 2025	October 2025	January 2026
1	Financial results, forex exposure and treasury update, and other related matters	✓	✓	✓	✓
2	Annual financial statements and other related matters	✓			
3	Cost statements for FY 2024-25 and Cost Audit Report		✓		
4	Financial statements of subsidiaries		✓		
5	Internal Audit plan and adequacy of internal audit function				✓
6	Internal Audit Report including coverage, audit observations and management action plan.	✓	✓	✓	✓
7	Internal Financial Controls including action / mitigation plan for the controls which require improvements	✓			✓
8	Report on Vigil Mechanism, POSH and Data Integrity	✓	✓	✓	✓
9	Performance evaluation of internal and statutory auditors	✓			
10	Appointment and remuneration of Cost and Secretarial Auditors	✓			
11	Appointment of Statutory Auditor	✓			
12	Statutory Auditor's Report and presentation i. Scope of audit ii. Accounting and auditing matters discussed with management iii. Audit procedures and outcome of significant financial statement line items iv. Internal control matters v. Key accounting matters ("KAMs") determination	✓	✓	✓	✓
13	Secretarial Audit Report	✓			
14	KAMs	✓	✓	✓	✓
15	Material legal matters and compliance certificate	✓	✓	✓	✓
16	Related party transactions	✓	✓	✓	✓
17	Report on compliances of Cipla PIT Code	✓	✓	✓	✓
18	Significant transactions / arrangements of unlisted subsidiaries	✓			
19	Loan / advances / investments to the subsidiaries and by the subsidiaries and its utilisation	✓	✓	✓	✓
20	Compliance status of the charter				✓
21	Performance evaluation report of the Committee				✓
22	Revision/ Amendment to PIT Code				✓
23	Review of impact on new labour code				✓
24	Amendment to Policy on Related Party Transactions ("RPT")				✓
25	Management Discussion and Analysis	✓			
26	Communication framework between Those Charged with Governance and the Statutory Auditor				✓

III. Financial results and statements:

The management is responsible for the preparation of the standalone and consolidated financial results/statements, financial reporting process and the Company's internal financial controls. The Committee reviews and recommends to the Board the financial results/statements.

The financial results/statements are prepared in accordance with the applicable provisions of the Act, the SEBI Listing Regulations and the Indian Accounting Standards. The accounting policies are consistent, and the judgments and estimates are reasonable and prudent so as to give true and fair view of the state of affairs of the Company. The financial statements are prepared on a going concern basis and adequate internal financial controls are followed by the Company.

The Statutory Auditors have identified the following Key Accounting Matters for FY 2025-26. The Audit Committee discussed these matters with the management and the Statutory Auditors.

- Ongoing Litigation under DPCO 1995: The Committee reviewed the update on litigation, Global Chief General Counsel's opinion and Company's disclosures under Ind AS 37 and concluded that the management's accounting treatment and disclosures were reasonable and appropriate.
- Impairment of the goodwill and intangible assets : The Committee reviewed management's impairment process, including Cash Generating Units ("CGU") identification, and concluded that the assessments were reasonable and the disclosures were compliant with the requirements of Ind AS 36.
- Recognition of revenue from operations : The Committee reviewed estimates, trends and controls, particularly in the US market. It received regular updates and concluded that revenue was recorded appropriately and that the recognition and measurement were in compliance with applicable standards.

The Committee discussed the financial results/statements with the Statutory Auditors and relied on their report and financial expertise of the management, while using its best judgement. The Committee believes that the financial results/statements provide true and fair view of the state of affairs of the Company.

IV. Statutory Auditors:

The Audit Committee receives regular updates from the Statutory Auditors and management on performance across audit quality indicators, which provides wider visibility of ongoing and emerging issues. The Committee also evaluated the performance of the Statutory Auditors, while ensuring their independence, and was generally satisfied with their performance.

The Statutory Auditors were responsible for the independent audit including the audit strategy covering the nature, scope and length of audit. The Statutory Auditors discussed with the Committee the statutory audit plan, audit findings, financial reporting process, overall quality of the financial reporting and compliances and were satisfied with the Company's functioning in this regard. There was no qualification, reservation or adverse remark or disclaimer in the Statutory Auditors' Report for FY 2025-26.

The Statutory Auditors used digital tools and solution to enhance audit quality and effectiveness. The audit partner attended all Committee meetings, and the Audit Committee Chair maintained regular contact with the audit partner and his team throughout the year.

The independent directors met with the Statutory Auditors without presence of the management and noted that the auditors were satisfied with the audit process, access to the management records, and their engagement with the management.

Upon completion of the statutory term of M/s Walker Chandiok & Co. LLP as the Statutory Auditors of the Company at the conclusion of the 90th Annual General Meeting ("AGM"), the appointment of new Statutory Auditors was one of the key matters for the Audit Committee.

Under the supervision of the Audit Committee Chairperson, management initiated the exercise for selection of a new statutory auditor in which leading firms were invited. Following a comprehensive assessment criterion audit firms were shortlisted. The Committee was provided periodic updates on the progress of the exercise and based on a detailed rating system the shortlisted firms were interviewed.

After an extensive evaluation considering various factors such as independence, industry experience, technical skills, suitability for a diverse business landscape, use of technology, agility, geographical presence, audit teams, audit quality reports and overall audit capability, the Audit Committee and the Board of Directors, at their respective meetings, recommended the appointment of M/s B S R & Co. LLP ("B S R & Co") (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company. The detailed proposal for their appointment is covered in the AGM notice.

V. Non-Audit Services:

The Committee approves, in advance, the non-audit services which could be availed from the Statutory Auditors. The Committee ensures that such services do not affect the independence of the auditor in any manner and is permissible under the applicable laws.

During the year, the Cipla Group (listed company and subsidiary companies) availed the tax audit and certifications related non audit services from M/s Walker Chandiok & Co. LLP, Statutory Auditors.

(₹ in crores)

Particulars	FY 2025-26	FY 2024-25
Total auditor remuneration paid	7.64	8.30
Fees paid for non-audit Services (inclusive in above)	0.74	0.64
Percentage of non-audit fees to total remuneration paid	9.69%	7.71%

All non-audit services were carried out within the delegated limits and service approved by the Audit Committee.

VI. Secretarial and Cost Auditors:

On the recommendation of the Committee and the Board, the shareholders approved the appointment and remuneration of M/s BNP & Associates ('BNP') (Firm Registration No. P2014MH037400) as the Secretarial Auditor for a term of Five years commencing from the conclusion of 89th Annual General Meeting till the conclusion of 94th Annual General Meeting.

The Committee reviewed the Secretarial Audit Report for FY 2025-26 and noted that the Company is in compliance with the applicable provisions of application laws and there were no qualifications, reservations, adverse remarks, or disclaimers in the Secretarial Auditors' Report for the FY 2025-26.

On the recommendation of the Committee, the Board approved the appointment of M/s Joshi Apte & Associates (Firm Registration No. 000240) as the Cost Auditor of the Company. The remuneration of ₹ 12,50,000 (Rupees Twelve Lacs Fifty Thousand Only) was ratified by the shareholders at the 89th AGM of the Company held on 16th July, 2025. The Committee reviewed the Cost Audit Report for FY 2024-25 and noted that (i) the Company has maintained proper cost records ii) cost statements present a true and fair view and there was no qualification, reservation or adverse remark or disclaimer in the Cost Auditors' Report for FY 2024-25, and iii) adequate system of internal audit of cost records which commensurate to its nature and size of its business.

VII. Internal Auditors:

The Chief Internal Auditor is responsible for the internal audit and testing of internal controls and procedures. For FY 2025-26, the Chief Internal Auditor prepared the risk-based audit plan in consultation with the management for the entire Cipla and its subsidiaries. The plan was approved by the Audit Committee at the beginning of the financial year. The Internal Audit coverage included audits of the global businesses across India, South Africa, North America, Emerging markets including overseas and Indian subsidiaries and functional processes across sales, marketing, distributions, supply chain management, corporate and support functions, manufacturing and quality, etc.

The Chief Internal Auditor conducted internal audits based on the approved plan and submitted his report together with management comments on quarterly basis to the Committee. The Internal Audit Reports were discussed, in the presence of the functional owners who responded to the queries and explained the corrective action plan. The audit observations were rated based on their severity and repeat observations were highlighted. The Committee also reviewed the scope of the internal audit, audit methodology and structure of internal audit team, risk grading criteria for audit observations and found it to be adequate considering the Company's scale of operations.

The Committee approved the audit plan for FY 2026-27 with emphasis on key risk themes relevant to the Company's operating environment. These include financial and financial reporting risks, operational efficiency, statutory and regulatory compliance, cyber security, quality and cGMP compliance, employee and public health and safety, reputational risk, etc.

Internal Auditors maintained a close collaboration with the Statutory Auditors, kept them informed of its activities and findings. The Statutory Auditor was given access to all internal audit reports and supporting documentation.

The Committee also evaluated with the management, the performance of the Chief Internal Auditor and was satisfied with his performance.

VIII. Internal Controls and Internal Financial Controls:

The internal controls were tested by the Internal Auditors to assess the design, implementation and operating effectiveness of management's processes. The Committee discussed the status of internal controls with the management and noted that the internal controls were operating effectively. The Committee also noted the improvement and maturity journey of these controls.

The Committee reviewed the internal financial controls to ensure that the Company's accounts were properly maintained and that the transactions were recorded in the books of accounts in accordance with the applicable accounting standards, laws and regulations. The Audit Committee regularly received updates and confirmations regarding the corrective actions taken to further strengthen the controls within the Company's internal financial control framework. These updates were further supported by reviews conducted by the Internal Audit team and the Statutory Auditors, who offer additional assurance to the Committee on the effectiveness of these controls. The Committee affirms that there was no material weakness in the Company's internal financial control system.

IX. Vigil Mechanism, Data Integrity and Prevention of Sexual Harassment ('POSH'):

During the year, the Committee reviewed the functioning of the whistle blower mechanism, the data integrity framework and POSH mechanism at the workplace and noted that the complaints received were duly investigated and appropriate actions were taken/being taken wherever necessary. No person was denied access to the Chairman of the Audit Committee, and the Committee was assured that none of the whistle blowers were victimised. The Committee also reviewed the system for identification and rectification of data integrity concerns and noted that effective mitigation measures were in place.

X. Related Party Transactions:

The Committee (i) approved all related party transactions, as per the Company's Policy on Related Party Transactions ("RPT Policy") and (ii) reviewed the related party transactions entered on a quarterly basis. Majority of the transactions were between the Company and its subsidiaries/associates.

The Committee noted that all the transactions with the related parties were (a) in the ordinary course of business (b) executed at arm's length basis and as per the terms approved by the Audit Committee.

There was no material related party transaction during the year. The Policy on Related Party Transactions was amended to incorporate the regulatory changes and to align the Policy with best industry practices.

XI. Utilisation of loans and capital contributions:

To ensure adequate internal controls, the Committee reviewed utilisation of capital contributions and loans by the Company and its subsidiaries and noted that the funds were used for the approved purposes. No loans were given to the Directors, Key Managerial Personnel ("KMP") or the entities in which such Directors or KMPs were interested.

XII. Prevention of Insider Trading:

To ensure compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has implemented a comprehensive 'Code of Conduct for Prevention of Insider Trading' ('Code'). The Monitoring Committee comprising of the Managing Director & Global Chief Executive Officer, Global Chief Financial Officer, Global Chief People Officer, Company Secretary is responsible for putting in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations.

The Monitoring Committee submitted its reports on the Compliance of the Code on quarterly basis to the Chairman of the Audit Committee, the Audit Committee, and the Board. The Reports confirmed that during the year, the Company (i) was generally compliant with no major non-compliances of the provisions of the Code and the SEBI PIT Regulations, (ii) had maintained Structured Digital Database for all the events which were classified as Unpublished Price Sensitive Information ("UPSI"), instances of non-compliance by employees were addressed as per the provisions of the Consequence Management Guidelines. There were no instances of UPSI leakage during the year. During the year, the Code was amended to incorporate the regulatory changes.

XIII. Adequacy of resources:

The Committee has been vested with adequate powers to seek support from the resources in the Company. It has access to the relevant information and records as well as the authority to obtain professional advice from external sources, if required.

XIV. Communication framework with the Statutory Auditor:

In compliance with the circular dated 7th January, 2026 issued by the National Financial Reporting Authority ("NFRA"), the Committee recommended a formal communication framework to formalise a structured and transparent engagement between the Those Charged with Governance ("TCWG") and the Statutory Auditors. The framework sets out a clear mechanism for communication of key matters between the TCWG and the Statutory Auditors and the key highlights are as follows:

- TCWG to comprise of the members of the Board of Directors, excluding the Whole-time Directors.
- The Chairperson of the Audit Committee to act as the 'Nodal Person' of the Board.
- The Statutory Auditors will meet the Nodal Person of the Board and the Audit Committee at least once every quarter.
- The matters communicated by the Statutory Auditors at such meetings will be shared by the Nodal Person with the TCWG and will be appropriately documented through the minutes of the Audit Committee and/or the Board, as applicable.

In line with this framework, the Nodal Person of the Board met with the Statutory Auditors during the year and, inter-alia, discussed the interim audit strategy and planning, audit scope and approach, status of interim audit procedures, and certain significant and non-recurring audit matters. The Nodal Person subsequently apprised the TCWG of these discussions and key outcomes for their review and noting.

XV. Merger and amalgamation

During the year, the Committee reviewed a proposal for the amalgamation of Inzpera Healthsciences Limited, a wholly owned subsidiary, with the Company. The Committee noted that the amalgamation would result in a simplified group structure, eliminate redundant administrative overheads, improve operational efficiencies, and generate business synergies, and accordingly recommended the Scheme of Amalgamation to the Board for its approval.

XVI. Performance evaluation:

The Committee reviewed its performance evaluation report and was satisfied with its performance during the year.

Date: 12th May, 2026
Place: Mumbai

P R Ramesh
Chairperson- Audit Committee

Nomination and Remuneration Committee

Independent Chairperson | 6 members | 6 meetings | Average attendance 91.67%

Brief description of the terms of reference:

The brief terms of reference of the NRC Committee are as follows:

i. Review and recommend the policy and matters related to the remuneration of directors, Key Managerial Personnels ("KMPs"), Senior Management Personnels ("SMPs") and other employees;

ii. Formulate criteria for determining qualifications, positive attributes and independence of Directors as well as for the performance evaluation of Directors, Board and Board Committees;

iii. Recommend the appointment, continuation and removal of directors, KMPs, SMPs based on the identified criteria;

iv. Oversee implementation, administration and supervision of shares-based incentive schemes;

v. Review key human resource related matters;

vi. Oversee leadership development and succession planning;

vii. Review and recommend the governance practices and Company's Corporate Governance report to the Board; and

viii. Discharge functions as may be required under applicable statutes and perform such duties as may be delegated by the Board from time to time.

Meetings:

The Committee met six (6) times during the year. Information about the attendance of members at these meetings has been provided in Annexure III.

Nomination and Remuneration Committee Report

Dear Members,

I am pleased to present the Nomination and Remuneration Committee report for the year ended 31st March, 2026:

I. Constitution and Charter

The composition of the Committee was compliant with statutory requirements. The Committee held sufficient number of meetings and spent sufficient time to discharge its responsibilities.

The Committee's composition, terms of reference, meetings, attendance, and other relevant details have been provided in the relevant section of the Corporate Governance Report, in compliance with the applicable statutory provisions.

As part of its annual review, the Committee evaluated its charter and confirms that all its responsibilities were comprehensively addressed.

II. Key matters taken up by the Committee during the year:

(i) Upon completion of the second term of Mr Umang Vohra as the Managing Director & Global Chief Executive Officer ("MD&GCEO") of the Company, and in view of his decision to not seek a re-appointment, the succession planning for MD&GCEO was a focus area for the Committee. The Committee along with Mr Vohra, developed a structured and forward-looking succession plan to ensure continuity, stability, and a clear strategic direction for the future. As part of this planned transition, Mr Achin Gupta CEO- One India Business was elevated as the Global Chief Operating Officer w.e.f. 1st February, 2025. With effect from 1st January, 2026, he was appointed as the MD&GCEO – Designate and succeeded Mr Umang Vohra as the MD&GCEO of the w.e.f. 1st April, 2026.

The Committee placed on record its sincere appreciation to Mr Umang Vohra for his exemplary leadership and outstanding contributions during his tenure with the Company.

The Committee also extended a warm welcome to Mr Achin Gupta and conveyed its best wishes for a successful and impactful tenure in his new role.

(ii) Mr Robert Stewart had expressed his intention not to seek re-appointment as an Independent Director upon completion of his current term on 13th May, 2026. The Committee placed on record its sincere appreciation for Mr Robert Stewart for his guidance and contributions during his tenure.

(iii) Mr P R Ramesh, Lead Independent Director was re-appointed as an independent director for a second term of five years.

(iv) Considering the succession of Mr Achin Gupta as the MD&GCEO of the Company and the retirement of Mr Robert Stewart upon completion of his first term as Independent Director, the Board Committee composition was reviewed and reconstituted as follows effective 1st April, 2026. All the Board Committees are in compliance with the statutory requirement:

- Ms Maya Hari, Independent Director was appointed as the new Chairperson of the Nomination and Remuneration Committee in place of Dr Mandar Vaidya who would continue as member.

- Dr Mandar Vaidya, Independent Director was appointed as the new Chairperson of the Investment and Risk Management Committee ("IRMC") in place of Mr Robert Stewart who would continue as member.

- Mr Achin Gupta, MD&GCEO was appointed as the member of the IRMC and the Corporate Social Responsibility Committee, and as the Chairperson of the Operations and Administrative Committee.

(v) The Committee actively works with the management on building succession plan for the leadership team and develops contingency plans for succession in case of any exigencies. During the year, the Committee recommended the appointment and extension of terms of SMPs to ensure continuity and stability in the Company's leadership team. Currently, the Company has succession plan in place for its top 50 critical positions including the Management Council members. The Committee is also actively working on the succession planning for some of the senior management position.

(vi) With a focus on continuous improvement, the Committee reviewed other key strategic HR matters including people cost, talent acquisition, diversity, culture, etc. These efforts played a significant role in shaping Company's work environment and employee experience. The Company continued to demonstrate strong people cost efficiency being one of the best in the Indian pharmaceutical industry. The Company also achieved the prestigious certification as a 'Great Place to Work' in 2026 for the 8th consecutive year.

(vii) The Committee evaluated the MD&GCEO's performance for FY 2025-26 against the approved organisation scorecard. The Committee also finalised the organisation scorecard for FY 2026- 27. The performance of Senior Management Personnel ("SMPs") and Key Managerial Personnel ("KMPs") was similarly reviewed against approved target. Based on these assessments, the variable pays for FY 2025-26 was approved and the remuneration of the SMPs, and KMPs were also revised with the approval of the Board of Directors.

(viii) During the year, the Company granted 1,04,079 stock options under the Employee Stock Option Scheme 2013-A (Cipla ESOS Scheme 2013- A) and 3,54,518 stock appreciation rights under the Cipla Employee Stock Appreciation Rights Scheme 2021 (Cipla ESAR Scheme 2021) to 94 eligible employees. In order to ensure retention and to reward performance, the Committee also recommended a Performance Based Retention Bonus ("PBRB") to select SMP's and KMP's.

Pursuant to the approval of the shareholders at the 86th Annual General Meeting, Mr Umang Vohra was granted Employee Stock Appreciation Rights ("ESARs") by Cipla Health Limited, a wholly owned subsidiary of the Company, at fair market value. The ESARs were linked to performance condition that there should be no significant USFDA regulatory action pending against Cipla. Based on the USFDA status for the Company's manufacturing plants, the Committee approved partial vesting of the share-based benefits.

(ix) In line with applicable regulatory changes and leading industry practices, the Committee periodically reviewed the Company's governance practices and recommended appropriate measures to enhance board effectiveness and strengthen the overall governance framework.

(x) The Committee engaged an independent external agency to conduct a detailed performance evaluation of the Board, Board Committees, and individual Directors. The Committee reviewed its performance evaluation report and was satisfied with its performance in the year.

Maya Hari
Chairperson – Nomination and Remuneration Committee

Date: 12th May, 2026
Place: Mumbai

Stakeholders Relationship Committee

Independent Chairman

3 members

4 meetings

Average attendance 91.67%

Brief description of the terms of reference:

(i) Review and recommend mechanism for redressing the grievances of security holders and enhancing the overall quality of investor services:

(ii) Approve the requests relating to loss of shares;

(iii) Monitor the performance of the Registrar and Transfer Agent, review service standards and internal audit reports, and recommend measures to enhance investor service quality;

(iv) Monitor and review the movement in shareholding patterns and the overall ownership structure;

(v) Oversee and review the engagement initiative with security holders including institutional investors, and identify the actionable points for implementation;

(vi) Review measures undertaken by the Company to facilitate effective exercise of voting rights by shareholders, minimise unclaimed dividends, and ensure the timely dispatch of dividend warrants/ annual reports/ statutory notices; and

(vii) Discharge functions as may be required under applicable statutes and perform such duties as may be delegated by the Board from time to time.

Meetings:

The Committee met four (4) times during the year. Information about the attendance of members at these meetings has been provided in Annexure III.

Details of investor complaints / grievances

During FY 2025-26, the Company received 33 investor complaints out of which one complaint was outstanding as on 31st March, 2026. All the requests/complaint of shareholders including pending complaint were satisfactorily resolved within the statutory timeline. All the investors' complaints / grievances pertained to transmission, updation of KYC details and dividend related matters. The Company has also appointed an independent consultant to assist the Company in effectively resolving the investor grievances / complaints. The consultant ensured adherence to various service standards and standard operating procedures of the Company by the Registrar and Shares Transfer Agent and enhanced overall quality of communication between the shareholders and the Company. Mr Rajendra Chopra, Company Secretary, acts as the Compliance Officer and is responsible for ensuring prompt and effective services to the shareholders and for monitoring the dedicated email address for receiving investor grievances. He is also the Nodal Officer for the purpose of compliances under Investor Education and Protection Fund.

Corporate Social Responsibility Committee

Independent Chairman

4 members

4 meetings

Average attendance 100%

Brief description of the terms of reference:

(i) Formulate and recommend the Corporate Social Responsibility (CSR) Policy, eligible CSR activities, and the amount of expenditure to be incurred on CSR activities;

(ii) Monitor the CSR Policy, Annual Action Plan, progress of CSR projects/programme, and utilisation of CSR funds on a periodic basis;

(iii) Review the impact assessment reports conducted by independent agencies;

(iv) Review and recommend the Annual Report on CSR activities and such other reports as may be required under applicable statutes;

(v) Discharge functions as may be required under applicable statutes and perform such duties as may be delegated by the Board from time to time;

Meetings:

The CSR Committee met four (4) times during the year. Information about the attendance of members at these meetings has been provided in Annexure III.

Investment and Risk Management Committee

Independent Chairman | 6 members | 3 meetings | Average attendance 93.33%

Brief description of the terms of reference:

i. Review and recommend strategic and/or long-term investments, loans, guarantees, acquisitions or divestment by Cipla or by its subsidiaries in any legal entity outside Cipla Group;

ii. Approve and/or recommend purchase, sell or disposal of Intellectual Property Rights or other assets and entering into in-licensing deals valued between ₹ 175 crores or more but upto ₹ 525 crores;

iii. Subject to shareholder approval and statutory limits, approve and/or recommend the sale, lease, or disposal of any undertaking or substantially the whole of undertaking exceeding ₹ 50 crores;

iv. Monitor short-term and long-term strategic priorities of the Company;

v. Review and recommend annual capital expenditure, and monitor key ongoing capex projects;

vi. Oversee implementation of the Risk Management Policy and review enterprise risk management; and

vii. Review and recommend ESG and Sustainability initiatives and reporting as may be required under various statutes.

Meeting

The Committee met three (3) times during the year. Information about the attendance of members at these meetings has been provided in Annexure III.

Operations and Administrative Committee

Composition

The composition of the committee is mentioned on page no. 206.

Brief description of the terms of reference:

(i) Deal in government securities, mutual funds, foreign exchange and financial derivatives, and oversee operations of bank accounts and other treasury-related matters of the Company;

(ii) Issue, allot, and seek listing of equity shares on one or more stock exchanges pursuant to the Company's share based incentive schemes;

(iii) Approve the purchase, sale, lease, or transfer of movable/ immovable assets or property for a maximum value of ₹ 100 crores;

(iv) Approve the setting up and closure of branch / representative / liaison office of the Company and nominate managers for such office;

(v) Issue voting instructions to the Depositary of the Global Depository Shares in respect of the resolutions at the General Meeting / Postal Ballot of the Company;

(vi) Constitute, reconstitute, modify, dissolve any trust or association for Company / business related matters;

(vii) Nominate directors / representatives on the subsidiaries, joint ventures and associates and to approve and vote on all resolutions of the Companies, body corporates or entities or bodies, where the Company is a shareholder or member and where specific shareholder resolution is required;

(viii) Provide routine administrative and operational authorisations in respect of the above matters, within the limits approved by the Board; and

(ix) Perform such duties as may be delegated by the Board from time to time.

Meetings:

During the year, the Committee considered and decided the majority of matters by passing the resolutions by circulation and met once during the year. Information about the attendance of members at meeting has been provided in Annexure III.

Policies / Codes

In accordance with Company's philosophy of adhering to the highest standards of ethical business and corporate governance and to ensure fairness, accountability, responsibility and transparency to all stakeholders, the Company, inter-alia, has the following policies and codes in place. All the policies are available on the website of the Company.[17]

Sr No.	Name of the Policy	Website Link
1	Anti-Bribery and Anti-Corruption Policy	https://www.cipla.com/sites/default/files/2026-01/Anti-Bribery-and-Anti-Corruption-Policy.pdf
2	Anti-Trust and Fair Competition Policy	https://www.cipla.com/sites/default/files/2019-06/1553587611_Anti-Trust-and-Fair-Competition-Policy.pdf
3	Archival Policy	https://www.cipla.com/sites/default/files/2025-01/Archival-Policy.pdf
4	Biodiversity Policy	https://www.cipla.com/sites/default/files/2026-05/Biodiversity-Policy.pdf
5	Cipla UK Tax Strategy 2026	https://www.cipla.com/sites/default/files/Cipla-UK-Tax-Strategy-FY2026-27.pdf
6	Code of Conduct	https://www.cipla.com/sites/default/files/1530274684_Cipla---Code-of-Conduct-FC.PDF.pdf
7	Code of Conduct for Prevention of Insider Trading	https://www.cipla.com/sites/default/files/2025-06/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf
8	Code of Fair Disclosure of Unpublished Price Sensitive Information	https://www.cipla.com/sites/default/files/2024-09/Code_of_fair_disclosures_of_unpublished_price_sensitive_information.pdf
9	Conflict of Interest Policy	https://www.cipla.com/sites/default/files/2019-06/1554391523_1530187477_Conflict%20of%20Interest%20Policy%20-%20V1%20fc.pdf
10	Corporate Responsibility Policy	https://www.cipla.com/sites/default/files/2019-01/Corporate%20Responsibility%20Policy.pdf
11	Corporate Social Responsibility Policy	https://www.cipla.com/sites/default/files/2023-05/Corporate-Social-Responsibility-Policy.pdf
12	Data Privacy Management Policy	https://www.cipla.com/sites/default/files/2023-07/Data-Privacy-Management-Policy.pdf
13	Dividend Distribution Policy	https://www.cipla.com/sites/default/files/2023-05/Dividend-Distribution-Policy.pdf
14	Environment, Health, Safety & Sustainability (EHS&S) Policy	https://www.cipla.com/sites/default/files/2026-05/EHSS-Policy.pdf
15	Equal Opportunity Policy	https://www.cipla.com/sites/default/files/2023-07/Equal-Opportunity-Policy.pdf
16	Human Rights Policy	https://www.cipla.com/sites/default/files/2023-07/Human-Rights-Policy.pdf
17	Investor Servicing and Grievance Redressal Policy	https://www.cipla.com/sites/default/files/Investor-Servicing-and-Grievance-Redrrssal-Policy.pdf
18	Nomination, Remuneration and Board Diversity Policy	https://www.cipla.com/sites/default/files/2026-02/Nomination-Remuneration-and-Board-Diversity-Policy_1.pdf
19	Policy for Determination of Materiality of Events or Information	https://www.cipla.com/sites/default/files/2025-03/Policy-for-determination-of-materiality-of-events.pdf
20	Policy for determining Material Subsidiaries	https://www.cipla.com/sites/default/files/2025-03/Policy-for-determining-material-subsidiary_0.pdf
21	Policy for Payment of Remuneration to Non-Executive Directors including Independent Directors	https://www.cipla.com/sites/default/files/2024-09/Policy_for_Payment_of_Remuneration_to_Non-Executive_Directors_including_Independent_Directors.pdf
22	Policy for Preservation of Documents	https://www.cipla.com/sites/default/files/2025-01/Policy-for-Preservation-of-Documents.pdf
23	Policy on Prevention of Sexual Harassment at Workplace	https://www.cipla.com/sites/default/files/1558508425_POSH-%20Cipla.pdf
24	Policy on Related Party Transactions	https://www.cipla.com/sites/default/files/2026-02/Policy-on-Related-party-transactions.pdf
25	Responsible Sourcing Policy	https://www.cipla.com/sites/default/files/2024-08/Responsible-Sourcing-Policy.pdf
26	Risk Management Policy	https://www.cipla.com/sites/default/files/Risk-Management-Policy.pdf
27	Supplier Code of Conduct	https://www.cipla.com/sites/default/files/SSCM%20Code%20of%20Conduct-Final_1.pdf
28	Supply Chain Management Sustainability Policy	https://www.cipla.com/sites/default/files/SSCM%20Policy-Final_1.pdf
29	Whistle Blower Policy	https://www.cipla.com/sites/default/files/2023-05/Whistle-Blower-Policy.pdf

[17]GRI 2-23

Particulars of Senior Management Personnel ("SMP")

In accordance with applicable provisions of the SEBI Listing Regulations, the details of SMPs of the Company as on 31st March, 2026 including the changes during the year are as follows:

Sr No.	Employee name	Designation	Total working experience (in years)
1.	Achin Gupta(1)	Managing Director and Global Chief Executive Officer	25
2	Arun Kakatkar(2)	Global Chief People Officer	30
3.	Ashish Adukia	Global Chief Financial Officer	26
4.	Deepak Viegas	Chief Internal Auditor	35
5.	Heena Kanal	Chief Corporate Communication	29
6.	Jaideep Gogtay	Chief Medical Officer (Global)	36
7.	Prabhakaran Nair(3)	Global Chief Manufacturing Officer	28
8.	Rajendra Chopra	Company Secretary & Compliance Officer	28
9.	Sanjay Varughese Joseph	Head - API Business	30
10.	Sneha Hiranandani	Chief Information Officer (Global)	37
11.	Swapn Malpani	CEO – Emerging Markets and Europe	31
12.	Venkata Sai Mungara	Chief Supply Chain Head (Global)	30
13.	Vijayasarathi R	Global Chief Quality Officer	32

Note: During the year, A S Kumar (w.e.f. 1st April, 2026), Rajeev Kumar Sinha (w.e.f. 3rd April, 2025), and Raju Mistry (w.e.f. 1st January, 2026) ceased to be SMPs.

(1)Appointed as Managing Director & Global Chief Executive Officer w.e.f 1st April, 2026

(2)Appointed as Global Chief People Officer and SMP w.e.f. 17th March, 2026.

(3)Appointed as Global Chief Manufacturing Officer and SMP w.e.f. 1st July, 2025

Code of Conduct

Members of the Board and the SMPs have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2026. A declaration to this effect signed by Mr Achin Gupta, MD&GCEO is annexed as Annexure I.

Whistle Blower Policy/ Vigil Mechanism

The Code of Conduct also has a Whistle-Blower Policy that applies to employees, board members, contractors, consultants, trainees, service providers of the Company and its subsidiaries, affiliates, group companies and persons or entities contractually obligated across the globe. It contains a reporting mechanism, the manner in which all reported concerns are dealt with, confidentiality of the investigations and processes, protection of the whistle-blower against any retaliation and guidelines for retention of records.[18]

An Ethics Committee comprising of the Global Chief People Officer as Chairperson, the Global Chief Financial Officer, the Global General Counsel and the Chief Internal Auditor as members, is responsible for the implementation of the Code of Conduct and the Whistle Blower Policy, and for investigating complaints raised under these policies.

The Audit Committee oversees the functioning of the vigil mechanism and receives a report on the incidents and actions taken by the Ethics Committee on quarterly basis. The members, employees and external stakeholders can report their genuine concerns either in writing or by email to the Chairperson of the Ethics Committee or to the Chief Internal Auditor at ethics@cipla.com. The whistle blower can also approach the Chairperson of the Audit Committee at audit.chairman@cipla.com, whenever required.

During the year, the Company received 93 complaints (excluding 11 complaints which were carried forward from FY 2024-25). Of the total 104 complaints, 90 complaints were resolved during the year and for the balance 14 complaints, investigations were underway as on the date of this report. No person was denied access to the Audit Committee.

Code on Prevention of Insider Trading

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has in place Code of Conduct for Prevention of Insider Trading ("Code"). The Code, inter-alia, covers the procedures relating to dealing in the Company's securities by the designated persons and their immediate relatives, handling the Unpublished Price Sensitive Information, and related matters.

Monitoring Committee comprising of the MD&GCEO, the GCFO, the Global Chief People Officer and the Compliance Officer, monitor and administer the compliance of the Code. The Committee reports to the Audit Committee and strives to meet at least once in every quarter before the Audit Committee meetings. During the year, the Committee met four times and submitted its report to the Chairman of the Audit Committee, the Audit Committee and the Board of Directors.

[18]GRI 2-16 and GRI 2-26

In case of any non-compliance of the Code by any Designated Person covered by the Code or their Immediate Relatives, actions were taken as per the Consequence Management Guidelines. Monetary penalties imposed under the Guidelines were deposited with the Securities and Exchange Board of India Investor Protection and Education Fund.

To create awareness amongst Designated Persons various initiatives viz. online training, self-assessment test, informative e-mails, in-person training and interactive sessions were organised.

An annual internal audit on compliance of the PIT Regulations and the Code was conducted by the Chief Internal Auditor through an independent firm specialised in audit. The audit did not observe any significant non-compliance.

Related Party Transactions

The Company has adopted a Policy on Related Party Transactions ('RPT Policy'). The RPT Policy intends to ensure proper reporting, approval, disclosure processes for all transactions between the Company and its subsidiaries, and their Related Parties. The Policy was amended during the year to align the same with the statutory requirements. The updated RPT Policy of the Company is available on the Company's website at https://www.cipla.com/sites/default/files/2026-02/Policy-on-Related-party-transactions.pdf

All the transactions with related parties are placed before the Audit Committee for review and approval. The RPTs in which directors or key managerial personnel are concerned or interested are placed before the Board for prior-approval.

All RPTs entered into during the year were at arm's length, in the ordinary course of business.

As a process, routine and repetitive RPTs were approved under omnibus approval process, and the other transactions were approved specifically. The RPTs entered during the previous quarter, pursuant to omnibus approval, were reviewed in subsequent quarter.

During the year, the Company did not enter into any material RPT and there was no transaction with a related party that had any potential conflict of interests with the Company at large.

Subsidiary Governance

As on 31st March, 2026, the Company had subsidiaries in India and across the globe. Each subsidiary was managed by its respective Board of Directors or equivalent body.

The Board of Cipla Limited or its duly constituted committees also have oversight on the affairs of the subsidiaries and regularly reviews various information w.r.t. the subsidiary companies, that inter-alia includes:

I. Financial statements;

II. Material developments, financial and operating performance and strategies;

III. Significant transactions or arrangements entered into by the unlisted subsidiaries;

IV. Utilisation of funds and details of investment and advances by the subsidiaries;

V. Related party transaction with wholly owned subsidiaries and inter-subsidiary related party transactions;

VI. Strategic/long-term investments, loans, guarantees, acquisitions or divestment by subsidiaries outside Cipla Group;

VII. Purchase/sale/disposal of intellectual property rights or other assets and entering into in-licensing deals by subsidiaries/associates/joint ventures above certain threshold;

VIII. Minutes of the board and committees meetings; and

IX. Key internal audit findings.

As required under Regulation 16(1)(c) and Regulation 24 of the SEBI Listing Regulations, the Company has adopted a 'Policy on Determining Material Subsidiaries'. The Policy is available on the website of the Company at https://www.cipla.com/sites/default/files/2025-03/Policy-for-determining-material-subsidiary_0.pdf. The details of material subsidiaries, during the FY 2025-26, are given below:

Name of the material subsidiaries	Regulation reference of the SEBI Listing Regulation	Date of incorporation	Place of incorporation	Name of the statutory auditor	Date of appointment/ re-appointment of statutory auditor[i]
Cipla (EU) Limited	24	16th August, 2002	England & Wales	KNAV Limited	8th May, 2025
InvaGen Pharmaceuticals Inc.[ii]	16	20th November, 2003	New York, USA	-	-
Cipla USA Inc.[ii]	24	12th September, 2012	Delaware, USA	-	-

[i] Auditors are appointed/ re-appointed each year.

[ii] The auditors for InvaGen Pharmaceuticals Inc. and Cipla USA Inc. were not statutorily required to be appointed.

Mr Robert Stewart, Independent Director of the Company, serves as an Independent Director on the boards of Cipla (EU) Limited and Cipla USA Inc.

Further, in addition to statutory requirement of appointment of independent director on the board of material subsidiaries, other directors and KMP of the Company are also appointed on the Board of material and non-material subsidiary companies for strong oversight.

Compliance Management

The Company has implemented a compliance management tool which provides system-driven alerts to the respective owners for complying with the applicable laws and regulations. On quarterly basis, the Global General Counsel submits a certificate confirming compliance with the applicable laws to the Audit Committee and the Board.[19]

Investor Servicing and Grievance Redressal

The Stakeholders Relationship Committee has approved an Investor Servicing and Grievance Redressal Policy and Investor FAQs to ensure shareholder delight and redress their grievances. The Investor FAQs covers matters such as transmission of shares, dematerialisation of shares, dividend, IEPF, etc. The Investor FAQs and Investor Grievance Redressal Policy is uploaded on the Company's website under the Corporate Governance tab of the Investors section at https://www.cipla.com/investors/corporate-governance.

Web-based Facility

With a view to enhance and improve shareholder experience, KFin Technologies Limited ('KFin'), the Registrar and Share Transfer Agent of the Company, extends online facility for members for posting or tracking a query, checking the dividend status, uploading tax exemptions forms, viewing the demat / remat request, downloading the required ISR forms and checking KYC status for physical folios.

Shareholders can access these services by visiting the Investor Service Support webpage at https://kprism.kfintech.com/.

Share Transfer System

KFin Technologies Limited ["KFin"] is the Registrar and Share Transfer Agent of the Company ("RTA").

The Board has severally authorised the Company Secretary and the Executive Directors to approve investor requests pertaining to transmission, transposition, and change of name. A summary of transactions so approved are placed before the Stakeholders Relationship Committee ("SRC") for noting. The matters relating to duplicate share certificate are approved by the SRC.

Pursuant to Securities and Exchange Board of India ("SEBI") vide its Master Circular no. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February, 2026, it is mandatory for listed companies to issue shares only in demat form while processing investor service requests viz., issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition. Further, SEBI has substituted the earlier requirement of issuance of a physical 'Letter of Confirmation' ("LOC") in lieu of duplicate share certificates and the Listed entities/ RTAs are now required to directly credit the shares to the demat account in lieu of the share certificate while processing any of the aforesaid investor service requests. Under the earlier process the LOC issued was required to be dematerialised by the shareholder within 120 days.

In cases where the securities holder / claimant fails to submit the demat request with the depository participant within a period of 120 days from the date of issuance of the LOC by RTA / listed companies, the said securities are credited to 'Suspense Escrow Demat Account'. Securities which are moved to 'Suspense Escrow Demat Account' may be claimed by the security holder / claimant by submitting a duly executed Form ISR- 4 and self-attested KYC documents.

Details of the Suspense Escrow Demat Account is mentioned below:

Particulars	Number of Shareholders	Number of Equity Shares
Shareholders and the outstanding shares as on 1st April, 2025	7	8,150
Shareholders and shares transferred to Suspense Escrow Demat account during the financial year	5	2,51,900
Shareholders who approached the Company and shares released from the Suspense Escrow Demat Account during the financial year	6	2,53,050
Shareholders and shares released from the Suspense Escrow Demat Account to the IEPF Account during the financial year.	-	-
Shareholders and the outstanding shares as on 31st March, 2026	6	7,000

As per above SEBI Master Circular, any corporate benefits in terms of securities accruing on the securities transferred to Suspense Escrow Demat Account viz. bonus, split, etc., shall be credited to such Suspense Escrow Demat Account. Also, the concerned holders shall be entitled to vote, to receive dividend and notices of meetings, annual reports on the securities lying in Suspense Escrow Demat Account.

The Company has not transferred any shares to demat suspense account or unclaimed suspense account pursuant to Regulation 39 read with Schedule VI of the SEBI Listing Regulations.

[19]GRI 2-24 and GRI 2-25

Unclaimed dividend and transfer of dividend and shares to the Investor Education and Protection Fund ("IEPF")

Pursuant to the provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividend which remains unclaimed or unpaid for a consecutive period of seven years or more from the date of transfer to the Unpaid Dividend Account of the Company and shares on which dividends are unclaimed or unpaid for a consecutive period of seven years or more are required to be transferred to IEPF. During FY 2025-26, unclaimed dividends amounting to ₹ 43,54,479/- and 21,197 shares were transferred to the IEPF Authority within the prescribed statutory timelines.

Unclaimed dividend for the financial year ended 31st March, 2019 will become due for transfer to the IEPF on 19th September, 2026.

The status of dividend remaining unclaimed is as follows:

Unclaimed dividend	Status	Whether it can be claimed	Can be claimed from	Actions to be taken
Upto the FY 2017-18	Transferred to the IEPF authority	Yes	File an online application in e-Form IEPF-5 and send a physical copy of the duly filled form, along with the requisite documents, to the Registered Office of the Company, addressed to the Nodal Officer.	IEPF Authority to pay the claim amount to the Shareholder based on the verification report submitted by the Company and the documents submitted by the investor
From FY 2018-19 to FY 2024-25	Amount lying in respective Unpaid Dividend Accounts	Yes	Write to RTA ("KFin") from your registered e-mail ID or make a physical application under the registered signature, along with KYC documents.	RTA to verify the application and release the unclaimed dividend.

Shareholders can check the details of any unclaimed shares and unclaimed dividends on the Company's website at www.cipla.com under Unclaimed Data tab in the Investors section.

Details of dividend due for transfer to the IEPF:

Financial Year	Dividend per share (in ₹)	Date of declaration	Due date for transfer to IEPF
2018-19	3	16th August, 2019	19th September, 2026
2019-20	4*	12th March, 2020	15th April, 2027
2020-21	5	25th August, 2021	28th September, 2028
2021-22	5	26th August, 2022	27th September, 2029
2022-23	8.5	10th August 2023	5th September, 2030
2023-24	13	20th August, 2024	23rd September, 2031
2024-25	16^	16th July, 2025	18th August, 2032

*Interim dividend ₹ 3 and Special dividend ₹ 1.

^Final dividend ₹ 13 and Special dividend ₹ 3

Shareholder Information and Communication

Financial Results

During the year, financial results were published in the following newspapers: Business Standard (All editions) and Sakal (Mumbai edition). The annual/half-yearly/ quarterly results were sent to the stock exchanges and were also displayed on the Company's website i.e.- www.cipla.com.

News and media release

The official news and media releases of key events were disseminated to the Stock Exchanges and uploaded on the Company's website.

Earning conference calls and presentations to Institutional Investors / Analysts

The Company organises earning conference call with analysts and investors after the announcement of financial results. The audio recording and transcript of the earning calls are uploaded on the Company's website as well as filed with the stock exchanges where the securities/GDRs of the Company are listed.

Presentations made to institutional investors and analysts are filed with the stock exchanges and uploaded on the Company's website.

Compliance reports, corporate announcements, material information and updates

The Company disseminates the requisite corporate announcements including the SEBI Listing Regulations compliances, shareholding pattern, Integrated Corporate Governance Report, integrated financial results, material information, etc., electronically through designated electronic portals of the Stock Exchanges.

Integrated Annual Report

The Integrated Annual Report for FY 2025-26 will be circulated to the members whose email addresses are registered with the Company / National Securities Depository Limited ("NSDL") and Central Depository Service (India) ("CDSL") /KFin. The Annual Report will also be available on the Company's website at www.cipla.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on website of NSDL (i.e. www.evoting.nsdl.com).

Website

The Company's website contains a separate section for investors.

The profiles of Board members, board committees' composition, board committee charters, profile of the Management Council members, Corporate Governance policies, financial information, annual reports, Memorandum and Articles of Association, shareholding information, details of unclaimed dividends and shares transferred / liable to transfer to IEPF, Investor FAQs, etc. are available on the website of the Company.

Other information, such as press releases, Stock Exchange disclosures and investor presentations are also regularly updated on the Company's website.

Chairman's speech

A copy of the speech to be given by the Chairman at the 90th AGM will be uploaded on the website of the Company.

Designated email ID

We have a designated e-mail ID for investor services: cosecretary@cipla.com.

Other disclosures

i. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and accordingly no penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.

ii. The securities of the Company were not suspended from trading at any time during the year.

iii. The Company has managed foreign exchange risk with appropriate hedging activities in accordance with the risk management framework of the Company. The Company's approach to managing currency risk is to leave no material residual risk. The Company uses forward exchange contracts and/or options to hedge against its net foreign currency exposures. All material foreign exchange transactions are fully covered. Materially, there are no uncovered exchange rate risks relating to the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2026 are disclosed in note no. 45 to the standalone financial statements.

iv. Total fees for all services paid by the Company and its subsidiaries on a consolidated basis to the Statutory Auditor has been provided in note no. 29 of the consolidated financial statements.

v. The cost of raw materials forms a large portion of the Company's operating expenses. The Company is focused on developing processes/programmes which help in cost-effective procurement of raw materials and which reduces the cost of Active Pharmaceutical Ingredients. Additionally, an Alternate Vendor Development Strategy has been implemented to ensure uninterrupted supply of raw materials and rate benefits. The Company endeavours to monitor the prices of key commodities and formulates procurement strategies based on actual price movements and trends as well as the external regulatory environment and has adequate governance structures in place to align and review procurement strategies with external and internal dynamics. Since the Company has not entered into any derivative contract to hedge exposure from the fluctuations in commodity prices, no disclosure is required pursuant to SEBI circular dated 15th November, 2018.

vi. During the year, the Company did not raise funds through preferential allotment or qualified institutional placement in accordance with the Regulation 32(7A) of the SEBI Listing Regulations.

vii. The Company is in compliance with statutory requirements of Corporate Governance as specified in Regulations 17 to 27; clauses (b) to (i) of sub regulation (2) of Regulation 46 and Schedule V of the SEBI Listing Regulations.

viii. Details of the complaints received by the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during FY 2025-26 are as follows:

Particulars	Number
Number of complaints at the beginning of financial year	1
Number of complaints filed during the year	14
Number of complaints resolved during the year	14
Number of complaints pending as on 31st March, 2026	1

Notes:

(I) The total POSH complaints for FY 2025-26 on consolidated basis across the Company and its subsidiaries, forms part of the BRSR Report.

(II) In line with the statutory provisions all complaints received were investigated and closed within the statutory timelines. The outstanding complaint was resolved on 8th May, 2026.

ix. A certificate from M/s BNP & Associates, Company Secretaries, confirming that none of the directors were disqualified or debarred from being appointed or continuing as directors of the Company by the SEBI or the Ministry of Corporate Affairs or any other statutory authority is annexed as Annexure IV to this report.

x. There were no agreements to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

xi. The Company has not provided any loans and advances to any firms/companies in which directors are interested.

General Meetings

I. The details of last three annual general meetings are as follows:

Financial Year	Meeting	Date & Time	Venue	Special Resolution passed
2022-23	87th AGM	10th August, 2023 at 3.00 p.m.	Video conferencing [Deemed venue: Registered Office of the Company]	None
2023-24	88th AGM	20th August, 2024 at 3.00 p.m.		
2024-25	89th AGM	16th July, 2025 at 3.00 p.m.		

None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

Postal Ballot

i. During the year, the following special resolution was passed by the shareholders by way of postal ballot:

Date of Postal Ballot Notice	Special Resolution passed	Date of approval	No. of votes polled	Votes cast in favour		Votes cast against	
				No of votes	%	No of votes	%
23rd January, 2026	To re-appoint Mr Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) as an Independent Director of the Company	25th March, 2026	65,09,05,507	54,03,10,811	83.0091	11,05,94,696	16.9909

ii. The above Postal Ballot was conducted as per the provisions of the Act, read with the Rules framed thereunder, the SEBI Listing Regulation and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

iii. The above Postal Ballot was conducted by Mr Avinash Bagul of M/s BNP & Associates, Practicing Company Secretary (Membership No. FCS 5578 and Certificate of Practice No. 19862) as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

iv. The voting result of above Postal Ballot is available on our website at https://www.cipla.com/investors/intimation-stock-exchanges

Compliance of discretionary requirements

The Company has complied with following voluntary requirements under Regulation 27(1) read with Part E of Schedule II of the SEBI Listing Regulations:

i. The auditors have issued an unmodified opinion on the financial statements of the Company;

ii. The Chairman and the Vice-Chairman of the Board are non-executive directors and are not related to the MD&GCEO;

iii. The Chief Internal Auditor functionally reports directly to the Audit Committee; and

iv. The independent directors met five times during the year, without the presence of non-independent directors and management.

Certification by Managing Director & Global Chief Executive Officer ("MD&GCEO") and Global Chief Financial Officer ("GCFO")

The MD&GCEO and the GCFO have certified to the Board on the financial reporting and internal controls as required under Regulation 17(8), read with Part B of Schedule II of the SEBI Listing Regulations. The certificate is annexed as Annexure V to this report.

Enhanced disclosures

Cipla has always followed the highest standards of Corporate Governance and has benchmarked its governance and disclosure practices against national and international codes, guidelines and principles. Enhancing the standards of disclosures and transparency, we have voluntarily adopted the following regulations, guidelines and principles:

i. The G-20 OECD Principles of Corporate Governance.

ii. The National Guidelines on responsible business conduct principles issued by the Ministry of Corporate Affairs.

iii. The Global Reporting Initiative (GRI) standards.

iv. For the ninth year in a row, the Annual Report is prepared in accordance with the International Integrated Reporting Council's Integrated Reporting ("IR") framework. To improve its credibility, the Company has obtained an external assurance from M/s DNV Business Assurance India Private Limited on the non-financial disclosures made under the Integrated Annual Report.

Dematerialisation of Shares and Liquidity

No. of Shares

99.59% Demat

0.41% Physical

No. of Folios

99.94% Demat

0.06% Physical

General shareholder information

i. Date, Time and Venue of the AGM	Thursday, 25th June, 2026, at 2.00 p.m. through Video Conferencing ("VC") [Deemed venue: Registered Office of the Company]
ii. Financial Year	1st April to 31st March of the next calendar year
iii. Adoption of Financial Results*	
Q1-FY27: quarter ending 30th June	Friday, 24th July, 2026
Q2-FY27: quarter and half year ending 30th September	Tuesday, 27th October, 2026
Q3-FY27: quarter and nine months ending 31st December	Friday, 22nd January, 2027
Q4-FY27: quarter and financial year ending 31st March	Friday, 14th May, 2027
iv. Trading window closure for financial results	From the 1st day from close of quarter till the completion of 48 hours after the UPSI becomes generally available.
v. Record Date	Friday, 5th June, 2026
vi. Dividend and Dividend Payment Date	₹ 13/- per equity share (i.e. 650% on the face value of INR 2/-) for FY 2025-26. The Company will endeavour to pay the dividend within 7 working days but not later than 30 days from the date of the AGM. The payment of dividend will be subject to deduction of tax at source, as applicable, in compliance with the statutory requirements.
vii. Listing on Stock Exchanges	**Equity Shares:** i. Name: BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 ii. Name: National Stock Exchange of India Limited Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Global Depository Receipts ('GDRs'):** Name: Societe De La Bourse De Luxembourg ('Luxembourg Stock Exchange') Address: Societe Anonyme, 35A Boulevard Joseph II, L-1840 Luxembourg. The Company has paid the requisite annual listing fees to the National Stock Exchange of India Limited, BSE Limited and the Luxembourg Stock Exchange.
viii. DR Symbol/CUSIP	CIPLG/1729772095
ix. ISIN Number for NSDL & CDSL	INE059A01026

*Tentative schedule, subject to change

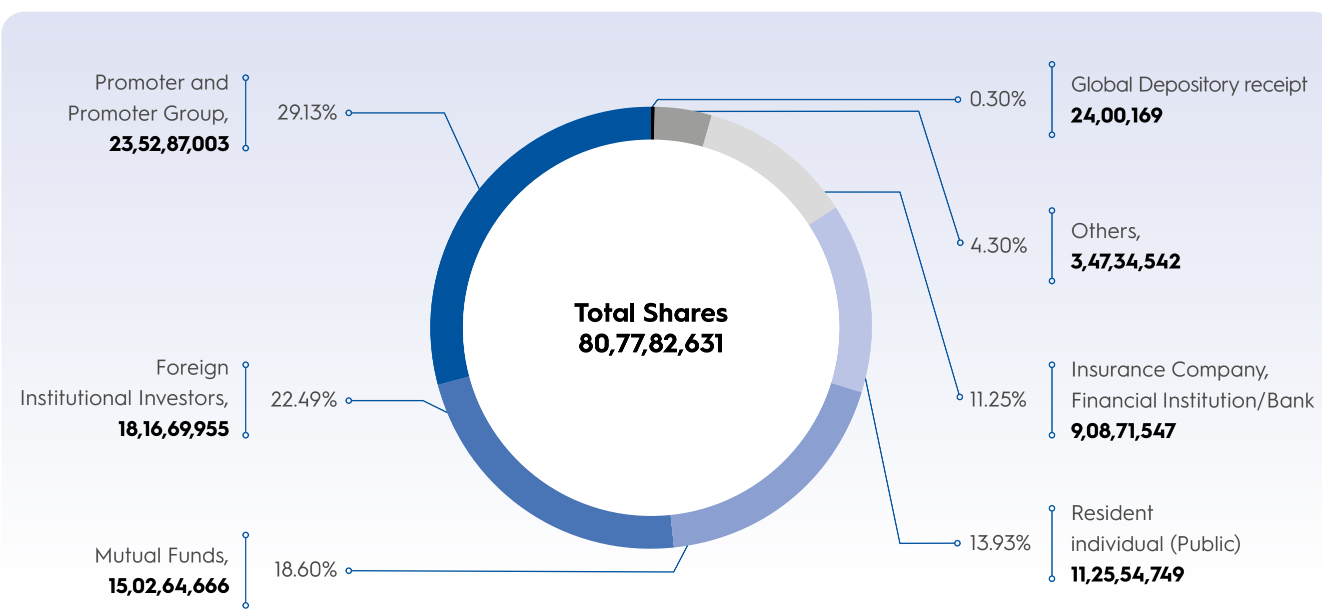
Address for correspondence

Particulars	Contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Mr Rajendra Chopra Company Secretary and Compliance Officer Email: cosecretary@cipla.com	Cipla Limited Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 4191 6000
Financial Results/ Financial Statements	Ms Diksha Maheshwari Head Investor Relations Email: investor.relations@cipla.com	
For Corporate Communication related matters	Ms Heena Kanal Chief Corporate Communication Email: corpcomm@cipla.com	
For shares related matters (Dividend, annual report, dematerialisation, KYC updation in case of physical folios, etc.)	KFin Technologies Limited (Registrar and Share Transfer Agent) Email: einward.ris@kfintech.com	Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel: +91 40 7961 5565

Distribution of shareholding as on 31st March, 2026

Category	No. of folios	% of total folios	No. of shares	% of shares
1 - 5000	5,93,760	99.28	2,92,56,421	3.62
5001 - 10000	1,299	0.22	47,05,502	0.58
10001 - 20000	862	0.15	62,84,156	0.78
20001 - 30000	384	0.06	47,13,728	0.58
30001 - 40000	234	0.04	40,45,353	0.50
40001 - 50000	180	0.03	40,41,500	0.50
50001 - 100000	421	0.07	1,50,63,462	1.87
100001 & Above	913	0.15	73,96,72,509	91.57
Total	**5,98,053**	**100**	**80,77,82,631**	**100**

Category-wise shareholding as on 31st March, 2026



Shareholders holding more than 1% of the shares including top 10 shareholders as on 31st March, 2026

Shareholder name	% of holding	Total shares
Dr Y K Hamied	18.63	15,05,21,183
Life Insurance Corporation of India	9.59	7,74,65,141
Ms Sophie Ahmed	5.69	4,59,82,000
HDFC Mutual Fund	4.34	3,50,20,124
Mr M K Hamied	3.45	2,78,44,320
SBI Mutual Fund	2.95	2,38,59,595
ICICI Prudential Mutual Fund	2.39	1,93,24,659
DSP Mutual Fund	1.77	1,43,07,255
Nippon Mutual Fund	1.69	1,36,15,393
Parag Parikh Mutual Fund	1.68	1,35,94,444
NPS Trust	1.68	1,35,81,975
Government Pension Fund Global	1.37	1,10,70,223
Mr Kamil Hamied	1.35	1,09,39,500
Vanguard Total International Stock Index Fund	1.01	81,81,015

Outstanding GDRs and Share Based Incentives Scheme

The GDRs are listed on Luxembourg Stock Exchange and the underlying equity shares are listed on BSE Limited and National Stock Exchange of India Limited. Each GDR represents one underlying equity share of the Company. As on 31st March, 2026, 24,00,169 GDRs were outstanding. The Company has not issued any American Depository Receipts (ADRs)/Warrants/convertible instruments.

During the year, the Company has granted 1,04,079 stock options and 3,54,518 stock appreciation rights to the employees of the Company under Cipla Limited Employee Stock Option Scheme 2013-A ('ESOS 2013-A') and Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR 2021') respectively. The Company allots equity shares from time to time upon exercise of stock options and stock appreciation rights by the employees. As on 31st March, 2026, 3,43,589 stock options and 10,11,772 ESARs were outstanding under ESOS 2013-A and ESAR 2021 respectively.

List of credit ratings obtained/revised

During the year, credit rating of the following instruments was done:

Instrument Type	Instrument Rating / Issuer Rating / Outlook	Rating Action	Credit rating agency
Commercial paper*	IND A1+ / IND AAA; Stable	Affirmed	India Ratings and Research Private Limited
Long-term/short-term bank facilities	CARE A1+ / CARE AAA; Stable	Reaffirmed	Care Rating Limited

*No commercial papers was issued by the Company during the year.

Plant locations of Cipla Limited as on 31st March, 2026:

Plant Type	Plant Address
Active Pharmaceutical Ingredients Manufacturing Facility	Virgonagar, Old Madras Road, Bengaluru – 560 049, Karnataka, India
	Bommasandra Jigani link road industrial area, KIADB 4th Phase, Jigani, Bengaluru- 560105, Karnataka, India
Active Pharmaceutical Ingredients and Formulations Manufacturing Facility	MIDC, Patalganga-410220, District - Raigad, Maharashtra, India
	MIDC Industrial Area, Kurkumbh-413802, Daund, District - Pune, Maharashtra, India
Formulations Manufacturing Facility	Verna Industrial Estate, Verna-403722, Salcette, Goa, India
	Village Malpur Upper, P.O. Bhud, Nalagarh, Baddi–173 205, District - Solan, Himachal Pradesh, India
	Central Pendam Block, Village Kumrek, District Pakyong, Sikkim -737132, India
	Indore SEZ, Phase II, Sector III, Pharma Zone, P.O. Pithampur – 454 774, District - Dhar, Madhya Pradesh, India
	Taza Block, Rorathang, District Pakyong, Sikkim -737133, India

Plant locations of subsidiary companies of Cipla Limited as on 31st March, 2026:

Plant Type	Plant Address
Active Pharmaceutical Ingredients Manufacturing Facility	Plot Number D-8, MIDC Industrial Area, Kurkumbh, 413802, Daund, District Pune, Maharashtra, India
Formulations Manufacturing Facility	Plot Number 344-348, Kundaim Industrial Estate, Kundaim, Goa – 403115, India
	Plot Number 352, Kundaim Industrial Estate, Kundaim, Goa – 403115, India
	L-1/1, L-1/2/2 & L-2, Additional MIDC, Satara 415004, Maharashtra, India
	Tarpin Block, Rorathang, District Pakyong, Sikkim-737133, India
	7 Oser Avenue, Hauppauge, NY, USA, ZIP – 11788
	600 Old Willets, Path Hauppauge, NY, USA, ZIP – 11788
	550 South Research Place, Central Islip, NY, USA, ZIP – 11722
	927 Currant Road, Fall River, MA, USA, ZIP - 02720
	594 Airport Rd, Fall River, MA, USA, ZIP - 02720
	18 Golden Drive Morehill Benoni, South Africa 1501
	1474 South Coast Road, Mobeni, Durban, South Africa 4052
	Oum Azza, BP 4491,11850 Aïn El Aouda, Rabat, Morocco
	Life and health industrial park, No.1 Jianghai Road, Beixin Town, Qidong City, Jiangsu Province, China – 226200
Manufacturing of Medical Devices	Plot No. 38 &39, Opp. Sagar Petrol Pump, Western Express Highway, Sativali, Tal. Vasai (E), Dist. Palghar, Maharashtra- 401208, India

Annexure I

Declaration of compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct laid down by the Company for the financial year ended 31st March, 2026.

For the purpose of this declaration, Senior Management Personnel means members of management one level below the Managing Director and Global Chief Executive Officer, Global Chief Financial Officer, functional heads, and the Company Secretary, as on 31st March, 2026.

For **Cipla Limited**

Date: 13th May, 2026
Place: Mumbai

Achin Gupta
Managing Director and Global Chief Executive Officer

Annexure II

Statutory details of Board of Directors

Name	Category	Original Date of Appointment	No. of shares held in the Company	No. of directorships held in other Indian companies as on 31st March, 2026	Name of other listed companies where he/she is a Director as on 31st March, 2026[1]	No. of Committee membership/ Chairpersonship held in other Indian public companies as on 31st March, 2026[2]	
						Membership	Chairpersonship
Dr Y K Hamied (DIN: 00029049)	Promoter Non-Executive Director	21st July, 1972	15,05,21,183	1	--	--	--
Mr Kamil Hamied (DIN: 00024292)	Promoter Group Non-Executive Director	1st November, 2024	1,09,39,500	2	--	--	--
Mr Abhijit Joshi (DIN: 07115673)	Non-Executive Director	3rd September, 2024	--	2	Navin Flourine International Limited@	--	--
Mr Adil Zainulbhai (DIN: 06646490)	Non-Executive Director	3rd September, 2024	--	4	Network18 Media & Investments Limited#	2	1
Mr Umang Vohra (DIN:02296740)	Executive Director	1st September, 2016	1,42,620	2	--	--	--
Dr Balram Bhargava (DIN: 10479707)	Independent Director	1st April 2024	--	1	--	--	--
Dr Mandar Vaidya (DIN: 09690327)	Independent Director	29th July, 2022	--	--	--	--	--
Ms Maya Hari (DIN: 01123969)	Independent Director	1st November, 2024	--	--	--	--	--
Mr P R Ramesh (DIN: 01915274)	Independent Director	1st July, 2021	--	10	Nestle India Limited@ Crompton Greaves Consumer Electricals Limited@ Tejas Networks Limited@ Larsen & Toubro Limited@ ITC Hotel Limited@ Cyient Limited@	7	4
Mr Robert Stewart (DIN: 03515778)	Independent Director	14th May, 2021	--	-	-	--	--
Ms Sharmila Paranjpe (DIN: 02328770)	Independent Director	1st September, 2024	--	2	--	--	--

[1]Category of Directorship held

@Independent Director

#Non-Executive Director

[2]Committees considered for the purpose are those prescribed under the SEBI Listing Regulations viz. Audit Committee and Stakeholders Relationship Committee of listed and unlisted Indian public companies

Annexure III

Attendance of Directors for the meeting held during the FY 2025-26

Board Members	Board Meeting	Audit Committee	NRC	SRC	CSR	IRMC	OAC	Independent Director Meeting	Present at the last AGM
Date of meeting	13-May-25, 25-Jul-25, 16-Sep-25, 30-Oct-25, 8-Jan-26, 23-Jan-26, 2-Feb-26, 19-Mar-26[1]	6-May-25, 12-May-25[2], 21-Jul-25, 24-Jul-25, 27-Oct-25, 29-Oct-25,[3] 19-Jan-26, 22-Jan-26[4] 3-Feb-26 16-Mar-26	12-May-25[2], 24-Jul-25[5], 29-Oct-25, 22-Jan-26, 3-Feb-26, 27-Feb-26	9-May-25, 23-Jul-25, 28-Oct-25, 21-Jan-26	8-May-25, 23-Jul-25, 28-Oct-25, 21-Jan-26	12-May-25, 24-Jul-25, 21-Jan-26	27-Mar-25	12-May-25, 24-Jul-25, 29-Oct-25, 8-Jan-26, 23-Mar-26	16-Jul-25
Average attendance (in %)	94.32%	100 %	91.67	91.67	100	91.67	100	93.33	100
Dr Y K Hamied	8(8)	-	-	-	-	-	-	-	Yes
Mr Abhijit Joshi	8(8)	-		-	-	2(3)	-	-	Yes
Mr Adil Zainulbhai	8(8)	-	6(6)	3(4)	4(4)	-	1(1)		Yes
Dr Balram Bhargava	8(8)	10(10)	-	4(4)	4(4)	-	-	5(5)	Yes
Mr Kamil Hamied	8(8)	-	6(6)	-	-	3(3)	1(1)	-	Yes
Dr Mandar Vaidya	8(8)		6(6)	4(4)	-	-	-	5(5)	Yes
Ms Maya Hari	8(8)	10(10)	6(6)	-	-	-	-	5(5)	Yes
Mr P R Ramesh	8(8)	10(10)	-	-	-	3(3)	-	4(5)	Yes
Mr Robert Stewart	5(8)	-	3(6)	-	-	3(3)	-	4(5)	Yes
Ms Sharmila Paranjpe	8(8)	10(10)	6(6)	-	4(4)	-	-	5(5)	Yes
Mr Umang Vohra	6(8)	-	-	-	4(4)	3(3)	1(1)	-	Yes

[1]Adjourned meeting held on 30th March, 2026

[2]Adjourned meeting held on 13th May, 2025

[3]Adjourned meeting held on 30th October, 2025

[4]Adjourned meeting held on 23rd January, 2026

[5]Adjourned meeting held on 25th July, 2025

Annexure IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Cipla Limited
Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Cipla Limited having **CIN: L24239MH1935PLC002380** and having its registered office at **Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013** (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment[1]
1	Dr Y K Hamied	00029049	21st July, 1972
2	Mr Kamil Hamied	00024292	1st November, 2024
3	Mr Umang Vohra[2]	02296740	1st September, 2016
4	Mr Adil Zainulbhai	06646490	3rd September, 2024
5	Mr Abhijit Joshi	07115673	3rd September, 2024
6	Dr Balram Bhargava	10479707	1st April, 2024
7	Mr Robert Stewart	03515778	14th May, 2021
8	Mr P R Ramesh	01915274	1st July, 2021
9	Dr Mandar Vaidya	09690327	29th July, 2022
10	Ms Maya Hari	01123969	1st November, 2024
11	Ms Sharmila Paranjpe	02328770	1st September, 2024

[1] Date of appointment of all the Directors are original date of appointment.

[2] Mr Umang Vohra ceased to be the Managing Director and Global Chief Executive Officer of the Company upon completion of his second term on 31st March, 2026.

Ensuring the eligibility of every director for appointment / continuity on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]
PR No.: 7353/2025

Avinash Bagul
Partner
FCS No.: 5578
COP No.: 19862
UDIN: F005578H000344488

Date: 13th May, 2026
Place: Mumbai

Annexure V

Certificate by CEO/CFO to the Board of Directors

We, Achin Gupta, Managing Director and Global Chief Executive Officer and Ashish Adukia, Global Chief Financial Officer hereby certify that:

A. We have reviewed financial statements and the cash flow statements for the year ended 31st March, 2026 and to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, other than the transactions reported to the Audit Committee, there are no other transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditor and the Audit Committee that:

   i. there has not been any significant change in internal control over financial reporting during the year;

   ii. there has been no significant change in accounting policies during the year; and

   iii. there have been, during the year no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Cipla Limited**

Achin Gupta
Managing Director and
Global Chief Executive Officer

For **Cipla Limited**

Ashish Adukia
Global Chief Financial Officer

Date: 12th May, 2026
Place: Mumbai

Financial Statements

Independent Auditor's Report

To the Members of **Cipla Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Cipla Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
DPCO matters: (Refer note 9 and 40A to the Standalone Financial Statements) The Company had received several demand notices/ communications from the National Pharmaceutical Pricing Authority ("NPPA") commencing from the year 1998 seeking recovery of alleged overcharging regarding scheduled drugs under the Drugs (Prices Control) Orders ("DPCO"). The Company has reviewed all the notices/ communications received which are attributable to the Company and are under litigation at various forum as follows: a) DPCO demands for certain products wherein after removing duplications, the amount covered by the notices / communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores and the Company has deposited ₹ 175.08 crores based on Hon'ble Supreme Court ("SC") judgement in 2003 and ₹ 27.07 crores in the current year under protest without prejudice to the Company's position of no amount being due towards the alleged overcharge (principal) or consequential interest.	**Our audit of DPCO matters included, but was not limited to, the following procedures:** a) Obtained an understanding of the management's process for updating the status of the matters and assessed the appropriateness of the Company's accounting policies related to provisions and contingent liabilities in accordance with Ind AS 37; b) Evaluated the design and tested the operating effectiveness of key controls around above process; c) Inspected correspondence with the Company's external legal counsel in order to corroborate our understanding of these matters, accompanied by discussions with both internal and external legal counsels. Tested the objectivity and competence of such management experts involved; d) Obtained direct confirmation from the external legal counsel handling DPCO matters with respect to the legal determination of the liability arising from such matters including demand notices which are jointly addressed to the promoter group manufacturing companies and the Company, conclusion of the matters in accordance with the requirements of Ind AS 37 and

Key audit matter	How our audit addressed the key audit matter
b) DPCO demands on products other than above, wherein based on its legal assessment, the Company carries a provision of ₹ 94.77 crores as at 31 March 2026. c) DPCO demands amounting to ₹ 9.96 crores issued jointly to 2 promoter group manufacturing companies and the Company, wherein based on its legal assessment, the Company is not the manufacturer and, accordingly, is not liable for such demands. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37'), in order to determine the amounts to be recognised as liability or to be disclosed as a contingent liability or not, is inherently subjective and needs careful evaluation and significant judgement to be applied by the management in predicting the outcome of the matter. Accordingly, DPCO matters have been considered to be a key audit matter for the current period audit.	disclosures to be made in the financial statements. Evaluated the response received from the external legal counsel to ensure that the conclusions reached are supported by sufficient legal rationale; e) Assessed the appropriateness of methods used, and the reliability of underlying data for the calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations; and f) Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of the significant litigations of the Company, in accordance with applicable accounting standards. Based on the audit procedures performed, the judgements made by the management were reasonable and disclosures made in respect of these matters were appropriate in the context of the standalone financial statements taken as a whole.
Recoverability of investments in subsidiaries: (Refer note 5 to the Standalone Financial Statements) The Company has investments of ₹ 10,682.46 crores in subsidiaries being carried at cost/ deemed cost in accordance with Ind AS 27, Separate Financial Statements. At each period end, the management reviews whether any impairment indicators exist in the carrying value of investments, in accordance with the requirements of Ind AS 36, "Impairment of Assets" ('Ind AS 36'). The Company assesses the recoverable amounts of each investment when impairment indicators exist. Management's assessment of whether there are impairment indications and estimate of the recoverable amounts of the identified investments determined through discounted cash flow valuation method requires significant judgment in carrying out the impairment assessment. The key assumptions used in management's assessment of the recoverable amounts include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure. Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment or reversals of impairment taken in prior years.	Our audit included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for identification of impairment indicators and evaluated the design and tested the operating effectiveness of key controls over such identification and impairment assessment of identified investments; b) Obtained the impairment assessment workings prepared by the management and its experts; c) Involved auditor's experts to assess the appropriateness of the valuation methodologies and the reasonableness of the assumptions used by the management's expert to determine the recoverable amounts; d) Reconciled the cash flows to the business plans approved by the respective Board of Directors of the identified investee companies; e) Evaluated and challenged management's assumptions such as implied growth rates during explicit period, terminal growth rate, targeting savings and discount rate for their appropriateness based on our understanding of the business of the respective investee companies, past results and external factors such as industry trends and forecasts; f) Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit period, terminal growth rates and discount rates; g) Tested the mathematical accuracy of the management computations; h) Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amount for each of the identified investments to evaluate sufficiency of headroom between recoverable value and carrying amount; and

Key audit matter	How our audit addressed the key audit matter
Considering the materiality and the inherent subjectivity which involves significant management judgment in predicting future cash flow projections, recoverability of investments in subsidiaries has been considered to be a key audit matter for the current period audit.	i) Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards. Based on the audit procedures performed, we determined that the management's assertion on the recoverability of investments in subsidiaries is appropriate in the context of the standalone financial statements taken as a whole.
Revenue from operations: (refer note 1.3.9 and 27 to the Standalone financial statements) The Company recognizes revenue from sales of pharmaceutical products, when control of the product is transferred. The Company records product sales net of estimated discounts, right to returns, rebates and other price adjustments. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered with customers. Further, the Company has a large number of customers operating in various geographies and sales contracts with customers have different terms relating to the recognition of revenue leading to material deductions from gross sales which includes discounts, right to return, rebates and other price adjustments in accordance with principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'). We identified the recognition of revenue from operations as a key audit matter because: a) Accrual towards discounts, right to returns, rebates and other price adjustments is complex and requires significant judgments and estimates in relation to contractual agreements/ commercial terms across various geographies. Any change in these estimates can have a significant financial impact. b) The Company considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period.	Our audit included, but was not limited to, the following procedures: a) Obtained an understanding of the management's process for revenue recognition, judgments in estimation and accounting treatment of discount schemes, returns, rebates and other price adjustments; b) Evaluated the design and tested the operating effectiveness of the key controls, including general IT controls, key IT application controls exercised by the management, over recognition of revenue and measurement of various discount, right to returns, rebates and other price adjustments; c) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/ shipping documents; d) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during specific periods before and after year end to ensure that the correct amount of revenue is recorded in the correct period; e) Obtained management workings for amounts recognised towards discount schemes, right to returns and rebates and other price adjustments during the year and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations, as per the terms of related schemes, contracts and regulations and traced the underlying data to source documents; f) Evaluated historical accuracy of the Company's estimates of year-end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias; g) Tested the manual sales-related adjustments made to revenue comprising of variable consideration under Ind AS 115 to ensure the appropriateness of revenue recognition during the year; and h) Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements in accordance with applicable accounting standards. Based on audit procedures performed, we determined that the revenue recognition and measurement is appropriate in the context of the standalone financial statements taken as a whole.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

    Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the **Annexure I** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in **Annexure I**, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in **Annexure II** wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;

        ii. The Company as detailed in note 53 to the standalone financials statements, has made provisions as at 31 March 2026, as required under applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;

        iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 46(j) and note 46(k) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46(f) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. a. The final dividend paid by the Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

b. As stated in note 49B(b) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level and at the database level with an access management tool and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention at application level since commencement of audit trail requirement from 1 April 2023 and at the database level from 7 June 2024 onwards.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 26108840FCNWJY3844

Place: Mumbai
Date: 13 May 2026

Annexure I

referred to in paragraph 16 of the Independent Auditor's Report of even date to the Members of Cipla Limited on the standalone financial statements for the year ended 31 March 2026.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 2.1 and 3 to the standalone financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not provided any guarantee or security or granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. Further, the Company has made investments, and granted unsecured loans to companies and employees during the year, in respect of which:

Particulars	**Loans (₹ In crores)**
Aggregate amount granted during the year :	
- Subsidiaries	799.56
- Employees	0.08
Balance outstanding as at balance sheet date :	
- Subsidiaries	1,836.86
- Employees	0.12

The Company has made investment in 8 entities amounting to ₹ 373.27 crores (year end balances ₹ 10,847.89 crores)

(b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies and employees.

(e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loan, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	499.45	306.13	AY 2009-10, AY 2013-14, AY 2015-16, AY 2017-18, AY 2019-20, AY 2020-21, AY 2021-22, AY 2022-23	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	33.19	33.04	AY 2014-15	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	69.30	3.55	1992-93 to 2000-01 and 2008-09 to 2016-17	CESTAT (West Zonal Bench)
Central Excise Act, 1944	Excise Duty	12.68	-	1999-00 to 2004-05	Commissioner of Excise, Pune, Raigad, Goa, Mumbai
Central Excise Act, 1944	Excise Duty	0.02	0.01	2001-02 to 2006-07	Honorable High Court, Mumbai
Central Excise Act, 1944	Excise Duty	3.61	0.73	2009-10 to 2017-18	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	74.04	3.85	2008-09 to 2017-18	CESTAT (South Zonal Bench)
Central Excise Act, 1944	Excise Duty	11.58	0.77	2011-12 to 2016-17	CESTAT (East Zonal Bench)
Central Goods and Service Tax Act, 2017	Goods and service tax	131.83	6.90	2017-18 to 2023-24	Commissioner (Appeals)
Central Goods and Service Tax Act, 2017	Goods and service tax	2.96	0.16	2019-2020 & 2021-2022	Deputy Commissioner
Central Goods and Service Tax Act, 2017	Goods and service tax	20.75	0.66	2017-18 to 2023-2024	Additional Commissioner
Central Goods and Service Tax Act, 2017	Goods and service tax	2.78	0.10	2017-2018	Joint / Additional Commissioner
Central Goods and Service Tax Act, 2017	Goods and service tax	25.80	1.26	2017-18 to 2025-26	Assistant Commissioner
Central Goods and Service Tax Act, 2017	Goods and service tax	107.84	19.41	2017-18 to 2021-22	GSTAT
Customs Act, 1962	Customs Duty	9.39	4.67	2009-10 to 2014-15	CESTAT (South Zonal Bench)
Customs Act, 1962	Customs Duty	1.80	-	2023-24	CESTAT (North Zonal Bench)
Customs Act, 1962	Customs Duty	45.68	3.54	2016-17 to 2020-21	CESTAT (West Zonal Bench)
Customs Act, 1962	Customs Duty	0.28	0.01	2017-18	Additional Commissioner

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty	4.29	0.18	2017-18 and 2022-23	Commissioner (Appeals)
Finance Act, 1994	Service Tax	38.85	1.48	2008-09 to 2012-13 and 2015-16 to 2017-18	CESTAT (West Zonal Bench)
Bihar Value Added Tax Act, 2005	Value Added Tax	0.98	0.49	2015-16	Joint Commissioner of Commercial Tax, (Appeals), Patna Central Division, Patna
Gujarat Value Added Tax	Value Added Tax	0.38	0.13	2013-14	Gujarat Value Added Tax, Tribunal, Ahmedabad Gujarat
Maharashtra Value Added Tax, 2002	Value Added Tax	0.06	-	2002-03	Joint Commissioner of Sales Tax, Nagpur
Maharashtra Value Added Tax, 2002	Value Added Tax	0.52	0.07	2007-08 and 2013-14	DY Commissioner of Sales Tax - LTU, Mazagaon, Mumbai
Telangana Value Added Tax, 2005	Value Added Tax	0.13	0.13	2005-06	Telangana Vat Appellate Authority, Hyderabad Rural Division
The Central Sales Tax 1956, UP	Central Sales Tax	0.09	0.04	2011-12	Joint Commissioner of Commercial Tax, Corporate Circle, Lucknow Zone, Lucknow
The Central Sales Tax 1956, WB	Central Sales Tax	0.02	-	2002-03	In the High Court at Calcutta, Constitutional WRIT Jurisdiction, Kolkata.
West Bengal Value Added Tax Act, 2003	Value Added Tax	0.12	0.02	2001-02 and 2005-06	The West Bengal Taxation Tribunal, Extraordinary Jurisdiction, Kolkata, West Bengal

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of other than ongoing project as at the end of the financial year.

(b) In our opinion and according to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act:

Financial year	Amount unspent on CSR activities for "On going Projects" (₹ In crores)	Amount transferred to Special Account within 30 days from the end of the Financial Year (₹ in crores)	Amount Transferred after the due date (₹ in crores)	Date of Transfer
FY 2025-26	12.04	12.04	-	29 April 2026
FY 2024-25*	1.47	1.47	-	31 March 2026 2 April 2026

*Remained unspent post release of such funds in the current year pertaining to the amounts deposited in the previous year in a special account.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 26108840FCNWJY3844

Place: Mumbai
Date: 13 May 2026

Annexure II to the Independent Auditor's Report of even date to the Members of Cipla Limited on the Standalone Financial Statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Cipla Limited ('the Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2026, based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 26108840FCNWJY3844

Place: Mumbai
Date: 13 May 2026

Standalone Balance Sheet

as at 31st March, 2026

₹ in Crores

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
Assets			
1. Non-current assets			
(a) Property, plant and equipment	2.1	3,631.03	3,347.53
(b) Right-of-use assets	2.2	151.42	160.11
(c) Capital work-in-progress	2.4	720.23	523.11
(d) Investment property	3	1.51	112.87
(e) Intangible assets	4	1,409.85	257.12
(f) Intangible assets under development	4	257.36	115.29
(g) Financial assets			
(i) Investments	5	10,847.89	10,501.68
(ii) Loans	6	1,410.10	975.54
(iii) Other financial assets	7	1,174.84	375.97
(h) Non-current tax assets (net)	8	473.86	408.89
(i) Deferred tax assets (net)	8	50.23	19.88
(j) Other non-current assets	9	452.75	358.96
Total non-current assets		**20,581.07**	**17,156.95**
2. Current assets			
(a) Inventories	10	4,353.71	3,607.12
(b) Financial assets			
(i) Investments	11	6,768.44	6,849.31
(ii) Trade receivables	12	3,396.74	3,859.99
(iii) Cash and cash equivalents	13	248.80	82.74
(iv) Bank balances other than cash and cash equivalents	14	269.80	195.71
(v) Loans	15	426.88	213.87
(vi) Other financial assets	16	1,406.41	2,885.37
(c) Other current assets	17	1,041.24	675.11
Total current assets		**17,912.02**	**18,369.22**
3. Assets classified as held for sale	2.3	**-**	**39.55**
Total assets		**38,493.09**	**35,565.72**
Equity and liabilities			
1. Equity			
(a) Equity share capital	18	161.56	161.52
(b) Other equity	19	34,039.55	31,937.72
Total equity		**34,201.11**	**32,099.24**
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	2.2	78.88	86.18
(ii) Other financial liabilities	20	180.94	35.53
(b) Provisions	21	115.57	109.12
(c) Other non-current liabilities	22	44.81	52.23
Total non-current liabilities		**420.20**	**283.06**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	10.60	-
(ii) Lease liabilities	2.2	35.49	31.20
(iii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		160.35	218.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,901.20	1,665.31
(iv) Other financial liabilities	25	696.61	235.11
(b) Other current liabilities	26	135.30	200.54
(c) Provisions	21	932.23	777.25
(d) Current tax liabilities (net)	8	-	55.61
Total current liabilities		**3,871.78**	**3,183.42**
Total liabilities		**4,291.98**	**3,466.48**
Total equity and liabilities		**38,493.09**	**35,565.72**

The accompanying notes form an integral part of these standalone financial statements. 1-55

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Standalone Statement of Profit and Loss

for the year ended 31st March, 2026

₹ in Crores

Particulars	Notes	For the year ended 31st March, 2026	For the year ended 31st March, 2025
1 Revenue from operations			
(a) Revenue from sale of products	27	17,094.67	16,111.45
(b) Other operating revenue	28	1,885.28	2,933.40
Total revenue from operations		**18,979.95**	**19,044.85**
2 Other income	29	1,122.65	984.72
3 Total income (1+2)		**20,102.60**	**20,029.57**
4 Expenses			
(a) Cost of materials consumed	30	3,992.34	3,642.84
(b) Purchases of stock-in-trade	31	2,587.97	2,056.75
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(596.45)	(229.87)
(d) Employee benefits expense	33	3,350.48	3,054.87
(e) Finance costs	34	19.30	15.11
(f) Depreciation, impairment and amortisation expenses	35	658.43	573.89
(g) Impairment of investment in associate	36	31.00	-
(h) Other expenses	37 (a)	5,179.22	4,741.82
Total expenses		**15,222.29**	**13,855.41**
5 Profit before exceptional items and tax (3-4)		**4,880.31**	**6,174.16**
6 Exceptional items (Loss)/Gain	37 (b)	**(244.37)**	**294.66**
7 Profit before tax (5+6)		**4,635.94**	**6,468.82**
8 Tax expense/(credit) (net)	8		
(a) Current tax		1,101.90	1,360.32
(b) Deferred tax		18.86	(49.15)
Total tax expense (net)		**1,120.76**	**1,311.17**
9 Net profit after tax for the year (7-8)		**3,515.18**	**5,157.65**
10. Other comprehensive income/(loss) for the year	19		
a) (i) Items that will not be reclassified to profit or loss		(12.60)	(16.82)
(ii) Income tax on items that will not be reclassified to profit or loss		3.17	4.24
b) (i) Items that will be reclassified to profit or loss		(182.91)	3.47
(ii) Income tax on items that will be reclassified to profit or loss		46.04	(0.87)
Total other comprehensive income/ (loss) for the year		**(146.30)**	**(9.98)**
11 Total comprehensive income for the year (9+10)		**3,368.88**	**5,147.67**
12 Earnings per equity share (face value of ₹ 2 each)	50		
a) Basic (in ₹)		43.52	63.87
b) Diluted (in ₹)		43.49	63.82

The accompanying notes form an integral part of these standalone financial statements. 1-55

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Standalone Statement of Changes in Equity

for the year ended 31st March, 2026

(a) Equity share capital (refer note 18)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	161.52	161.47
Changes in equity share capital during the year on exercise of employee stock options (ESOS & ESAR)	0.04	0.05
Balance at the end of the year	**161.56**	**161.52**

(b) Other Equity (refer note 19)

₹ in Crores

Particulars	Share application money pending allotment	Attributable to the owners of the Company							Total
		Reserves and surplus					Items of other comprehensive income		
		Capital reserve	Securities premium	General reserve	Share options out-standing account (ESOS/ ESAR)	Retained earnings#	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges	
Balance as at 1st April, 2024	**0.00**	**0.08**	**1,672.84**	**3,145.00**	**44.03**	**22,950.83**	**(7.51)**	**7.18**	**27,812.45**
Profit for the year	-	-	-	-	-	5,157.65	-	-	**5,157.65**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(12.96)	0.38	2.60	**(9.98)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**5,144.69**	**0.38**	**2.60**	**5,147.67**
Share application money pending allotment*	0.00	-	-	-	-	-	-	-	**0.00**
Payment of dividend (refer note 49)	-	-	-	-	-	(1,049.83)	-	-	**(1,049.83)**
Exercise of employee stock options	-	-	19.76	-	(19.76)	-	-	-	**-**
Share based payments expense (refer note 43)	-	-	-	-	27.43	-	-	-	**27.43**
Balance as at 31st March, 2025	**0.00**	**0.08**	**1,692.60**	**3,145.00**	**51.70**	**27,045.69**	**(7.13)**	**9.78**	**31,937.72**
Profit for the year	-	-	-	-	-	3,515.18	-	-	**3,515.18**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(13.52)	4.09	(136.87)	**(146.30)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**3501.66**	**4.09**	**(136.87)**	**3,368.88**

Standalone Statement of Changes in Equity

for the year ended 31st March, 2026

₹ in Crores

Particulars	Share application money pending allotment	Attributable to the owners of the Company							Total
		Reserves and surplus					Items of other comprehensive income		
		Capital reserve	Securities premium	General reserve	Share options out-standing account (ESOS/ ESAR)	Retained earnings#	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges	
Share application money pending allotment*	0.00	-	-	-	-	-	-	-	**0.00**
Payment of dividend (refer note 49)	-	-	-	-	-	(1,292.40)	-	-	**(1,292.40)**
Exercise of employee stock options	-	-	14.54	-	(14.54)	-	-	-	**-**
Transfer to general reserve	-	-	-	0.01	(0.01)	-	-	-	**-**
Share based payments expense (refer note 43)	-	-	-	-	25.35	-	-	-	**25.35**
Balance as at 31st March, 2026	**0.00**	**0.08**	**1,707.14**	**3,145.01**	**62.50**	**29,254.95**	**(3.04)**	**(127.09)**	**34,039.55**

*represent share application money pending allotment of ₹ 638 for 319 number of shares (31st March 2025: ₹ 9,144 for 4,572 number of shares).

#Remeasurement gain/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

There are no prior period errors, and hence disclosure with respect to the restatement of the opening balance of "Equity share capital" and "Other equity" is not applicable

The accompanying notes form an integral part of these standalone financial statements. 1-55

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Standalone Statement of Cash Flows

for the year ended 31st March, 2026

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cash flow from operating activities		
Profit before tax:	**4,635.94**	**6,468.82**
Adjustments for:		
Depreciation, impairment and amortisation expenses	658.43	573.89
Impairment of Investment in associate	31.00	-
Finance costs	19.30	15.11
Unrealised foreign exchange gain (net)	(21.26)	(1.46)
Share based payment expense	24.94	27.15
Allowances for credit loss (net)	(0.09)	(1.89)
Interest income on income tax refund	(0.07)	(8.83)
Interest income on bank deposits and others	(280.19)	(390.82)
Dividend income	(209.66)	(99.27)
Sundry balance written off / (back) (net)	3.46	(5.50)
Net gain on sale of current investments carried at fair value through profit or loss	(309.47)	(143.13)
Net fair value gain on financial instruments at fair value through profit or loss	(122.86)	(237.02)
Net (gain)/loss on sale/disposal of property, plant and equipment and intangible asset	(30.83)	1.85
Rent income	(8.04)	(15.73)
Reversal of impairment of Investment in subsidiary	-	(294.66)
Operating profit before working capital changes	**4,390.60**	**5,888.51**
Adjustments for working capital:		
Increase in inventories	(746.59)	(352.85)
Decrease / (increase) in trade receivables	649.10	(1,126.58)
(Increase) / decrease in other receivables	(463.93)	2.19
Increase in trade payables	158.30	202.56
Increase in other payables and provisions	66.62	45.52
Cash generated from operations	**4,054.10**	**4,659.35**
Income taxes paid (net of refunds)	(1,222.41)	(1,358.36)
Net cash generated from operating activities (a)	**2,831.69**	**3,300.99**
Cash flow from investing activities		
Purchase of property, plant and equipment {refer note (ii) below}	(780.69)	(571.06)
Purchase of intangible assets (including intangible asset under development)	(1,388.13)	(157.62)
Proceeds from sale of property, plant and equipment {refer note (ii) below}	9.36	23.72
Proceeds from sale of Intangible assets	44.05	-
Proceeds/advance received from sale of assets classified as held for sale	26.15	11.09
Investments in associates	(5.01)	(6.00)
Investments in subsidiaries	(227.70)	(882.80)
Purchase of Non current investments	(17.37)	(17.83)
Sale/ (purchase) of current investments (net)	513.20	(2,085.57)
Change in other bank balance and cash not available for immediate use	493.32	(158.38)
Long term loan given to subsidiaries	(786.56)	(493.37)
Short term loan given to subsidiaries	(13.00)	-
Proceeds from loan given to subsidiaries	294.80	1,500.27
Interest received	275.85	415.13
Dividend received	209.66	99.27
Rent received	7.98	14.62
Net cash used in investing activities (b)	**(1,344.09)**	**(2,308.53)**

Standalone Statement of Cash Flows

for the year ended 31st March, 2026

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cash flow from financing activities		
Proceeds from issue of equity shares (ESOS & ESAR)	0.04	0.05
Proceeds from current borrowings (net)	10.60	-
Principal payment of lease liabilities	(25.16)	(14.76)
Interest paid {including interest on lease liability ₹ 11.84 Crores (31st March 2025: ₹ 6.50 Crores)}	(14.98)	(9.39)
Dividend paid	(1,292.40)	(1,049.83)
Net cash used in financing activities (c)	**(1,321.90)**	**(1,073.93)**
Net increase / (decrease) in cash and cash equivalents (a+b+c)	**165.70**	**(81.47)**
Cash and cash equivalents at the beginning of the year	82.74	164.52
Exchange difference on translation of foreign currency cash and cash equivalents	0.36	(0.31)
Cash and cash equivalents at the end of the year (refer note 13)	**248.80**	**82.74**

Notes:

i. The above statement of cash flow from operating activities has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7-Statement of Cash Flows.

ii. Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment and investment properties adjusted for movement of capital work in progress, capital advances, capital creditors during the year.

iii. For reconciliation of borrowings and lease liability, refer note 23 & note 2.2.

The accompanying notes form an integral part of these standalone financial statements (note 1-55).

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Notes to the Standalone Financial Statements

Corporate information

Cipla Limited (Corporate identity number: L24239MH1935PLC002380) ("Cipla" or "the Company") having registered office at Cipla house, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, is a public company incorporated and domiciled in India. The Company is in the business of manufacturing, developing, and marketing wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Company has its wide network of manufacturing, trading and other incidental operations in India and International markets. Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Global Depository Receipts are listed on Luxembourg Stock Exchange.

Note 1: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information

1.1 Basis of Preparation and Measurement

(i) Compliance with Indian Accounting Standards (Ind AS)

The standalone financial statements of the Company as at and for the year ended 31st March, 2026 have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, and other relevant provisions of the Act and accounting principles generally accepted in India.

(ii) Consistency of accounting policy and going concern

The accounting policies are applied consistently to all the periods presented in the standalone financial statements. These financial statements have been prepared on a going concern basis.

(iii) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (₹) which is also the functional currency. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest crore or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹ 50,000/- is presented as ₹ 0.00 Crore.

(iv) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Derivative financial instruments and contingent consideration is measured at fair value;
- Assets held for sale – measured at lower of carrying value and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments – measured at fair value; and
- Asset and liabilities assumed as part of business combination – measured at fair value

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1 - Presentation of Financial Statements.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are always disclosed as non-current.

1.2 Key accounting estimates and Judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

1.2.1 Judgements

(i) Leases

Ind AS 116 - Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Notes to the Standalone Financial Statements

(ii) Income taxes

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Research and developments costs

Research and development (R&D) expenses are fully charged to "Other expenses" in the standalone statement of profit and loss in the period in which they are incurred. The Company considers that regulatory and other uncertainties inherent in the development of new products preclude the capitalization of internal development expenses as an intangible asset until marketing approval from a regulatory authority is obtained in a major market.

Payments made to third parties, such as contract research and development organizations in compensation for subcontracted R&D, that are deemed not to transfer intellectual property to Company are expensed as R&D expenses in the period in which they are incurred. Such payments are only capitalized if they meet the criteria for recognition of an internally generated intangible asset, usually when marketing approval has been received from a regulatory authority in a major market.

Payments made to third parties to in-license or acquire intellectual property rights, compounds and products, including initial upfront and subsequent milestone payments, are capitalized, as are payments for other assets, such as technologies to be used in R&D activities. If additional payments are made to the originator company to continue performing R&D activities, an evaluation is made as to the nature of the payments. Such additional payments will be expensed if they are deemed to be compensation for subcontracted R&D services not resulting in an additional transfer of intellectual property rights to Company. Such additional payments will be capitalized if they are deemed to be compensation for the transfer of additional intellectual property developed at the risk of the originator company. Subsequent internal R&D costs in relation to IPR&D and other assets are expensed, since the technical feasibility of the internal R&D activity can only be demonstrated by the receipt of marketing approval for a related product from a regulatory authority in a major market.

(iv) Provisions and contingent liabilities

The Company exercises judgement in determining if a particular matter is possible, probable or remote. The Company also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(v) Business Combinations

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. In assessing control, potential voting rights are considered only if the rights are substantive.

1.2.2 Estimates

(i) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's

Notes to the Standalone Financial Statements

expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(ii) Refund liabilities

The Company accounts for sales returns accrual by recording refund liabilities concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

At the time of recognising the refund liability, the Company also recognises an asset, (i.e., the right to the returned goods to the extent goods are saleable in market) which is included in inventories for the products expected to be returned and sold. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(iii) Provision for rebates and discounts

Provisions for rebates, discounts and other deductions are estimated and provided for in the year of sales and recorded as reduction of revenue. Provisions for such rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with customers.

(iv) Inventories obsolescence

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

(v) Expected credit loss

In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

(vi) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Notes to the Standalone Financial Statements

(vii) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(viii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.3 Material Accounting Policy information

1.3.1 Property, plant and equipment and Capital work-in-progress

(i) Recognition and measurement

Property, plant and equipment, is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes net of trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Freehold land has an unlimited useful life and therefore is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control business combination, are recognised at fair value at the acquisition date. Property, plant and equipment acquired under common control business combination are recognised at carrying value at the acquisition date.

Subsequent costs (including cost of replacing parts) are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone statement of profit and loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under 'Other Non-Current Assets'.

Software for internal use, which is primarily acquired from third-party vendors, and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on property, plant, and equipment (other than freehold land) is calculated on pro-rata on the straight line method based on the useful life of the assets as indicated under Part C of Schedule II of the Companies Act 2013 except for certain assets where management believes and based on the technical evaluation and assessment that the useful lives adopted by it best represent the period over which an asset is expected to be available for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate and adjusted prospectively.

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The estimated useful lives are as follows:

Property, plant and equipment	Useful Life
Buildings – Factory and Administrative Buildings	25 to 40 years
Buildings – Ancillary structures	3 to 10 years
Plant and equipment	2 to 20 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	4 to 8 years
Computers	3 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss.

1.3.2 Intangible assets

(i) Recognition and measurement

Intangible assets comprises of marketing intangibles, trademarks, technical know-how, brands, customer relationship, computer software, product related intangibles, distribution network and non – compete rights acquired separately are measured on initial recognition at cost. The cost of intangibles acquired in a business combination is their fair value at the date of acquisition. Further, payments to third parties for in-licensed products, generally take the form of up-front and milestones payments and are capitalised following a cost accumulation approach to variable payments (milestones) when receipt of economic benefits out of the separately purchased transaction is considered to be probable. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Internally generated intangibles are not capitalised and the related expenditure is reflected in the standalone statement of Profit and Loss in the period in which expenditure is incurred.

(ii) In-Process Research and Development assets ("IPR&D") or Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

(iii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the standalone statement of profit and loss.

(iv) Amortisation

The Company amortises intangible assets with a finite useful life using the straight-line method over the following useful lives:

Intangible assets	Useful Life
Marketing intangibles	2 to 25 years
Trademarks	2 to 15 years
Technical Know-how	2 to 15 years
Brands	2 to 15 years
Computer software	2 to 6 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite life is recognised in standalone statement of profit and loss under the head depreciation, impairment and amortisation expense.

(v) De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

1.3.3 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment properties. Investment property is measured initially at its cost, including related

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transaction costs and borrowing costs where applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 5-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in standalone statement of profit and loss in the period of derecognition.

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, and Property, plant & equipment do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes

1.3.4 Discontinued operations and assets classified as held for sale

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as standalone statement of profit and loss after tax from discontinued operations in the statement of profit or loss.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and the asset is available for immediate sale in its present condition. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal Company classified as held for sale are presented separately from other liabilities in the Balance Sheet.

1.3.5 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31st March.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the standalone statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

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An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

1.3.6 Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3.7 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress, stock-in-trade and finished goods and are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost of inventories is determined on a weighted average basis.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold below cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of consumables, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process

1.3.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in standalone statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

Export benefits and other incentives from government authority are recognised in the standalone statement of profit and loss as other operating revenue in the year in which the right to receive is established as per the terms of the scheme in respect of the exports made by the Company with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.3.9 Revenue recognition

(i) Sale of products

The Company recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of estimated incentives, returns, rebates, sales tax and applicable trade discounts, allowances, Goods and Services Tax (GST) and amounts collected on behalf of third parties.

Variable consideration are estimated and accounted in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. The Company estimates the amount of variable consideration using the expected value method or historical record of performance of similar contracts.

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(ii) Sales by clearing and forwarding agents

Revenue from sales of generic products in India is recognised upon delivery of products to distributors by clearing and forwarding agents of the Company. Control in respect of ownership of generic products are transferred by the Company when the goods are delivered to distributors from clearing and forwarding agents. Clearing and forwarding agents are generally compensated on a commission basis as a percentage of sales made by them.

(iii) Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more components, the Company accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Company can make a reasonable estimate of the fair value of the undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Company has pending performance obligations.

Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

The Company estimates variable consideration in the form of sales-based milestones by using the expected value or most likely amount method, depending upon which method the Company expects to better predict the amount of consideration to which it will be entitled.

(iv) Service fee

Revenue from services rendered is recognised in the standalone statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(v) Profit sharing revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

(vi) Contract balances

Contract assets - A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

Contract liabilities- A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.10 Other income (interest income, Dividend and Others)

(i) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate

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that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Dividends

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iii) Other (other than interest and dividend income)

Other Income consists of rent income, insurance claim, vendor settlement income and miscellaneous income and is recognised when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably

1.3.11 Employee Benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are measured on undiscounted basis. Benefits such as salaries, wages, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Post-retirement contribution plans such as Employees' Pension scheme, Labour Welfare Fund, Employee State Insurance Corporation (ESIC) are charged to the standalone statement of profit and loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

(iii) Defined benefit plans

a) Employee's provident fund

In accordance with the Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to "Cipla Limited Employee's Provident Fund Trust", a Trust set up by the Company to manage the investments and distribute the amounts to employees at the time of separation from the Company or retirement, whichever is earlier. This plan is a defined benefit obligation plan as the Company is obligated to provide its members a rate of return which should, at a minimum, meet the interest rate declared by the government-administered provident fund. A part of the Company's contribution is transferred to the government-administered pension fund. The contributions made by the Company and the shortfall of interest, if any, on the basis of an actuarial valuation are recognised in accordance with Ind AS 19 "Employee Benefits".

b) Gratuity obligations

Post-retirement benefit plans such as gratuity for eligible employees of the Company are calculated using projected unit credit method on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to the standalone statement of profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the standalone statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the standalone statement of profit and loss as past service cost.

(iv) Other benefit plans

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent

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actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the standalone statement of profit and loss and are not deferred.

(v) Termination benefits

Termination benefits are recognised in the standalone statement of profit and loss at the earlier of the following dates:

(a) when the Company can no longer withdraw the offer of those benefits; or

(b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value in the standalone statement of profit and loss.

(vi) Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

1.3.12 Share based payments

The Company operates equity-settled share based remuneration plans for its employees.

The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102-Share based Payment. For share entitlement granted by the Company to its employees, the estimated fair value as determined on the date of grant, is charged to the standalone statement of Profit and Loss on a straight line basis over the vesting period and assessment of performance conditions if any, with a corresponding increase in equity.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

1.3.13 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognised in the standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The Company recognises deferred tax liability for all taxable

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temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Company is able to control the timing of the reversal of the temporary difference;
- and It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

(iii) Uncertain tax positions

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

1.3.14 Leases

The Company's lease asset classes primarily consist of leases for land, Plant and equipments, buildings and flat, vehicle and computers. The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Company has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases of low value assets. For these leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for onerous contracts

A provision for onerous contracts is recognised in the standalone statement of profit and loss when the expected

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benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

1.3.17 Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

All financial assets excluding trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Company commits to purchase or sell the financial assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "Revenue from Contracts with Customers".

(b) Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- The Company's business model for managing the financial asset and
- The contractual cash flow characteristics of the financial asset:

Based on the above criteria, the Company classifies its financial assets into the following categories:

a) Debt instruments at amortised cost;

b) Debt instruments at FVTOCI;

c) Debt instruments, derivatives and equity instruments at FVTPL; and

d) Equity instruments measured at FVTOCI.

(i) Debt instruments at amortised cost

A 'debt instrument' is subsequently measured at the amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the standalone statement of profit and loss.

(ii) Debt instrument at fair value through other comprehensive income (FVTOCI)

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instrument at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does

Notes to the Standalone Financial Statements

not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all the changes in the standalone statement of profit and loss.

(iv) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the standalone statement of profit and loss.

(c) De-recognition

A financial asset is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(d) Impairment of financial assets (trade receivables and other financial assets)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. In respect of other financial assets (e.g. deposits, bank balances etc.) the Company generally invests in instruments with high credit rating and consequently low credit risk. In the unlikely event that the credit risk increases significantly from inception of investment, lifetime ECL is used for recognising impairment loss on such assets.

Notes to the Standalone Financial Statements

(ii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(c) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/ loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

(d) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss. After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

(e) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

(iii) Derivative financial instruments

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Fair value hedges:

The Company uses derivative forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as

Notes to the Standalone Financial Statements

financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to standalone statement of profit and loss.

Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expire or sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

Cash flow hedge:

The Company classifies its foreign exchange forward and currency options contracts that hedge foreign currency risk associated with highly probable forecasted as cash flow hedges and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the standalone statement of profit and loss and is included in the 'Other income/ expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the standalone statement of profit and loss in the periods when the hedged item affects standalone statement of profit and loss, in the same line as the recognised hedged item.

When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain/loss at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain/loss that was reported in equity are immediately reclassified to standalone statement of profit and loss.

(iv) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model as per Ind AS 109 – Financial Instruments; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.3.19 Business combinations

The Company accounts for business combinations using acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as capital reserve. Consideration transferred includes the fair values of the

Notes to the Standalone Financial Statements

assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships and employee service-related payments. Any goodwill that arises on account of such business combination is tested annually for impairment.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the standalone statement of profit and loss or OCI, as appropriate.

Any contingent consideration is measured at fair value at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the statement of profit and loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

Business Combination involving entities or businesses under common control is accounted for using the pooling of interest method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

1.3.20 Exceptional Items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in standalone statement of profit and loss and in the notes forming part of the standalone financial statements.

1.3.21 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2026, MCA has notified following Amendment to Ind AS, applicable to the Company w.e.f. 1st April, 2025.

- Ind AS – 21 The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability
- Ind AS 12 - Income Taxes relating to International Tax Reform – Pillar Two Model Rules – Exception to recognition and disclosure of deferred tax.
- Amendments to Ind AS 7 – Cash flow statement and Ind AS 107 – Financial Instrument Disclosures relating to supplier finance arrangements
- Ind AS 1-Presentation of Financial Statements-Classification of Liabilities as current or non- current and non- current liabilities with covenants.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its Standalone financial statements.

1.3.22 New and amended standards issued but not effective:

The MCA has issued certain amendments to Indian Accounting Standards which are not yet effective as at 31st March, 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Standalone Financial Statements

Note 2.1: Property, plant and equipment

₹ in Crores

Particulars	Freehold land[iv]	Buildings and flats [i & iv]	Plant and equipment[ii]	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying value							
Balance as at 1st April, 2024	**44.48**	**1,937.33**	**4,734.20**	**118.59**	**121.93**	**8.74**	**6,965.27**
Additions for the year	5.36	28.86	467.09	9.71	26.05	1.21	538.28
Transfer from investment property (refer note 3)	-	0.34	-	-	-	-	0.34
Transferred from assets classified as held for sale (refer note 2.3)	-	0.09	40.01	0.68	0.18	-	40.96
Deletions and adjustments during the year	-	(0.64)	(111.74)	(1.81)	(6.82)	(0.45)	(121.46)
Balance as at 31st March, 2025	**49.84**	**1,965.98**	**5,129.56**	**127.17**	**141.34**	**9.50**	**7,423.39**
Additions for the year	0.51	25.93	548.32	9.10	32.81	1.47	618.14
Transfer from investment property (refer note 3)	-	132.84	1.36	1.91	2.37	-	138.48
Transferred from assets classified as held for sale (refer note 2.3)	-	-	8.41	0.51	1.08	-	10.00
Deletions and adjustments during the year	-	(1.62)	(79.17)	(0.25)	(2.68)	(0.73)	(84.45)
Balance as at 31st March, 2026	**50.35**	**2,123.13**	**5,608.48**	**138.44**	**174.92**	**10.24**	**8,105.56**
Accumulated depreciation and impairment							
Accumulated balance as at 1st April, 2024	**-**	**498.29**	**3,012.62**	**82.81**	**87.84**	**5.40**	**3,686.96**
Depreciation charge for the year	-	58.57	369.54	7.13	10.48	0.71	446.43
Impairment charge for the year [iii]	-	0.48	2.91	-	-	-	3.39
Transfer from investment property (refer note 3)	-	0.07	-	-	-	-	0.07
Transferred from assets classified as held for sale (refer note 2.3)	-	0.06	34.23	0.45	0.16	-	34.90
Deletions and adjustments during the year	-	(0.38)	(87.17)	(1.60)	(6.32)	(0.42)	(95.89)
Accumulated balance as at 31st March, 2025	**-**	**557.09**	**3,332.13**	**88.79**	**92.16**	**5.69**	**4,075.86**
Depreciation charge for the year	-	60.44	352.14	7.06	15.47	0.71	435.82
Impairment charge for the year [iii]	-	0.04	1.62	-	0.08	-	1.74
Transfer from investment property (refer note 3)	-	22.92	1.29	1.81	2.22	-	28.24
Transferred from assets classified as held for sale (refer note 2.3)	-	-	6.79	0.40	0.98	-	8.17
Deletions and adjustments during the year	-	(1.14)	(70.94)	(0.17)	(2.40)	(0.65)	(75.30)
Accumulated balance as at 31st March, 2026	**-**	**639.35**	**3,623.03**	**97.89**	**108.51**	**5.75**	**4,474.53**
Net carrying Value							
As at 31st March, 2026	**50.35**	**1,483.78**	**1,985.45**	**40.55**	**66.41**	**4.49**	**3,631.03**
As at 31st March, 2025	**49.84**	**1,408.89**	**1,797.43**	**38.38**	**49.18**	**3.81**	**3,347.53**

i. The gross value of buildings and flats include the cost of shares in co-operative housing societies.

ii. The above additions to property, plant and equipment during the year includes ₹ 25.88 crores (31st March, 2025: ₹ 32.63 crores) used for research and development (refer note 38).

iii. The impairment charge for the year ₹ 1.74 crores (31st March, 2025: ₹ 3.39 crores) includes impairment charge on certain assets that have been assessed as non-usable by the management and has been recorded at scrap value less cost to sell.

iv. The title deeds of the immovable properties are held in the name of the Company.

v. The Company has not revalued its property, plant and equipment.

vi. The Company has not created any charge on its property, plant and equipment.

Notes to the Standalone Financial Statements

Note 2.2: Right-of-use assets

Following are the changes in the carrying value of right of use assets:

₹ in Crores

Particulars	Category of ROU asset			
	Land	Buildings and Flats	Plant and equipment	Total
Balance as at 1st April, 2024	**56.86**	**34.86**	**0.36**	**92.08**
Additions during the year	-	86.61	-	86.61
Depreciation charge for the year	(2.08)	(16.46)	(0.04)	(18.58)
Balance as at 31st March, 2025	**54.78**	**105.01**	**0.32**	**160.11**
Additions during the year	1.04	22.15	-	23.19
Depreciation charge for the year	(2.07)	(29.77)	(0.04)	(31.88)
Balance as at 31st March, 2026	**53.75**	**97.39**	**0.28**	**151.42**

i. The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company.

ii. The Company has not revalued its Right-of-use assets.

iii. The weighted average incremental borrowing rate applied to lease liability is in the range of 8.30% to 12.45% (31st March, 2025: 8.70% to 12.45%).

Note 2.2: Right-of-use assets (Contd..)

The following is the break-up of current and non-current lease liabilities:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current lease liabilities	35.49	31.20
Non-current lease liabilities	78.88	86.18
Total	**114.37**	**117.38**

The following is the movement in lease liabilities:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening balance	**117.38**	**45.55**
Additions during the year	22.15	86.61
Deletions, modifications and adjustments during the year	-	(0.02)
Finance cost accrued during the year (refer note 34)	11.84	6.50
Payment of lease liabilities (outflow)	(37.00)	(21.26)
Closing balance	**114.37**	**117.38**

The above movement in lease liability is also the reconciliation of borrowings as per Ind AS 7.

Note 2.2: Right-of-use assets (Contd..)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Less than one year	37.18	32.40
One to five years	87.93	95.43
More than five years	17.45	20.69
Total	**142.56**	**148.52**
Less: Financial component	(28.19)	(31.14)
	114.37	**117.38**

Right-of-use asset	Range of remaining term	
	As at 31st March, 2026	As at 31st March, 2025
Leasehold land	4 to 89 years	5 to 90 years
Buildings and flats	1 to 9 Years	1 to 10 Years
Plant and equipment	7 Years	8 Years

Rental expense recorded for short-term and low-value leases during the year is ₹ 49.50 crores (31st March, 2025: ₹ 53.07 crores)

The aggregate depreciation on Right-of-use assets has been included under depreciation, impairment and amortisation expense in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

Note 2.2: Right-of-use assets (Contd..)

Where Company is lessor-

The Company has given certain premises under operating lease or leave and license agreement. The Company retains substantially all risks and benefits of ownership of the leased asset and hence classified as operating lease. Lease income on such operating lease is recognised in profit or loss under 'Rent' in Note 29 - Other income.

Note 2.3: Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Property, plant and equipment*	-	37.32
Capital work-in-progress	-	2.23
Total	**-**	**39.55**

*net of accumulated depreciation and amortisation and movements during the year

Movement of Asset classified as held for sale

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening Balance	39.55	48.96
Derecognition of asset on completion of sale transaction	(37.24)	-
Transfer to property, plant and equipment (net of depreciation)	(1.83)	(6.06)
Transfer to Capital Work in Progress	-	(0.02)
Impairment during the year (refer note 35)	(0.35)	(3.33)

Note 2.3: Assets classified as held for sale (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Assets written off during the year	(0.13)	-
Closing Balance	**-**	**39.55**

During the previous year, the Company signed an asset sale agreement to sell a part of its manufacturing facility at Goa. Accordingly, the related assets were classified as a disposal group held for sale as at 31st March, 2025. In the current year, the sale transaction has been completed upon satisfaction of the conditions specified in the asset sale agreement, and consequently, the related assets have been derecognised from the Balance sheet.

Note 2.4: Details of capital work-in-progress

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**523.11**	**580.90**
Additions during the year	817.29	490.22
Capitalised during the year	(618.14)	(538.28)
Transferred from assets classified as held for sale (refer note 2.3)	-	0.02
Impairment during the year[i]	(2.03)	(9.75)
Closing balance	**720.23**	**523.11**

i. The impairment loss relates to certain capital work-in-progress that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.

Note 2.4: Details of capital work-in-progress (Contd..)

ii. Capital work-in-progress ageing schedule

The table below provides details regarding the CWIP ageing schedule as of 31st March, 2026:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	501.33	139.23	40.46	39.21	720.23
Projects temporarily suspended	-	-	-	-	-
Total	**501.33**	**139.23**	**40.46**	**39.21**	**720.23**

The table below provides details regarding the CWIP ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	305.06	154.07	54.70	9.28	523.11
Projects temporarily suspended	-	-	-	-	-
Total	**305.06**	**154.07**	**54.70**	**9.28**	**523.11**

Notes to the Standalone Financial Statements

Note 2.4: Details of capital work-in-progress (Contd..)

iii. CWIP completion schedule

There are no projects under capital work-in-progress, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2026 and 31st March, 2025.

Note 3: Investment property

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Gross carrying value		
Opening balance	**141.16**	**141.92**
Deductions/adjustments	-	(0.42)
Transfer to property, plant and equipment {refer note 2.1 & (ii) below}	(138.48)	(0.34)
Closing balance	**2.68**	**141.16**
Accumulated depreciation		
Opening balance	**28.29**	**26.43**
Transfer to property, plant and equipment {refer note 2.1 & (ii) below}	(28.24)	(0.07)
Depreciation for the year (refer note 35)	1.12	2.33
Deductions/adjustments	-	(0.40)
Closing balance	**1.17**	**28.29**
Net carrying value	**1.51**	**112.87**
Fair value	**75.54**	**233.09**

(i) Rental income recognised in profit or loss for investment properties aggregates to ₹ 7.67 crores (31st March, 2025: ₹ 15.40 crores).

Note 3: Investment property (Contd..)

(ii) During the year buildings were transferred from Investment property to Property, Plant and Equipment as the company intends to use it in due course of it's business.

Details of total direct operating expenses on investment property:-

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Income-generating property	0.40	0.70
Vacant property	-	-
Total	**0.40**	**0.70**

Estimation of fair value

The fair valuation of the assets is based on the perception about the macro and micro economic factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc.

This value is based on valuation conducted by an external valuation specialist who is registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Note 3: Investment property (Contd..)

Minimum lease payments receivable on leases of investment properties are as follows:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Less than one year	1.33	7.22
One to five years	3.22	4.55
More than five years	-	-
Total	**4.55**	**11.77**

Note 4: Intangible assets

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Brands	Total
Gross carrying value						
Balance as at 1st April, 2024	**237.04**	**318.83**	**4.67**	**204.70**	**66.55**	**831.79**
Additions for the year (acquired separately)	7.78	82.28	18.03	5.67	-	113.76
Deletions and adjustments during the year	(0.12)	-	-	-	-	(0.12)
Balance as at 31st March, 2025	**244.70**	**401.11**	**22.70**	**210.37**	**66.55**	**945.43**
Additions for the year (acquired separately)	3.71	112.26	-	1,209.46	-	1,325.43
Deletions and adjustments during the year	(0.02)	-	-	(30.78)	-	(30.80)
Balance as at 31st March, 2026	**248.39**	**513.37**	**22.70**	**1,389.05**	**66.55**	**2,240.06**

Notes to the Standalone Financial Statements

Note 4: Intangible assets (Contd..)

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Brands	Total
Amortisation and impairment						
Accumulated balance as at 1st April, 2024	**226.66**	**244.29**	**4.67**	**73.24**	**50.18**	**599.04**
Amortisation charge for the year	8.73	46.36	1.24	19.95	13.11	89.39
Deletions and adjustments during the year	(0.12)	-	-	-	-	(0.12)
Accumulated balance as at 31st March, 2025	**235.27**	**290.65**	**5.91**	**93.19**	**63.29**	**688.31**
Amortisation charge for the year	5.66	69.91	3.61	63.61	3.26	146.05
Deletions and adjustments during the year	(0.02)	-	-	(17.44)	-	(17.46)
Impairment charge for the year	0.01	0.12	13.18	-	-	13.31
Accumulated balance as at 31st March, 2026	**240.92**	**360.68**	**22.70**	**139.36**	**66.55**	**830.21**
Net carrying value						
As at 31st March, 2026	**7.47**	**152.69**	**0.00**	**1,249.69**	**-**	**1,409.85**
As at 31st March, 2025	**9.43**	**110.46**	**16.79**	**117.18**	**3.26**	**257.12**

i. In current year, due to change in market conditions and dynamics, the carrying amount of certain intangible assets were reduced to its recoverable amount by recognition of an impairment loss in profit or loss.

ii. The Company has not revalued its intangible assets.

Intangible assets under development

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**115.29**	**89.37**
Additions during the year	296.09	140.37
Capitalised during the year	(127.89)	(113.76)
Less: Impairment charge during the year (refer note 35)	(26.13)	(0.69)
Closing balance	**257.36**	**115.29**

Acquisition of significant intangibles:

(a) Acquisition/capitalisation of intangibles during current year

Product	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Galvus (refer note below)	1st January, 2026	1,107.28	Acquisition of trademark from Novartis Pharma AG
Doloneuron and Zolsoma	12th May, 2025	101.18	Acquisition of trademark from Pulse Pharmaceuticals Private Limited
Yurpeak	22nd November, 2025	90.26	Acquisition of marketing rights from Eli Lilly

During the current year, the Company has paid ₹ 1,107.28 Crores for acquiring perpetual rights to manufacture and market Galvus® and Galvus® combination brands, used in the treatment of type 2 diabetes with effect from 1st January, 2026 pursuant to the trademark license agreement with Novartis Pharma AG (Switzerland).

(b) Acquisition/capitalisation of intangibles during previous year

Product	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Amoxicillin and Clavulanic acid	2nd July, 2024	45.98	Acquisition of Amoxicillin from Wockhardt Bio AG

Contingent consideration (On achievement of sale target as per agreement):

As at 31st March, 2026 and 31st March, 2025, the fair value of the contingent consideration was assessed as ₹ Nil in respect of acquired intangibles as the sales targets are not probable and estimable. Determination of the fair value as at balance sheet date is based on discounted cash flow method. Contingent consideration is arrived at, basis weighted average probability approach of achieving various financial and non-financial performance targets. Basis the future projections and the performance of the products, the contingent consideration is subject to revision on a yearly basis.

Notes to the Standalone Financial Statements

Note 4: Intangible assets (Contd..)

i. Intangible assets under development ageing schedule

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2026:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	166.68	27.18	26.48	37.02	257.36
Projects temporarily suspended	-	-	-	-	-
Total	**166.68**	**27.18**	**26.48**	**37.02**	**257.36**

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	47.06	24.40	0.54	43.29	115.29
Projects temporarily suspended	-	-	-	-	-
Total	**47.06**	**24.40**	**0.54**	**43.29**	**115.29**

ii. Intangible assets under development completion schedule

There are no intangible assets under development, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2026 and 31st March, 2025.

Note 5: Non-current investments

₹ in Crores

Particulars	No. of units	As at 31st March, 2026	No. of units	As at 31st March, 2025
(Unquoted, except otherwise stated)				
(A) Investment in equity instruments - carried at cost/ deemed cost				
I. Investments in Subsidiaries				
Equity shares of Goldencross Pharma Limited of ₹ 10 each, fully paid	45,966	191.12	45,966	191.12
Equity shares of Cipla Pharmaceuticals Limited of ₹ 10 each, fully paid [i & ix]	17,00,00,000	375.64	13,00,00,000	268.44
Equity shares of Meditab Specialities Limited of ₹ 1 each, fully paid [ii]	80,86,226	504.55	71,18,416	382.57
Meditab Specialities Limited (equity component of inter corporate deposits)	-	107.50	-	107.50
Equity shares of Cipla (EU) Limited of GBP 1 each, fully paid [x]	59,25,20,996	5,655.76	59,25,20,996	5,655.76
Equity shares of Cipla Medpro South Africa (Pty) Limited of 0.1 cent each, fully paid (net)*[xi]	49,14,83,101	2,507.25	49,14,83,101	2,507.25
Equity shares of Cipla Holding B.V. of EUR 100 each, fully paid	1,00,367	80.48	1,00,367	80.48
Equity shares of Cipla Pharma and Life Sciences Limited of ₹ 10 each, fully paid (net)[xvii]	25,87,08,433	375.62	25,87,08,433	375.62
Equity shares of Jay Precision Pharmaceuticals Private Limited of ₹ 10 each, fully paid	24,06,000	96.24	24,06,000	96.24
Equity shares of Cipla Health Limited of ₹ 10 each, fully paid	23,25,213	631.51	23,25,213	631.51

Notes to the Standalone Financial Statements

Note 5: Non-current investments (Contd..)

₹ in Crores

Particulars	No. of units	As at 31st March, 2026	No. of units	As at 31st March, 2025
Equity shares of Cipla Digital Health Limited of ₹ 10 each, fully paid [iv & xii]	3,80,00,000	38.00	3,50,00,000	35.00
Equity shares of Cipla USA Inc of USD 0.01 each, fully paid	1	0.08	1	0.08
Equity shares of Inzpera Healthsciences Limited of ₹ 10 each, fully paid [iii]	3,48,64,845	118.71	-	-
Sub-total (I)		**10,682.46**		**10,331.57**
II. Investments in associate				
Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	6,927	1.80	6,927	1.80
Class A Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	4,618	8.25	4,618	8.25
Class B Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	1,904	7.00	1,904	7.00
Equity Shares of Achira Labs Private Limited of ₹ 1 each, fully paid* (refer note 36)	1,04,074	-	1,04,074	2.00
Equity shares of AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited) of ₹ 10 each, fully paid	1,01,800	0.01	1,01,800	0.01
Equity Shares of AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited) of ₹ 10 each, fully paid	7,50,000	0.09	7,50,000	0.08
Equity Shares (Series A) of iCaltech Innovations Private Limited of ₹ 10 each, fully paid[v]	1	0.00	-	-
Sub-total (II)		**17.15**		**19.14**
Total (A)		**10,699.61**		**10,350.71**
(B) Investment in equity instruments - carried at fair value through profit or loss (FVTPL)				
Equity shares of Saraswat Co-operative Bank Limited of ₹ 10 each, fully paid ₹ 10,000 (31st March, 2025: ₹ 10,000)	1,000	0.00	1,000	0.00
Total (B)		**0.00**		**0.00**
(C) Investment in equity instruments - carried at fair value through other comprehensive income (FVTOCI)				
Equity Shares of Swasth Digital Health Foundation of ₹ 100 each, fully paid	5,000	0.05	5,000	0.05
Total (C)		**0.05**		**0.05**
(D) Investment in Preference Shares- carried at cost				
Investments in associate				
0.001% Compulsorily Convertible Preference Shares of GoApptiv Private Limited ₹ 10 each	27,706	7.20	27,706	7.20
0.001% Compulsorily Convertible Non-Cumulative Preference Shares of GoApptiv Private Limited ₹ 10 each	19,415	52.65	19,415	52.65
Compulsorily Convertible Preference Shares of Achira Labs Private Limited ₹ 10 each[xiii & *] (refer note 36)	10,32,949	-	10,32,949	23.00
Total (D)		**59.85**		**82.85**

Notes to the Standalone Financial Statements

Note 5: Non-current investments (Contd..)

₹ in Crores

Particulars	No. of units	As at 31st March, 2026	No. of units	As at 31st March, 2025
(E) Investment in optionally convertible (Redeemable) Preference Shares-carried at cost				
Optionally Convertible (Redeemable) Preference Shares of Achira Labs Private Limited ₹ 10 each[xiii&*] (refer note 36)	60,00,000	-	60,00,000	6.00
Optionally Convertible Preference Shares (Series A) of iCaltech Innovations Private Limited of ₹ 10 each, fully paid[v]	1,50,820	5.01	-	-
Total (E)		**5.01**		**6.00**
(F) Investments in debentures - carried at amortised cost				
Investments in associate				
0.01% Compulsory Convertible Debentures of AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited) of ₹ 1000 each, fully paid	1,00,742	1.25	1,00,742	1.10
0.01% Compulsory Convertible Debentures of AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited) of ₹ 1000 each, fully paid	67,500	0.83	67,500	0.76
Total (F)		**2.08**		**1.86**
(G) Investment in Limited Liability Partnership (LLP) - carried at amortised cost				
Investments in associates				
Clean Max Auriga Power LLP	-	5.60	-	5.87
Total (G)		**5.60**		**5.87**
(H) Other Investments				
I. Investment in Venture Funds carried at FVTOCI				
Contribution towards Early Spring Contribution [vi &xiv]	1,76,950	19.29	85,584	7.04
Contribution towards Alkemi Ventures [vii &xv]	1,30,264	10.78	96,131	6.88
Sub-total (I)		**30.07**		**13.92**
II. Investment in Limited Liability Partnership (LLP) - carried at fair value through other comprehensive income (FVTOCI)				
ABCD Technologies LLP [viii & xvi]	-	45.62	-	40.41
Sub-total (II)		**45.62**		**40.41**
III. Investment in government securities carried at amortised cost				
National savings certificates ₹ 38,000 (31st March, 2025: ₹ 41,000)		0.00		0.00
Sub-total (III)		**0.00**		**0.00**
Total (H)		**75.69**		**54.33**
		10,847.89		**10,501.68**
Aggregate amount of unquoted investments		10,847.89		10,501.68
*Aggregate amount of impairment/ opening Ind AS fair value adjustment in value of investment		706.65		675.65

Notes for changes in current year:

i. Pursuant to the Board resolutions passed on 4th Nov 2022, the Company further invested ₹ 107.20 crores in previous year against which it acquired 4,00,00,000 equity shares of Cipla Pharmaceuticals Limited of ₹ 10 each in current year.

ii. Pursuant to the Board resolutions passed on 25th July 2025, the Company further invested ₹ 121.98 crores and acquired 9,67,810 equity shares of Meditab Specialities Limited of ₹ 1 each.

iii. Pursuant to the Board resolutions dated 25th July 2025, the Company completed the acquisition of 100% stake in Inzpera

Notes to the Standalone Financial Statements

Note 5: Non-current investments (Contd..)

Healthsciences Limited on 4th December 2025. As part of the transaction, Cipla invested ₹ 96.58 crores towards the acquisition of 2,83,64,845 equity shares of face value ₹ 10 each, and ₹ 14.07 crores towards acquisition of 2,31,10,000, 0.0001% non-convertible redeemable preference shares (NCRPS) of face value ₹ 10 each. The investment in NCRPS has been classified as loans receivable.

Subsequently, in accordance with the Board resolutions dated 23rd January 2026, the Company made an additional investment of ₹ 22.13 crores, acquiring 65,00,000 equity shares through fresh investment and conversion of loan into equity.

iv. Pursuant to the Board resolutions passed on 26th July, 2024, the Company further invested ₹ 3 crores in previous year against which it acquired 30,00,000 equity shares of Cipla Digital Health Limited of ₹10 each in current year.

v. Pursuant to the Board resolutions passed on 14th December, 2023, the Company has entered into definitive agreements to acquire 20% voting rights in iCaltech Innovations Private Limited ("iCaltech").

The investment comprises 1,50,820 optionally convertible preference shares of face value ₹10 each and 1 equity share of face value ₹10 each, for a total consideration of ₹5.01 Crores. iCaltech is engaged in the design, development and commercialisation of diagnostic medical equipment and apparatus, with a core focus on respiratory care. As the Company has significant influence over the investee, the investment has been accounted for as an investment in associate in accordance with Ind AS 28 – Investments in Associates and Joint Ventures.

vi. The Company further invested ₹ 8.33 crores in Early Spring as per contribution agreement entered in past years for committing upto lower of ₹ 32.88 Crores or 10% of the total capital commitment of the Funds at the final closing date.

vii. The Company further invested ₹ 3.79 crores in Alkemi Ventures as per contribution agreement entered in past years for committing upto lower of ₹ 33.10 Crores or 10% of the total capital commitment of the Funds at the final closing date.

viii. During the year, the Company further invested ₹ 3.76 crores in ABCD Technologies LLP.

Notes for changes in previous year:

ix. Pursuant to the Board resolutions passed on 3rd May 2024, 16th July, 2024, 15th October, 2024 and 30th January, 2025 the Company further invested ₹ 185.44 crores and acquired 6,91,93,548 equity shares of Cipla Pharmaceutical Limited of ₹ 10 each at ₹ 26.80 per share.

x. Pursuant to the Board resolutions passed on 25th January, 2023, 26th July, 2023, 10th May, 2024 and 3rd September, 2024 the Company further invested ₹ 156 crores and acquired 1,40,34,597 equity shares of Cipla (EU) Limited of GBP 1 each.

xi. Pursuant to the Board resolutions passed on 5th December, 2024, the Company further invested ₹ 426.16 crores and acquired 4,07,42,417 equity shares of Cipla Medpro South Africa (Pty) Limited at fair market value.

xii. Pursuant to the Board resolutions passed on 29th October, 2024, the Company further invested ₹ 5 crores and acquired 50,00,000 equity shares of Cipla Digital Health Limited of ₹ 10 each.

xiii. Pursuant to the Board resolutions passed on 25th January, 2024, the Company have invested ₹ 6 crores and acquired 60,00,000 optionally convertible (redeemable) preference shares of Achira Labs Private Limited ₹ 10 each. The OCPS shall carry a preferential cumulative compounded dividend at rate of 0.0001% per annum and the company has right to convert it or redeem as per terms as specified in the agreement.

xiv. The Company further invested ₹ 4.62 crores in Early Spring as per contribution agreement entered in previous year for committing upto lower of ₹ 32.88 Crores or 10% of the total capital commitment of the Funds at the final closing date.

xv. During the previous year, the Company further invested ₹ 3.22 crores in Alkemi Ventures as per contribution agreement entered in previous year for committing upto lower of ₹ 33.10 Crores or 10% of the total capital commitment of the Funds at the final closing date.

xvi. During the previous year, the Company further invested ₹ 10 crores in ABCD Technologies LLP.

xvii. Previous year includes ₹ 294.66 Crores with respect to reversal of impairment loss recognized in earlier years for the investment in the wholly owned subsidiary, Cipla Pharma and Life Sciences Limited. The same is accounted as exceptional items in profit and loss account.

Note 6: Non-current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
(Unsecured, Considered good, except otherwise stated)		
Loan to subsidiaries (refer note 42 and below)*	1,410.10	975.54
	1,410.10	**975.54**

*Loans have been granted for the purpose of business.

Notes to the Standalone Financial Statements

Note 6: Non-current financial assets - loans (Contd..)

Loan includes loan given to following subsidiaries:-

Name	31st March 2026	31st March 2025	Repayable by	Interest Rate	Purpose
Sitec Labs Limited	42.00	26.00	21st September 2027 (31st March 2025: 20th September 2027)	6.50%-7.50% (31st March 2025: 6.50%-7.45%)	Asset acquisitions
Cipla Medpro South Africa (Pty) Limited	552.25	564.90	31st October 2029 (31st March 2025: 31st October 2029)	250 bps higher than 3 months JIBAR rate (31st March 2025: 250 bps higher than 3 months JIBAR rate)	Working capital/ capital expenditure
Cipla USA Inc.	711.26	384.64	24th March 2028 (31st March 2025: 10th March 2027)	Term Secured overnight financing rate (SOFR)+150bps (31st March 2025: Term Secured overnight financing rate (SOFR)+150bps)	Working capital
Cipla Pharmaceuticals Limited	90.00	-	6th November, 2030	7.25%	Working capital/ Capital expenditure
Inzpera Healthsciences Limited	14.59	-	30th August 2032	7.60%	Working Capital

There are no loans which have significant increase in credit risk or which are credit impaired

Note 7: Non-current financial assets - Others

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Margin deposits[i]	0.87	0.99
Fixed Deposits (maturity more than 12 months)	1,077.43	171.33
Security deposits	75.74	73.21
Amount recoverable from suppliers	20.80	8.48
Fair value of derivatives not designated as hedge - carried at FVTPL		
Forward contracts	-	1.00
Fair value of derivative designated as hedge - carried at FVOCI		
Forward contracts	-	7.99
Options	-	2.77
Share Application money pending allotment [ii]	-	110.20
	1,174.84	**375.97**

i. Amount held as margin money under lien to Tax authority and Electricity department.

ii. 31st March, 2025 includes share application money pending allotment for Cipla Digital Health Limited of ₹ 3.00 Crores and Cipla Pharmaceuticals Limited of ₹ 107.20 Crores, shares for which has been allotted in the current year.

Note 8: Income taxes

The major components of income tax expense for the years ended 31st March, 2026 and 31st March, 2025 are:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Profit or loss section		
Current income tax charge	1,158.26	1,515.93
Reversal of current tax of earlier years*	(56.36)	(155.61)
Adjustments in respect of deferred tax charge of previous year	31.37	(1.30)
Deferred tax credit/reversal on account of temporary differences	(12.51)	(47.85)
	1,120.76	**1,311.17**
* 31st March 2025 Includes tax provision relating to earlier years amounting to ₹ 155.61 Crores, as an outcome of favourable ITAT order and completion of assessment for past years of the Company.		
B. Other Comprehensive income section:		
On continuing operations		
Income tax relating to re-measurements gain on defined benefit plans	4.55	4.36
Income tax relating to changes in fair value of FVTOCI financial instruments	(1.38)	(0.12)
Income tax relating to cash flow hedge	46.04	(0.87)
	49.21	**3.37**

Notes to the Standalone Financial Statements

Note 8: Income taxes (Contd..)

Reconciliation of tax expense and the profit before tax multiplied by India's domestic tax rate for 31st March, 2026 and 31st March, 2025:

₹ in Crores

Particulars	For the year ended 31st March, 2026		For the year ended 31st March, 2025	
	%	Amount	%	Amount
Profit before tax from operations		4,635.94		6,468.82
At India's applicable statutory income tax rate of 25.168% (31st March, 2025: 25.168%)	25.17%	1,166.77	25.17%	1,628.07
Effect for:				
Prior year adjustments to deferred tax	0.68%	31.37	(0.02%)	(1.30)
Recognition of previously unrecognised capital losses*	(0.37%)	(17.03)	(0.80%)	(51.72)
Effect of differential tax rate impact on capital gain on current investments	(0.30%)	(14.07)	(0.61%)	(39.31)
Deduction under Chapter VI-A of the Income Tax Act, 1961	(1.20%)	(55.86)	(0.43%)	(27.88)
Non-deductible expenses for tax purpose	1.25%	58.14	0.57%	36.61
Effect of impairment/(reversal) of impairment of investment in a subsidiary/associate	0.17%	7.80	(1.15%)	(74.16)
Reversal of current tax of earlier years	(1.22%)	(56.36)	(2.41%)	(155.61)
Others	-	-	(0.05%)	(3.53)
Effective Income tax rate/Income tax expense reported in the profit or loss	**24.18%**	**1,120.76**	**20.27%**	**1,311.17**

The Company has created deferred tax assets on unutilised capital losses to the extent of unrealised capital gains recorded in the books.

Note 8: Income taxes (Contd..)

Unrecognised deferred tax assets relate to capital losses for which no deferred tax asset has been recognised as the company believes that availability of taxable profit against which such temporary differences can be utilised is not probable. These unexpired capital losses will expire based on the year of origination as follows:

Details of expiration of unused capital losses as at 31st March, 2026 and 31st March, 2025

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
FY 2025-2026	-	-
FY 2026-2027	-	-
FY 2027-2028	-	-
Thereafter	-	119.07
	-	**119.07**

The Company has ongoing disputes which includes receipt of demands, notices and inquiries from income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances and transfer pricing adjustments.

The Company has disclosed amount of ₹ 211.69 crores (31st March, 2025: ₹ 151.69 crores) as contingent liability, in respect of tax demands which are being contested by it based on the management evaluation and advice of tax consultants as the management believes that the ultimate tax determination is uncertain due to various tax positions taken by adjudicating authorities in the past.

The Company has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

C. Deferred tax:

Carrying value of deferred tax asset/(liabilities) (net)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Carrying value of deferred tax assets/(liabilities) (net)	50.23	19.88

Notes to the Standalone Financial Statements

Note 8: Income taxes (Contd..)

Movement in deferred tax assets and liabilities during the year ended 31st March 2026:

₹ in Crores

Particulars	As at 1st April, 2025	Profit or loss	Other comprehensive income	As at 31st March, 2026
Deferred tax assets/(liabilities) :				
Property, plant and equipment and intangible assets	(229.14)	(60.12)	-	(289.26)
Employee benefits expense	55.33	5.00	4.55	64.88
Fair value of FVTOCI financial instruments	2.40	-	(1.38)	1.02
Deferred tax created on long term capital losses	51.72	(2.52)	-	49.20
Others*	18.29	25.31	46.04	89.64
Allowance for credit loss	18.54	0.69	-	19.23
Deferred revenue	6.32	(1.77)	-	4.55
Provision for right of return/discounts and others	96.42	14.55	-	110.97
Deferred tax assets/(liabilities) (net)	**19.88**	**(18.86)**	**49.21**	**50.23**

*Others include provision for claims – DPCO, Hedge reserve, etc

Movement in deferred tax assets and liabilities during the year ended 31st March, 2025:

₹ in Crores

Particulars	As at 1st April, 2024	Profit or loss	Other comprehensive income	As at 31st March, 2025
Deferred tax assets/(liabilities) :				
Property, plant and equipment and intangible assets	(243.71)	14.57	-	(229.14)
Employee benefits expense	69.54	(18.57)	4.36	55.33
Fair value of FVTOCI financial instruments	2.52	-	(0.12)	2.40
Deferred tax created on long term capital losses	-	51.72	-	51.72
Others*	17.90	1.26	(0.87)	18.29
Allowance for credit loss	28.83	(10.29)	-	18.54
Deferred revenue	8.11	(1.79)	-	6.32
Provision for right of return/discounts and others	84.17	12.25	-	96.42
Deferred tax assets/(liabilities) (net)	**(32.64)**	**49.15**	**3.37**	**19.88**

*Others include provision for claims – DPCO, Hedge reserve, etc

Note 8: Income taxes (Contd..)

D. Tax assets and liabilities:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Income tax assets (net)	473.86	408.89
Income tax liabilities	-	55.61

Note 9: Other non-current assets

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good, except otherwise stated)		
Capital advances		
Secured, considered good#	5.78	4.09
Unsecured, considered good *	156.24	152.63

Note 9: Other non-current assets (Contd..)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Other Deposits**	263.82	180.55
Others		
Prepaid expenses	24.80	19.48
VAT receivable	2.11	2.21
	452.75	**358.96**

#Secured against bank guarantees

*Includes amount paid to wholly owned subsidiary - Meditab Specialities Limited ₹ Nil (31st March 2025: ₹ 55.74 Crores) Refer note 42

**Includes ₹ 202.15 Crores (31st March 2025: 175.08 Crores) as at 31st March, 2026 in respect of DPCO matter explained in note 40A and pre deposits for other litigations.

Notes to the Standalone Financial Statements

Note 10: Inventories

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Lower of cost and net realisable value)		
Raw materials and packing materials	1,516.10	1,379.20
Work-in-progress	868.94	746.91
Finished goods*	932.44	831.38
Stock-in-trade*	901.41	528.05
Stores, spares and consumables	134.82	121.58
	4,353.71	**3,607.12**

*Refer note 27 (iii)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Goods-in-transit included above		
Raw materials and packing materials	87.67	87.72
Work-in-progress	52.87	30.23
Finished goods	214.69	98.10
Stock-in-trade	31.56	17.70
	386.79	**233.75**

The Company recorded inventory write down (net) of ₹ 130.41 crores (31st March, 2025: ₹ 169.80 crores). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade in profit or loss, as the case may be.

Note 11: Current investments

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Investment in mutual funds (quoted)	6,768.44	6,849.31
(Carried at fair value through profit or loss)		
Aggregate book value of quoted investments	**6,768.44**	**6,849.31**
Aggregate market value of quoted investments	**6,768.44**	**6,849.31**
Aggregate amount of impairment in value of investments	**-**	**-**

Note 12: Trade receivables

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good#	3,436.18	3,908.21
Unsecured, credit impaired	25.21	15.50
Total	**3,461.39**	**3,923.71**
Less: Allowance for expected credit loss (refer note 47)	(64.65)	(63.72)
	3,396.74	**3,859.99**
#Includes amount due from related parties (refer note 42)	1,720.62	2,092.98

Note 12: Trade receivables (Contd..)

- Trade receivables are interest and non-interest bearing and are generally due upto 180 days.
- There are no trade receivables (except which are already being provided) having significant increase in credit risk and trade receivables which are credit impaired.
- There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member except as disclosed in note 42.

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2026 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed Trade receivables								
- considered good	-	2,297.42	1,007.51	58.26	15.97	16.74	40.28	3,436.18
- credit impaired	-	-	-	-	-	-	-	-
b. Disputed Trade receivables								
- considered good	-	-	-	-	-	-	-	-
- credit impaired	-	-	0.46	0.18	1.22	1.92	21.43	25.21
	-	**2,297.42**	**1,007.97**	**58.44**	**17.19**	**18.66**	**61.71**	**3,461.39**

Notes to the Standalone Financial Statements

Note 12: Trade receivables (Contd..)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2025 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed Trade receivables								
- considered good	-	3,040.73	576.91	210.54	31.17	8.88	39.98	3,908.21
- credit impaired	-	-	-	-	-	-	-	-
b. Disputed Trade receivables								
- considered good	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	0.39	0.17	0.16	14.78	15.50
	-	**3,040.73**	**576.91**	**210.93**	**31.34**	**9.04**	**54.76**	**3,923.71**

Note 13: Cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
- In Current accounts	72.93	73.83
- In EEFC accounts	131.16	1.65
Remittance in transit[i]	44.41	6.85
Cash on hand	0.30	0.41
	248.80	**82.74**

There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

i. Remittance in transit from group entities.

Note 14: Bank balance other than cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Bank deposits (original maturity between 3 months and 12 months)	255.32	178.73
Amount held as margin money to Government authority	2.87	2.69
Earmarked balance#	3.70	-
Balance earmarked for unclaimed dividend*	7.91	14.29
	269.80	**195.71**

* The above balances are restricted for specific use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2026 and 31st March, 2025.

Earmarked balance as on 31st March 2026 includes amount deposited in Escrow account of ₹ 3.63 Crores and unspent CSR balance of ₹ 0.07 Crores.

Note 15: Current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good, except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loan to employees and others {refer note (i) & (ii) below}	0.12	0.18
Loan to subsidiary (refer note 42) {refer notes (ii), (iii),and (v) below}	426.76	213.69
	426.88	**213.87**

Notes -

i. In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

ii. There are no loans or advances in the nature of loans granted to Promoters, Key Managerial Personnel (KMPs), Directors or other officers of the Company, or to firms/private companies in which any Director is a partner, director, or member, or to their related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, except as disclosed in Note 42.

iii. Loans have been granted for the purpose of their business.

iv. There are no loans which have significant increase in credit risk and which are credit impaired.

v. Loan is given to Cipla USA at term SOFR+150bps interest rate repayable by 11th March 2027. (March 2025: Loan was given to subsidiary Cipla USA at Term SOFR+140 bpc interest rate repayable by 19th April, 2025)

Notes to the Standalone Financial Statements

Note 16: Current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good, except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Incentives/ benefits receivable from Government	277.42	219.87
Deposits	-	7.93
Fair value of derivative not designated as hedge - carried at FVTPL*		
Forward contracts	-	3.35
Fair value of derivative designated as hedge - carried at FVOCI*		
Forward contracts	-	2.09
Fixed deposits (having remaining maturity less than 12 months)	1,075.16	2,548.62
Amount held as margin money to Government authority	1.78	1.70
Fixed deposit interest receivable	41.96	35.54
Receivables for litigation settlement (refer note 29)	-	42.74
Other receivables (Dues from ex-employees, expense reimbursement receivable, etc.)		
Considered good	10.09	23.53
Credit impaired	1.47	1.46
Less: Allowance for expected credit loss	(1.47)	(1.46)
	1,406.41	**2,885.37**

*Refer note 47 for information about fair value measurement and effects of hedge accounting.

Note 17: Other current assets

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good, except otherwise stated)		
Advances to suppliers	90.54	73.38
Prepaid expenses	121.74	95.86
Balances with statutory/revenue authorities like goods and service tax (GST), excise, customs, service tax and value added tax, etc.	808.58	500.11
Other advances	20.38	5.76
	1,041.24	**675.11**

Note 18: Equity share capital

₹ in Crores

Particulars	Numbers	As at 31st March, 2026	Numbers	As at 31st March, 2025
Authorised				
Equity shares of ₹ 2/- each	87,50,00,000	175.00	87,50,00,000	175.00
		175.00		**175.00**
Issued				
Equity shares of ₹ 2/- each	80,77,82,631	161.56	80,76,17,120	161.52
		161.56		**161.52**
Subscribed and paid-up				
Equity shares of ₹ 2/- each, fully paid up	80,77,82,631	161.56	80,76,17,120	161.52
		161.56		**161.52**

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Number of shares outstanding at the beginning of the period	80,76,17,120	80,73,67,062
Add: Allotment of equity shares on exercise of employee stock options (ESOS) and Employee Stock Appreciation Rights (ESAR) (refer note 43)	1,65,511	2,50,058
Number of shares outstanding at the end of the reporting period	**80,77,82,631**	**80,76,17,120**

Notes to the Standalone Financial Statements

Note 18: Equity share capital (Contd..)

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	% of holdings	Number of shares	% of holdings
Dr Y K Hamied	15,05,21,183	18.63%	15,05,21,183	18.64%
Life Insurance Corporation of India	7,74,65,141	9.59%	3,35,07,860	4.15%
Sophie Ahmed*	4,59,82,000	5.69%	4,59,82,000	5.69%
HDFC Trustee Company Limited	3,50,20,124	4.34%	4,13,06,993	5.11%

*Jointly held by Sophie Ahmed with Farah Barua, Monisha Ahmed & Sara Ahmed.

Details of shares held by promoters in the Company

Particulars	As at 31st March, 2026		As at 31st March, 2025		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.63%	15,05,21,183	18.64%	(0.01%)
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed*	4,59,82,000	5.69%	4,59,82,000	5.69%	0.00%
Kamil Hamied**	1,09,39,500	1.35%	1,09,39,500	1.35%	0.00%
Total	**23,52,87,003**	**29.12%**	**23,52,87,003**	**29.13%**	**(0.01%)**

*Jointly held by Sophie Ahmed with Farah Barua, Monisha Ahmed & Sara Ahmed.
** Jointly held by Kamil Hamied with Shirin Hamied, Rumana Hamied & Samina Hamied.

Particulars	As at 31st March, 2025		As at 31st March, 2024		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.64%	0.00%
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed*	4,59,82,000	5.69%	4,59,82,000	5.70%	(0.01%)
Kamil Hamied**	1,09,39,500	1.35%	1,09,39,500	1.36%	(0.01%)
Shirin Hamied	-	0.00%	63,63,000	0.79%	(0.79%)
Samina Hamied	-	0.00%	1,79,09,500	2.22%	(2.22%)
Rumana Hamied	-	0.00%	98,86,500	1.22%	(1.22%)
Okasa Pharma Private Limited	-	0.00%	1,89,375	0.02%	(0.02%)
Total	**23,52,87,003**	**29.13%**	**26,96,35,378**	**33.40%**	**(4.27%)**

*Jointly held by Sophie Ahmed with Farah Barua, Monisha Ahmed & Sara Ahmed.
** Jointly held by Kamil Hamied with Shirin Hamied, Rumana Hamied & Samina Hamied.

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

Equity shares reserved for issue under employee stock options and share appreciation rights

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the option/ESAR holders as per the relevant schemes - refer note 43.

Notes to the Standalone Financial Statements

Note 19: Other equity*

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital reserve	0.08	0.08
Securities premium	1,707.14	1,692.60
General reserve	3,145.01	3,145.00
Share options outstanding account (ESOS/ESAR)	62.50	51.70
Retained earnings	29,254.95	27,045.69
Equity instruments fair value through other comprehensive income	(3.04)	(7.13)
Effective portion of cash flow hedges	(127.09)	9.78
Share application money pending allotment#	0.00	0.00
	34,039.55	**31,937.72**

* For movement in other equity, refer Statement of Changes in Equity

#represent share application money pending allotment of ₹ 638 for 319 number of shares (31st March 2025: ₹ 9,144 for 4,572 number of shares).

Other Comprehensive Income

₹ in Crores

Particulars	For the period ended 31st March, 2026	For the year ended 31st March, 2025
A. (1) Items that will not be reclassified to profit or loss		
(i) Re-measurements of post-employment benefit obligation {refer note 41 (e) and 41(f)}	(18.07)	(17.32)
(ii) Changes in fair value of FVTOCI financial instruments	5.47	0.50
	(12.60)	**(16.82)**
(2) Income tax relating to items that will not be reclassified to profit or loss		
(i) Income tax relating to re-measurements of post-employment benefit obligation	4.55	4.36
(ii) Income tax relating to changes in fair value of FVTOCI financial instruments	(1.38)	(0.12)
	3.17	**4.24**
B. (1) Items that will be reclassified to profit or loss		
(i) Cash flow hedge (refer note 47)	(182.91)	3.47
	(182.91)	**3.47**
(2) Income tax relating to Items that will be reclassified to profit or loss		
(i) Income tax relating to cash flow hedge	46.04	(0.87)
	46.04	**(0.87)**

Note 19: Other equity* (Contd..)

Nature and purpose of reserve:-

Capital reserve

The Company recognised profit or loss on sale, issue, purchase or cancellation of the Company's own equity instruments to capital reserve. Capital reserve may be used by the Company only for some specific purpose.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

General reserve

The General reserve is used from time to time to transfer profit from retained earnings for appropriation purpose.

Share options outstanding account (ESOS/ESAR)

Share options outstanding account (ESOS/ESAR) is used to record the share based payments, expense under the various schemes as per SEBI regulations. The reserve is used for the settlement of ESOS and ESAR (refer note 43).

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders.

It includes impact of remeasurement gain/(losses) net of taxes on defined benefit plans on account of changes in actuarial assumptions or experience adjustments within the plans.

Financial Instruments fair value through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instrument measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are de-recognised/disposed off.

Effective portion of cash flow hedges

For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in cash flow hedging reserve under other equity. Upon de-recognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow (refer note 47).

Notes to the Standalone Financial Statements

Note 20: Other financial liabilities - Non-current

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Security deposits	0.53	4.72
Derivatives not designated as hedge - carried at FVTPL		
Forward contracts	40.10	-
Currency Swap	101.65	30.81
Options	1.64	-
Derivatives designated as hedge - carried at FVOCI		
Forward contracts	33.04	-
Options	3.98	-
	180.94	**35.53**

Note 21: Provisions

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-current		
Provision for employee benefits (refer note 41)	115.57	109.12
	115.57	**109.12**
Current		
Provision for employee benefits (refer note 41)	306.52	260.39
Provision for claims - DPCO (refer note below)	94.77	86.12
Provision for anticipated claims on pricing (refer note below)	6.51	6.43
Provision for right of return/ discounts and others (refer note below)	524.43	424.31
	932.23	**777.25**

Provision is made for right of return/discount/ refund liabilities and others in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

Note 21: Provisions (Contd..)

Movement of provision for claims - DPCO, provision for anticipated claims on pricing and provision for right of return/discounts/ refund liabilities and others

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for claims - DPCO		
Balance at the beginning of the year	**86.12**	**80.78**
Provided during the year	8.65	5.34
Balance at the end of the year	**94.77**	**86.12**
Provision for anticipated claims on pricing		
Balance at the beginning of the year	**6.43**	**16.84**
Provided during the year	0.08	0.59
Utilised/reversed/payout during the year	-	(11.00)
Balance at the end of the year	**6.51**	**6.43**
Provision for right of return/ discounts/refund liabilities and others		
Balance at the beginning of the year	**424.31**	**361.50**
Provided during the year	1,085.09	907.64
Utilised/reversed/payout during the year	(984.97)	(844.83)
Balance at the end of the year	**524.43**	**424.31**

Note 22: Other non-current liabilities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred government grants	1.23	1.47
Deferred revenue	43.58	49.84
Deferred lease income	-	0.92
	44.81	**52.23**

Note 23: Borrowings

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Working capital line of credit (Unsecured)	10.60	-
	10.60	**-**

₹ in Crores

Particulars	Interest Rate	As at 31st March, 2026	As at 31st March, 2025
Kotak Mahindra Bank Limited	9.00% Per annum	10.60	-

Notes to the Standalone Financial Statements

Changes in liabilities arising from financing activities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance		
Current borrowings	-	-
Movement of borrowings		
Proceeds from current borrowings (net)	10.60	-
	10.60	**-**
Closing balance		
Total Current borrowings	**10.60**	**-**

Note 24: Trade payables

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Total outstanding dues of micro enterprises and small enterprises	160.35	218.40
	160.35	**218.40**
Total outstanding dues of creditors other than micro enterprises and small enterprises#	1,901.20	1,665.31
	1,901.20	**1,665.31**
	2,061.55	**1,883.71**

# Includes amount due to related parties (refer note 42)	288.72	251.11

- The above amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition based on the credit terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Note 24: Trade payables (Contd..)

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
A. (i) Principal amount remaining unpaid (also refer note 25)	195.30	218.40
(ii) Interest amount remaining unpaid	-	-
B. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
C. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D. Interest accrued and remaining unpaid	-	-
E. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties are identified on the basis of information available with the company and intimation received from vendors.

Notes to the Standalone Financial Statements

Note 24: Trade payables (Contd..)

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2026 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
a. Undisputed dues							
- Micro enterprises and small enterprises	-	160.35	-	-	-	-	**160.35**
- Others	36.02	1,048.57	617.64	42.91	41.78	102.29	**1,889.21**
b. Disputed dues							
- Micro enterprises and small enterprises	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	11.99	**11.99**
	36.02	**1,208.92**	**617.64**	**42.91**	**41.78**	**114.28**	**2,061.55**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2025 is as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
a. Undisputed dues							
- Micro enterprises and small enterprises	-	218.40	-	-	-	-	**218.40**
- Others	19.00	892.52	598.28	36.08	50.39	58.23	**1,654.50**
b. Disputed dues							
- Micro enterprises and small enterprises	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	10.81	**10.81**
	19.00	**1,110.92**	**598.28**	**36.08**	**50.39**	**69.04**	**1,883.71**

Note 25: Other financial liabilities - current

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Unclaimed dividend*	7.91	14.29
Security deposits	2.48	2.65
Capital creditors**	100.08	57.08
Employee dues	116.37	104.20
Fair value of derivative not designated as hedge - carried at FVTPL		
Forward contracts	188.75	27.99
Options	23.96	0.44
Fair value of derivatives designated as hedge - carried at FVOCI		
Forward contracts	116.51	-
Options	16.16	0.16
Import advance licences	4.76	22.85
Deferred considerations- carried at FVTPL	106.10	0.70
Interest Accrued	0.02	-
Liability for unspent CSR obligation (refer note 48)	13.51	4.75
	696.61	**235.11**

*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

** Capital Creditors include amount payable to micro and small enterprise of ₹ 34.95 Cr as on 31st March 2026.

Note 26: Other current liabilities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue received in advance	29.59	13.86
Other payables:		
Statutory dues	94.71	166.69
Deferred revenue	10.75	8.21

Notes to the Standalone Financial Statements

Note 26: Other current liabilities (Contd..)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance received against assets held for sale	-	11.09
Others	0.25	0.69
	135.30	200.54

Note 27: Revenue from sale of products

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products (refer note below)	17,094.67	16,111.45
	17,094.67	16,111.45

Ind AS-115 disclosures

(i) Disaggregation of revenue

The Company's revenue disaggregated by business unit is as follows:

₹ in Crores

Nature of revenue	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products (products transferred at a point in time)		
India		
Branded and trade generics	9,964.84	9,249.22
Others	151.59	134.89
Export sales		
North America (USA)	2,529.12	2,270.76
South Africa, Sub-Saharan Africa and Cipla Global Access, North Africa (One-Africa)	1,301.59	1,242.12
Emerging Market (EM)	1,655.92	1,574.24
Europe	1,229.85	1,174.52
Active Pharmaceutical Ingredient (API) and others	261.76	465.70
	17,094.67	16,111.45

(ii) Reconciliation of revenue from sale of products and services with the contracted price

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Contracted price	18,179.76	17,019.09
Less: trade discounts, sales and expiry return	(1,085.09)	(907.64)
Sale of product and services	17,094.67	16,111.45

Note 27: Revenue from sale of products (Contd..)

(iii) Contract assets

The Company recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Company updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any additional decrease in value of the returned products.

As on 31st March, 2026, the Company has ₹ 17.70 crores (31st March, 2025: ₹ 22.55 crores) as contract asset.

(iv) Contract liabilities

The Company records a contract liability when cash payments are received or due in advance of its performance.

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue received in advance	29.59	13.86
Deferred revenue	54.33	58.05

Revenue received in advance

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Balance at the beginning of the year	13.86	10.66
Revenue recognised/ other adjustments (net) during the year	(12.17)	(34.78)
Advance received during the year	28.39	38.31
Advance returned during the year	(0.49)	(0.33)
Balance at the end of the year	29.59	13.86

In respect to Revenue received in advance, the Company expect revenue to be recognised over the period of next 1 year from reporting date.

Deferred revenue

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Balance at the beginning of the year	58.05	59.36
Revenue recognised during the year	(12.29)	(10.56)
Milestone payment repaid during the year (Net)	8.57	9.25
Balance at the end of the year	54.33	58.05
Current	10.75	8.21
Non-Current	43.58	49.84

Notes to the Standalone Financial Statements

Note 27: Revenue from sale of products (Contd..)

In respect to Deferred revenue, the Company expect revenue to be recognised over the period of next 10 years (31st March 2025: 9 years) from reporting date.

(v) Information about major customers

No single external customer represents 10% or more of the Company's total revenue for the years ended 31st March, 2026 and 31st March, 2025 respectively. Accordingly revenue from a wholly owned subsidiary is not being considered.

Note 28: Other operating revenue

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Rendering of services	3.31	3.01
Export incentives	74.29	92.45
Technical know-how and licensing fees	20.63	14.54
Scrap sales	42.31	42.02
Sale of marketing and product license	18.84	-
Royalty income (refer note 42)	1,358.99	2,432.21
Goods and service tax area-based incentive	20.49	36.18
Production linked incentive (PLI)	251.00	199.97
Miscellaneous income[i]	95.42	113.02
	1,885.28	**2,933.40**

[i]Income below 1% of revenue from operation are aggregated in accordance with Schedule III to the Companies Act, 2013.

Note 29: Other income

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest income -		
Loan to subsidiaries - carried at amortised cost (refer note 42)	102.63	153.38
Deposits	163.21	232.91
Income tax refund	0.07	8.83
Others	14.35	4.53
Dividend income -		
Subsidiaries - carried at amortised cost (refer note 42)	209.66	99.27
Other non-operating income -		
Government grants[i]	0.25	0.25
Net gain on foreign currency transaction and translation	89.46	5.60
Net gain on sale of current investment carried at FVTPL	309.47	143.13

Note 29: Other income (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Fair value gain on financial instruments at FVTPL	122.86	237.02
Net gain/(loss) on sale/disposal of property, plant and equipment and intangible asset	30.83	(1.85)
Insurance claim	5.35	14.52
Rent income	8.04	15.73
Litigation settlement income[iii]	35.60	42.74
Sundry balances written back (net)	(3.46)	5.50
Miscellaneous income[ii]	34.33	23.16
	1,122.65	**984.72**

i. Government grants pertain to subsidy on property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

ii. Income below 1% of revenue from operation are aggregated in accordance with Schedule III to the Companies Act, 2013.

iii Litigation settlement income for the year ended 31st March, 2026, includes ₹ 35.60 Crores (31st March, 2025: ₹ 42.74 Crores) from a one-time settlement agreements of a legal dispute entered with a customer/innovator respectively.

Note 30: Cost of materials consumed

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Semi-finished goods consumed	1,179.64	1,106.04
Raw material consumed	1,014.47	989.35
Packing material consumed	1,562.30	1,371.87
Cost of material supplied - others	235.93	175.58
Total cost of materials consumed	**3,992.34**	**3,642.84**

Note 31: Purchases of stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Purchases of stock-in-trade	2,587.97	2,056.75
	2,587.97	**2,056.75**

Notes to the Standalone Financial Statements

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening stock		
Work-in-progress	746.91	678.58
Finished goods	831.38	678.49
Stock-in-trade	528.05	519.40
	2,106.34	**1,876.47**
Less: Closing stock (refer note 10)		
Work-in-progress	868.94	746.91
Finished goods	932.44	831.38
Stock-in-trade	901.41	528.05
	2,702.79	**2,106.34**
(Increase)/Decrease in inventory	**(596.45)**	**(229.87)**

Note 33: Employee benefits expense

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and wages	2,976.34	2,722.23
Contribution to provident and other funds (refer note 41)	147.49	127.02
Share based payments expenses (refer note 43)*	24.94	27.15
Staff welfare expenses	201.71	178.47
	3,350.48	**3,054.87**

* net off by cross charge to wholly owned subsidiary of ₹ 0.41 Crores (31st March 2025: 0.28 Crores).

Note 34: Finance costs

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest on provision for claims - DPCO	6.49	2.44
Interest on lease liabilities (refer note 2.2)	11.84	6.50
Other finance cost (including interest on taxes)	0.97	6.17
	19.30	**15.11**

Note 35: Depreciation, Impairment and Amortisation expenses

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Depreciation on property, plant and equipment (refer note 2.1)	435.82	446.43
Impairment of property, plant and equipment (refer note 2.1)	1.74	3.39
Depreciation on right-of-use assets (refer note 2.2)	31.88	18.58
Impairment on asset held for sale (refer note 2.3)	0.35	3.33
Impairment of capital work-in-progress (refer note 2.4)	2.03	9.75
Depreciation on investment properties (refer note 3)	1.12	2.33
Impairment of intangible assets under development (refer note 4)	26.13	0.69
Amortisation of intangible assets (refer note 4)	146.05	89.39
Impairment on intangible assets (refer note 4)	13.31	-
	658.43	**573.89**

Note 36: Impairment of investment in associate

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Impairment charge (refer note 5)	31.00	-
	31.00	**-**

During the current year, the Company has recorded an impairment of ₹ 31.00 Crores in respect of an associate. This impairment has ben recognised on account of change in certain business conditions and market dynamics impacting the recoverable value of the investment.

Note 37 (a): Other expenses

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Processing, laboratory, and other manufacturing expenses	940.43	795.06
Stores and spares	130.15	132.58
Repairs and maintenance:		
Buildings	28.50	30.05
Plant and equipment	162.16	148.22
Insurance	58.18	48.80
Rent (refer note 2.2)	49.50	53.07
Rates and taxes	71.92	70.12

Notes to the Standalone Financial Statements

Note 37 (a): Other expenses (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Power and fuel	299.43	290.24
Travelling and conveyance	384.49	349.00
Sales promotion expenses	406.00	407.64
Commission on sales	85.76	84.06
Freight and forwarding	330.98	372.73
Allowance for credit loss (net) (refer note 47)	(0.09)	(1.89)
Contractual services	287.37	269.03
Courier and telephone expenses	35.93	31.51
Legal and professional fees	802.24	800.50
Payment to auditors (refer note ii below)	3.83	3.81
Corporate social responsibility expenditure (CSR) (refer note 48)	94.27	79.58
Donations	0.22	0.36
Research - clinical trials, samples and grants	485.09	364.98
Miscellaneous expenses[i]	522.86	412.37
	5,179.22	**4,741.82**

i. Expenses below 1% of revenue from operation are aggregated in accordance with Schedule III to the Companies Act, 2013.

ii. Payment to auditors include:

Audit fees	1.60	1.60
Limited review Fee	1.25	1.25
Tax audit fees	0.30	0.30
For other services (includes certifications etc.)	0.49	0.47
Reimbursement of expenses	0.19	0.19
	3.83	**3.81**

Note 37 (b): Exceptional item

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Reversal of impairment of Investment in subsidiary[i] (refer note 5)	-	294.66
Impact of change in labour code[ii]	(244.37)	-
	(244.37)	**294.66**

i. Exceptional items for the year ended 31st March, 2025, represents ₹ 294.66 Crores with respect to reversal of impairment loss recognized in earlier years for the investment in the wholly owned subsidiary, Cipla Pharma and Life Sciences Limited in view of the recoverable value of the investment exceeding its carrying value on account of profitable business operations of the subsidiary, which is in accordance with Ind AS 36- Impairment of assets.

ii. Effective 21st November, 2025, The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost and increase in leave liability by ₹ 244.37 Crores primarily arising due to change in definition of "wages" for employees and contract labours. Considering the materiality and non-recurring nature of this impact, the Company has presented such incremental impact under "Exceptional Item" in the standalone financials for the year ended 31st March 2026. Refer note 41 (e).

Note 38: Research and development (R & D) expenditure

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
The amount of expenditure as shown in the respective heads of account is as under:		
R&D capital expenditure (gross)		
Assets other than building	25.88	32.63
	25.88	**32.63**
Less: Realisation on sale of R&D assets		
Assets other than building	1.18	1.40
	1.18	**1.40**
Total R&D capital expenditure (net)	**24.70**	**31.23**
R&D revenue expenditure included in the profit or loss (excluding depreciation)		
Materials consumed	412.34	228.64
Employee benefits expense	278.35	262.60
Power and fuel	14.23	17.18
Repairs and maintenance	38.27	34.70
Manufacturing expenses	29.30	25.31
Professional fees	165.28	138.42
Research - clinical trials, samples and grants	124.80	128.32
Printing and stationery	0.31	0.37
Travelling expenses	12.55	10.80
Other research and development expenses	490.60	368.51
Allocated manufacturing expenses for R&D batches	27.74	23.88
Total R&D revenue expenditure	**1,593.77**	**1,238.73**
Total R&D expenditure (Amount eligible for deduction under Section 35 (1) (i) & 35 (1) (iv) of the Income Tax Act, 1961)	**1,618.47**	**1,269.96**
Amount eligible for deduction under Section 35 (1) (i) & 35 (1) (iv) of the Income Tax Act, 1961		

Notes to the Standalone Financial Statements

Note 38: Research and development (R & D) expenditure (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
R&D capital expenditure (gross)	25.88	32.63
R&D revenue expenditure*	1,593.77	1,238.73
	1,619.65	**1,271.36**
Less: Realisation on sale of R&D assets	1.18	1.40
	1,618.47	**1,269.96**
Revenue from operations	18,979.95	19,044.85
Total R&D expenditure/revenue	**8.53%**	**6.67%**
Total eligible R&D expenditure/ revenue	**8.53%**	**6.67%**

*Pursuant to provisions of section 35 (1)(i) & 35 (1) (iv) of the Income Tax Act, 1961 the deduction on R&D expenditure (revenue as well as capital expenditure) has been claimed @ 100% from the assessment year 2021-22 and onwards, while computing current tax provision.

Note 39: Subsequent Events

There are no other subsequent events that occurred after the reporting date, other than those already mentioned in the financial statements.

Note 40: Contingent liabilities and commitments (to the extent not provided for)

A. Details of contingent liabilities:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Claims against the Company not acknowledged as debt[i]	138.04	132.99
Income tax on account of disallowance/additions[v]	211.69	151.69
Excise duty/service tax on account of valuation/cenvat credit	359.17	331.52
Sales tax on account of credit/ classification	1.55	1.55
	710.45	**617.75**

The National Pharmaceutical Pricing Authority ("NPPA") issued several demand notices to the Company commencing from the year 1998 seeking recovery of alleged overcharge regarding scheduled drugs under the Drugs (Prices Control) Orders-1995 ("DPCO").

In 1999 and 2000, the Company filed writ petitions before the Hon'ble Bombay High Court ("Bombay HC") challenging inclusion of certain drugs under DPCO and challenging the demand notices

Note 40: Contingent liabilities and commitments (to the extent not provided for) (Contd..)

issued by NPPA demanding payment of alleged overcharged amounts. On 31st August, 2001, by way of its common judgment, the Bombay HC decided the writ petitions in favor of the Company, thereby holding that these drugs do not fall within the purview of DPCO and also quashed the demand notices raised by NPPA. The NPPA appealed the order to the Hon'ble Supreme Court ("SC").

On 1st August, 2003, SC set aside the Bombay HC judgment and remanded the matter to the Bombay HC for being considered afresh by it. Further, the SC stayed recovery of 50% of the alleged overcharged amounts subject to payment of the remaining 50% of the alleged overcharged amounts pending fresh determination by the Bombay HC. Accordingly, in terms of SC's Judgment the Company deposited an amount of ₹ 175.08 Crores with NPPA, representing 50% of the alleged overcharged amounts in respect of demand notices raised till 2003.

Post 2003, the Company continued to receive demands ("Subsequent demands") alleging overcharging. These demands included several duplicate demands. In 2019, the Company applied to the Bombay HC to amend its pleadings to include: (i) subsequent demands (ii) take on record the NPPA/ Government of India's RTI response on unavailability of any records pertinent to and what should have been the basis for inclusion of these drugs under the DPCO (iii) deduction of trade margin of 16% from outstanding demands (as having not accrued to the Company, as manufacturer) basis the Allahabad HC's TC Healthcare judgment (iv) re-calculation of interest from the due date of demand notice and (v) duplication of several demands.

The Bombay HC vide order dated 23rd February, 2024 allowed the amendment conditional upon the Company depositing 50% of the subsequent demands raised. The Company appealed the Bombay HC order in a special leave petition before the SC. On 19th April, 2024, the SC was pleased to issue notice and the matter is pending to be heard further. Without prejudice to the Company's position of no amount being due towards the alleged overcharge (principal) or consequential interest, on 15th July 2025 the Company has voluntarily deposited with the NPPA an additional amount of ₹ 27.07 Crores towards the principal against certain demand notices.

The Company has reviewed all the notices/communications received which are attributable to the Company and are under litigation. After removing duplications as indicated above, the amount covered by the notices/communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores.

The above demand notices do not include certain demand notices, jointly addressed to Okasa Pharma Private Limited or

Notes to the Standalone Financial Statements

Note 40: Contingent liabilities and commitments (to the extent not provided for) (Contd..)

Okasa Limited (related parties and promoter group companies, collectively "Okasa"), and the Company. These pertain to products manufactured by Okasa and marketed by Cipla. The Company responded to these demand notices (amounting to ₹ 9.96 Crores), stating that it is not the manufacturer and therefore not liable. These demand notices are also subject matter under Business Transfer Agreement between Okasa and Cipla's subsidiary which excludes the DPCO liability as part of the business transferred by Okasa to the subsidiary. Further, Okasa has independently challenged these demand notices before the Hon'ble Bombay HC.

The Company has been legally advised that it expects a favourable outcome in respect of these matters and therefore no provision is considered necessary in respect of the aforementioned demand notices received till date including demand notices addressed singly/ jointly w.r.t transactions with Okasa.

Notes:

i. Claims against the Company not acknowledged as debt include claim relating to pricing, commission, etc.

ii. It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various forum/authorities.

iii. The Company does not expect any reimbursements in respect of the above contingent liabilities.

iv. The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

v The contingent liabilities related to income tax include disputed disallowances based on orders from the Income Tax Department. The majority of these contingent liabilities are related to the re-assessment orders for the assessment years 2015-16 to 2019-20 and the assessment orders for the years 2020-21 to 2023-24, being the years under Survey and Search action conducted under Section 132 of the Income Tax Act, 1961 on the Company in February 2023.

B. Details of commitments:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Estimated amount of contracts unexecuted on capital account	1,381.96	2,010.81
Guarantees against contractual obligations (other than financial guarantees)	174.07	204.66
Letters of credit	66.27	65.34
Uncalled liability on committed investments	35.26	48.87

Note 41: Employee benefits

a. Description of the plan:

Retirement benefit plans of the Company include Gratuity and Provident Fund. The Company established the Cipla Limited Employees Gratuity Fund (the "Gratuity Fund") to fund the Gratuity Plan. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund.

Provident Fund is managed through the trust, Cipla Limited Employees Provident Fund Trust (the "Provident Fund") managed by the Company.

b. Governance of the plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Further, since these funds are income-tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act, 1961 and Rules.

c. Investment strategy:

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The plans expose the Company to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Notes to the Standalone Financial Statements

Note 41: Employee benefits (Contd..)

d. Charge to the profit or loss

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Defined contribution plan		
Employees' pension scheme	35.26	34.38
Others - ESIC, Labour welfare fund, etc.	1.08	1.13
	36.34	**35.51**
Defined benefit plan		
Gratuity [refer table (e) below]	46.52	35.68
Provident fund [refer table (f) below]	64.63	55.83
	111.15	**91.51**
Total contribution to provident fund and other fund	**147.49**	**127.02**

e. Disclosures for defined benefit plans based on actuarial reports

₹ in Crores

Particulars	31st March, 2026 Gratuity (funded plan)	31st March, 2025 Gratuity (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	343.31	292.82
Interest cost	26.09	19.83
Past service cost	239.64	-
Current service cost	42.73	30.72
Actuarial changes arising from changes in financial assumptions	(15.29)	12.55
Actuarial changes arising from changes in experience assumptions	13.05	14.45
Benefits paid	(24.98)	(27.06)
Liability at the end of the year	**624.55**	**343.31**
ii. Change in fair value of assets		
Opening fair value of plan assets	333.49	206.49
Expected return on plan assets	22.31	14.87
Actuarial Gain/(Loss) on plan assets, excluding interest income	(8.90)	9.68
Contributions by employer	283.90	129.00
Benefits paid	(25.25)	(26.55)
Closing fair value of plan assets	**605.55**	**333.49**

Note 41: Employee benefits (Contd..)

₹ in Crores

Particulars	31st March, 2026 Gratuity (funded plan)	31st March, 2025 Gratuity (funded plan)
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(624.55)	(343.31)
Fair value of plan assets as at year end	605.55	333.49
Net liability recognised	**(19.00)**	**(9.82)**
iv. Expenses recognised in profit or loss		
Current service cost	42.73	30.72
Interest on defined benefit obligation	26.09	19.83
Expected return on plan assets	(22.31)	(14.87)
Past service cost {refer note 37(b)}	239.64	-
Total expense recognised in profit or loss	**286.15**	**35.68**
v. Expenses recognised in other comprehensive income (OCI)		
Actuarial changes arising from changes in financial assumptions	(15.29)	12.55
Actuarial changes arising from changes in experience assumptions	13.05	14.45
Actuarial gain return on plan assets, excluding interest income	8.90	(9.68)
Net expense for the period recognised in OCI	**6.66**	**17.32**
vi. Actual return on plan assets		
Expected return on plan assets	22.31	14.87
Actuarial gain on plan assets	(8.90)	9.68
Actual return on plan assets	**13.41**	**24.55**
vii. Asset information		
Insurer managed funds	100%	100%
viii. Expected employer's contribution for the next year	**61.45**	**35.82**

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences [refer note 41(g)] are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Notes to the Standalone Financial Statements

Note 41: Employee benefits (Contd..)

Principal actuarial assumptions used	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Financial assumptions:		
Discounted rate (per annum)	7.02%	6.69%
Expected rate of return on plan assets	7.02%	6.69%
Expected rate of future salary increase (per annum)	9.00%	9.00%
Demographic assumptions:		
Mortality rate	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate
Retirement age	60 Years	60 Years

Note 41: Employee benefits (Contd..)

Principal actuarial assumptions used	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Attrition rate		
- For Service 2 years and below	25.00%	25.00%
- For Service 3 years to 4 years	20.00%	20.00%
- For Service 5 years and above	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market. Discount rate and expected rate of return are determined by reference to market yields at the end of the reporting period on government bonds.

Sensitivity Analysis

₹ in Crores

	For the Year ended 31st March, 2026		For the Year ended 31st March, 2025	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Decrease)/increase in the defined benefit liability	(44.59)	46.80	(23.86)	27.21
Salary growth rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	48.46	(46.89)	28.03	(25.06)
Attrition rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Decrease)/increase in the defined benefit liability	(7.76)	4.72	(4.09)	4.53

The sensitivity analysis above has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2026	As at 31st March, 2025
1st following year	71.38	35.12
2nd following year	61.38	35.30
3rd following year	58.06	33.39
4th following year	59.01	31.87
5th following year	58.16	31.71
Sum of years 6th to 10th	272.62	144.64
Sum of years 11th and above	591.34	318.56

The average duration of the defined benefit plan obligation at the end of reporting period is 7.42 years (31st March, 2025: 7.38 years)

Notes to the Standalone Financial Statements

Note 41: Employee benefits (Contd..)

f. The details of the Company's defined benefit plans in respect of the Company-owned provident fund trust based on the actuarial reports

₹ in Crores

Particulars	For the year ended 31st March, 2026 (funded plan)	For the year ended 31st March, 2025 (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	1,593.89	1,437.35
Interest cost	134.55	119.92
Current service cost	64.63	55.83
Employee contribution	144.45	130.35
Liability transferred in	46.99	39.13
Benefits paid	(182.08)	(192.89)
Actuarial changes arising from changes in experience assumptions	(61.96)	4.20
Liability at the end of the year	**1,740.47**	**1,593.89**
ii. Change in fair value of assets		
Opening fair value of plan assets	1,598.36	1,441.33
Expected return on plan assets	134.55	119.92
Actuarial Gain/(Loss) on plan assets, excluding interest income	(73.37)	4.20
Contributions by employer/ employee	209.07	186.18
Transfer of plan assets	46.99	39.13
Benefits paid	(182.08)	(192.89)
Other adjustments	(4.46)	0.49
Closing fair value of plan assets	**1,729.06**	**1,598.36**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(1,740.47)	(1,593.89)
Fair value of plan assets as at year end	1,729.06	1,598.36
Funded status	-	(4.47)
Net asset/(liability) recognised	**(11.41)**	**-**
iv. Expenses recognised in profit or loss		
Current service cost	64.63	55.83
Interest cost	134.55	119.92
Expected return on plan assets	(134.55)	(119.92)
Total expense recognised in profit or loss	**64.63**	**55.83**
v. Expenses recognised in other comprehensive income (OCI)		
Actuarial changes arising from changes in experience assumptions	(61.96)	4.20
Actuarial gain return on plan assets, excluding interest income	73.37	(4.20)
Net expense for the period recognised in OCI	**11.41**	**-**
vi. Actual return on plan assets		
Expected return on plan assets	134.55	119.92
Actuarial gain on plan assets	(73.37)	4.20
Actual return on plan assets	**61.18**	**124.12**
vii. Asset information		
(A) Quoted investments		
Investment in PSU bonds	798.39	635.14
Investment in Government securities	626.63	695.58
Equity/insurer managed funds/ mutual funds	224.19	202.13
(B) Unquoted investments		
Bank special deposit	15.58	15.58
Investment in other securities	64.27	49.93
Total assets at the end of the year	**1,729.06**	**1,598.36**
viii. Expected employer's contribution for the next year	**69.15**	**59.74**

Principal actuarial assumptions used	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Financial assumptions:		
Discounted rate (per annum)	7.02%	6.69%
Expected rate of return on plan assets (per annum)	8.25%	8.25%
Expected rate of future salary increase (per annum)	9.00%	9.00%
Demographic assumptions:		
Mortality rate	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate
Retirement age	60 Years	60 Years
Attrition rate		
- For Service 2 years and below	25.00%	25.00%
- For Service 3 years to 4 years	20.00%	20.00%
- For Service 5 years and above	10.00%	10.00%

Notes to the Standalone Financial Statements

Note 41: Employee benefits (Contd..)

Sensitivity Analysis

₹ in Crores

	For the Year ended 31st March, 2026		For the Year ended 31st March, 2025	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Decrease)/increase in the defined benefit liability	(22.29)	57.40	(53.42)	87.21
Interest rate guarantee	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	54.52	(22.29)	81.27	(52.57)

The sensitivity analysis above has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2026	As at 31st March, 2025
1st following year	128.86	113.81
2nd following year	119.73	105.40
3rd following year	115.44	101.30
4th following year	117.69	102.97
5th following year	128.50	112.11
Sum of years 6th to 10th	660.71	571.78

g. There are no amounts included in the Fair Value of Plan Assets (Gratuity and Provident fund) for the following :

- Company's own financial instrument
- Property occupied by or other assets used by the Company

h. Compensated absences note:

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

The total liability recorded by the Company towards this obligation was ₹ 147.32 crores and ₹ 136.38 crores as at 31st March, 2026 and 31st March, 2025 respectively.

Note 42: Related Party Disclosures

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures are given below:

A. Enterprise where control exists:

Sr. No.	Name of the Company
(a)	**Subsidiaries (held directly)**
	Cipla Medpro South Africa (Pty) Limited
	Cipla Holding B.V.
	Cipla Pharma and Life Sciences Limited
	Cipla (EU) Limited
	Cipla Health Limited
	Goldencross Pharma Limited
	Jay Precision Pharmaceuticals Private Limited
	Meditab Specialities Limited
	Cipla Pharmaceuticals Limited
	Cipla Digital Health Limited
	Inzpera Healthsciences Limited (w.e.f. 04th December, 2025)
(b)	**Subsidiaries (held indirectly)**
	Cipla Australia Pty Limited
	Medispray Laboratories Private Limited
	Sitec Labs Limited
	Meditab Holdings Limited
	Cipla Kenya Limited
	Cipla Malaysia Sdn. Bhd.
	Cipla Europe NV
	Cipla Dibcare (Pty) Limited (Dissolved w.e.f. 26th June 2024)
	Cipla Medpro Manufacturing (Pty) Limited
	Cipla-Medpro (Pty) Limited
	Cipla-Medpro Distribution Centre (Pty) Limited
	Cipla Medpro Botswana (Pty) Limited
	Cipla Select (Pty) Limited
	Medpro Pharmaceutica (Pty) Limited
	Breathe Free Lanka (Private) Limited
	Cipla Brasil Importadora E Distribuidora De Medicamentos Ltd.

Notes to the Standalone Financial Statements

Note 42: Related Party Disclosures (Contd..)

Sr. No.	Name of the Company
	Cipla Maroc SA
	Cipla USA Inc.
	Invagen Pharmaceuticals Inc.
	Exelan Pharmaceuticals Inc.
	Cipla Algérie
	Cipla Gulf FZ-LLC
	Mirren (Pty) Limited
	Cipla Colombia SAS
	Cipla (China) Pharmaceutical Co., Ltd.
	Cipla (Jiangsu) Pharmaceutical Co., Ltd.
	Cipla Therapeutics Inc.
	Aspergen Inc.
	Actor Pharma (Pty) Limited
	Mexicip S.A. de C.V.
	CiplaRNA GmbH (w.e.f. 28th May, 2025)
	Cipla Middle East Company (w.e.f. 01st March, 2026)
(c)	**Associates held directly**
	AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited)
	GoApptiv Private Limited
	Clean Max Auriga Power LLP
	AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)
	Achira Labs Private Limited
	iCaltech Innovations Private Limited (w.e.f. 26th August, 2025)
(d)	**Associates held indirectly**
	Stempeutics Research Private Limited
	Brandmed (Pty) Limited
	Iconphygital Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)
	MKC Biotherapeutics Inc.
	Pactiv Healthcare Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)
	AMPIN Energy C&I Eighteen Private Limited (formerly known as AMP Energy C&I Eighteen Private Limited) (w.e.f. 28th May, 2025)
B.	**Key management personnel (KMP)**
	Umang Vohra -Managing Director and Global Chief Executive Officer (Cease to be w.e.f. 1st April, 2026)
	Achin Gupta -Managing Director and Global Chief Executive Officer (w.e.f. 1st April, 2026)
	Ashish Adukia - Global Chief Financial Officer
C.	**Non-executive Chairman and Non-executive Vice-Chairman**
	Dr Y K Hamied - Chairman
	M K Hamied - Vice Chairman (Resigned w.e.f. close of business hours of 29th October, 2024)
	P R Ramesh - Vice Chairman (w.e.f 1st April, 2026)
D.	**Non-executive Directors**
	Samina Hamied (w.e.f. 1st April 2024, till close of business hours of 29th October, 2024)
	Kamil Hamied (w.e.f 1st November, 2024)
	Ashok Sinha (Retired w.e.f. 3rd September, 2024)
	Punita Lal (Retired w.e.f. 13th November, 2024)
	S Radhakrishnan (Retired w.e.f. conclusion of AGM held on 20th August, 2024)
	Robert Stewart (Retired w.e.f. 13th May, 2026)
	P R Ramesh
	Dr Mandar Vaidya
	Dr Balram Bhargava (w.e.f 1st April, 2024)
	Maya Hari (w.e.f 1st November, 2024)
	Sharmila Paranpje (w.e.f 1st September, 2024)
	Abhijit Joshi (w.e.f 3rd September, 2024)
	Adil Zainulbhai
E.	**Entities over which Company is able to exercise control/ significant influence**
	Cipla Employees Stock Option Trust (De-registered)
	Cipla Health Employees Stock Option Trust
	The Cipla Empowerment Trust
F.	**Entities over which the KMP or their relatives is able to exercise significant influence/control**
	Chest Research Foundation (formerly known as Hamied Foundation)
	Cipla Foundation
	Cipla Cancer & AIDS Foundation
G.	**Post-employment benefit trusts**
	Cipla Limited Employees Provident Fund
	Cipla Limited Employees Gratuity Fund

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Investment in equity shares of Subsidiaries		
Cipla (EU) Limited	-	156.00
Cipla Digital Health Limited*	-	8.00
Cipla Pharmaceuticals Limited**	-	292.64
Cipla Medpro South Africa (Pty) Limited	-	426.16
Inzpera Healthsciences Limited***	22.13	-
Meditab Specialities Limited	121.98	-
	144.11	**882.80**

* Includes share application money pending allotment of ₹ Nil (31st March 2025: 3.00 Crores)

** Includes share application money pending allotment of ₹ Nil (31st March 2025: 107.20 Crores)

*** Includes ₹ 13 crore loan granted during year got converted into Equity

Notes to the Standalone Financial Statements

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
B. Investment in Optionally Convertible (Redeemable) Preference Shares of Associates		
Achira Labs Private Limited	-	6.00
	-	**6.00**
C. Loans given		
Cipla Health Limited	-	80.00
Sitec Labs Limited	16.00	21.00
Cipla USA Inc.	666.49	392.37
Cipla Pharmaceuticals Limited	90.00	-
Inzpera Healthsciences Limited	13.00	-
	785.49	**493.37**
D. Loan repaid		
Cipla Medpro South Africa (Pty) Limited	82.57	378.32
Cipla USA Inc.	212.23	793.33
Cipla Pharma and Life Sciences Limited	-	198.21
Cipla Health Limited	-	130.20
	294.80	**1,500.06**
E. Interest outstanding		
Cipla USA Inc.	-	2.83
	-	**2.83**
F. Outstanding Loan		
Sitec Labs Limited	42.00	26.00
Cipla Medpro South Africa (Pty) Limited	552.25	564.90
Cipla USA Inc.	1,138.02	598.33
Cipla Pharmaceuticals Limited	90.00	-
Inzpera Healthsciences Limited	14.59	-
	1,836.86	**1,189.23**
G. Outstanding payables		
Goldencross Pharma Limited	15.43	14.26
Sitec Labs Limited	10.49	4.90
Medispray Laboratories Private Limited	42.44	35.26
Cipla Malaysia Sdn. Bhd.	3.10	3.37
Jay Precision Pharmaceuticals Private Limited	18.22	18.24
Meditab Specialities Limited	7.76	2.66
Cipla Kenya Limited	9.21	16.89
Cipla (China) Pharmaceutical Co., Ltd	4.43	10.78
Cipla Holding B.V.	19.56	8.82
Exelan Pharmaceuticals Inc.	-	17.56
Cipla Pharmaceuticals Limited	24.74	0.28
Cipla Digital Health Limited	3.82	10.62
Mexicip S.A. De C.V.	5.26	5.66
Cipla Brasil Importadora E Distribuidora De Medicamentos Limiteda.	-	0.67

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Stempeutics Research Private Limited	0.23	1.15
GoApptiv Private Limited	1.28	7.89
Clean Max Auriga Power LLP	0.61	0.11
AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	2.77	1.72
AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited)	2.84	0.17
InvaGen Pharmaceuticals Inc.	-	41.15
Cipla Europe NV	100.73	48.95
Cipla Gulf FZ-LLC	9.43	-
CiplaRna GmbH	6.37	-
	288.72	**251.11**
H. Outstanding receivables		
Cipla Gulf FZ-LLC	-	4.67
Breathe Free Lanka (Private) Limited	37.45	54.41
Cipla Australia Pty Limited	20.11	4.34
Cipla USA Inc.	626.70	1,434.59
Cipla Medpro South Africa (Pty) Limited	26.97	23.59
Medpro Pharmaceutica (Pty) Limited	265.37	304.28
Cipla Health Limited	37.83	50.25
Mirren (Pty) Limited	0.16	1.46
Cipla Maroc S.A.	47.90	14.51
Cipla (EU) Limited	50.00	58.85
Cipla Colombia SAS	33.05	32.18
Cipla Select (Pty) Limited	55.23	29.24
Cipla (Jiangsu) Pharmaceutical Co., Ltd	1.25	2.83
Cipla Pharma and Life Sciences Limited	81.50	67.61
Aspergen Inc.	12.28	4.80
Cipla Foundation	5.09	0.33
Achira Labs Private Limited	0.03	0.03
Cipla Therapeutics Inc	-	0.02
Cipla Medpro Manufacturing (Pty) Limited	6.44	4.99
Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.	30.81	-
Exelan Pharmaceuticals Inc.	349.71	-
iCaltech Innovations Private Limited	0.13	-
InvaGen Pharmaceuticals Inc.	31.89	-
Inzpera Healthsciences Limited	0.72	-
	1,720.62	**2,092.98**

Notes to the Standalone Financial Statements

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
I. Capital advance		
Meditab Specialities Limited	-	55.74
	-	**55.74**
J. Capital creditor		
Cipla Pharma and Life Sciences Limited	0.63	-
	0.63	**-**
K. Electricity charges paid		
AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited)	16.75	16.12
AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	10.85	8.28
Clean Max Auriga Power LLP	9.20	8.12
	36.80	**32.52**
L. Interest income		
Cipla Health Limited	-	1.68
Sitec Labs Limited	2.89	1.21
Cipla USA Inc.	39.83	49.75
Cipla Pharma and Life Sciences Limited	-	6.17
Cipla Medpro South Africa (Pty) Limited	57.42	94.57
Cipla Pharmaceuticals Limited	1.81	-
Inzpera Healthsciences Limited	0.68	-
	102.63	**153.38**
M. Remuneration to Key Management Personnel and Directors		
Short-term employee benefits	60.08	34.93
Post-employment benefit plans	1.98	0.64
Share based payments expense	5.44	7.53
	67.50	**43.10**

Notes:

(i) Includes remuneration (sitting fee, commission etc) to Non-executive directors amounting to ₹ 16.54 Crores (31st March, 2025: ₹ 18.51 Crores)

(ii) Expenses towards gratuity, compensated absences and premium paid for group health insurance has not been considered in above information as a separate actuarial valuation/premium paid are not available.

(iii) Remuneration reported pertains to the amount paid including variable pay of previous year, ESOS/ESAR exercised during year ended 31st March, 2026 and 31st March, 2025 but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102 etc.

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
N. Purchase of goods		
Goldencross Pharma Limited	132.08	117.85
Medispray Laboratories Private Limited	341.81	318.55
Meditab Specialities Limited	10.74	0.46
Jay Precision Pharmaceuticals Private Limited	143.00	142.91
Cipla Health Limited	70.75	53.46
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	-	5.77
InvaGen Pharmaceuticals Inc.	7.13	12.63
Cipla Pharma and Life Sciences Limited	4.75	0.80
Stempeutics Research Private Limited	6.63	5.61
Cipla Pharmaceuticals Limited	5.46	-
Cipla USA Inc.	14.44	-
iCaltech Innovations Private Limited	0.04	-
Inzpera Healthsciences Limited	19.40	-
	756.23	**658.04**
O. Processing charges paid		
Goldencross Pharma Limited	49.05	50.87
Medispray Laboratories Private Limited	66.12	60.33
Meditab Specialities Limited	29.61	30.18
	144.78	**141.38**
P. Testing and analysis charges paid		
Cipla USA Inc.	-	38.00
Sitec Labs Limited	151.93	137.73
Medpro Pharmaceutica (Pty) Limited	-	0.01
CiplaRna GmbH	14.19	-
	166.12	**175.74**
Q. Sale of goods		
Goldencross Pharma Limited	16.92	28.82
Meditab Specialities Limited	0.42	0.39
Medispray Laboratories Private Limited	68.12	55.74
Cipla Health Limited	0.03	0.01
Sitec Labs Limited	1.06	1.26
Cipla Pharma and Life Sciences Limited	349.99	379.37
Cipla (EU) Limited	189.11	189.50
Cipla Europe NV	181.14	100.77
Cipla Australia Pty Limited	22.39	29.47
Cipla USA Inc.	2,169.31	1,897.81
Invagen Pharmaceuticals Inc.	54.06	2.13
Cipla Kenya Limited	14.05	30.69

Notes to the Standalone Financial Statements

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cipla Maroc S.A.	55.27	43.56
Breathe Free Lanka (Private) Limited	193.92	146.19
Cipla Colombia SAS	30.92	29.76
Cipla Gulf FZ-LLC	29.22	31.80
Medpro Pharmaceutica (Pty) Limited	580.07	549.01
Cipla Select (Pty) Limited	65.43	31.54
Exelan Pharmaceuticals Inc.	22.15	17.40
Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.	35.01	3.19
Cipla Medpro Manufacturing (Pty) Ltd	4.90	0.10
GoApptiv Private Ltd	0.08	0.11
Cipla Pharmaceuticals Limited	7.22	-
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	1.62	-
	4,092.41	**3,568.62**
R. Sale of assets		
Medispray Laboratories Private Limited	0.10	0.09
Goldencross Pharma Limited	0.44	8.13
Sitec Labs Limited	2.77	0.94
InvaGen Pharmaceuticals Inc.	-	0.09
Cipla Medpro Manufacturing (Pty) Limited	0.41	1.16
Meditab Specialities Limited	0.03	0.66
Mirren (Pty) Limited	-	(0.29)
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	2.55	-
Cipla Pharmaceuticals Limited	2.18	-
	8.48	**10.78**
S. Purchase of assets		
Medispray Laboratories Private Limited	-	0.08
Goldencross Pharma Limited	0.00	0.01
Stempeutics Research Private Limited	-	6.00
Cipla Pharma and Life Sciences Limited	0.53	-
Meditab Specialities Limited	0.05	-
Cipla Pharmaceuticals Limited	2.84	-
	3.42	**6.09**
T. Processing charges received		
Medispray Laboratories Private Limited	3.31	3.01
	3.31	**3.01**

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
U. Contribution to provident fund and other fund (Net)		
Cipla Limited Employee Gratuity Fund	258.65	102.45
Cipla Limited Employee Provident Fund (to the extent of employer contribution)	64.63	55.83
	323.28	**158.28**
V. Service charges paid		
Cipla Pharma and Life Sciences Limited	14.09	15.28
Cipla (EU) Limited	11.25	1.46
Cipla Australia Pty. Limited	10.10	8.39
Cipla Malaysia Sdn. Bhd.	10.44	7.76
Cipla Health Limited	1.33	1.11
Cipla Kenya Limited	13.71	11.67
Cipla Digital Health Limited	19.40	14.32
GoApptiv Private Limited	27.69	32.88
Cipla Holding B.V.	8.82	8.44
Stempeutics Research Private Limited	0.22	-
Cipla (China) Pharmaceutical Co., Ltd.	8.88	7.85
	125.93	**109.16**
W. Service charges received		
Cipla Pharma and Life Sciences Limited	5.17	6.54
Cipla Health Limited	62.30	80.11
Cipla (EU) Limited	1.34	1.45
Cipla Europe NV	0.38	0.44
Cipla Holding B.V.	0.02	0.06
Breathe Free Lanka (Private) Limited	0.01	0.01
Cipla USA Inc.	4.60	2.96
InvaGen Pharmaceuticals Inc.	3.00	1.79
Goldencross Pharma Limited	0.47	0.25
Medispray Laboratories Private Limited	0.90	0.34
Cipla Australia Pty Limited	1.08	0.82
Cipla (Jiangsu) Pharmaceutical Co., Limited	0.34	0.22
Cipla Kenya Limited	0.52	0.34
Cipla Maroc S.A.	0.78	0.58
Exelan Pharmaceuticals Inc.	0.03	0.07
Meditab Specialities Limited	0.08	0.08
Cipla Select (Pty) Limited	0.09	0.10
Sitec Labs Limited	1.10	0.90
Medpro Pharmaceutica (Pty) Limited	7.29	6.62

Notes to the Standalone Financial Statements

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cipla Gulf FZ-LLC	0.56	0.43
Cipla Digital Health Limited	2.02	1.83
Aspergen Inc.	6.21	2.94
Cipla Medpro Manufacturing (Pty) Limited	0.56	0.69
Mirren (Pty) Limited	0.39	0.52
Cipla Pharmaceuticals Limited	0.29	0.11
Cipla Therapeutics Inc.	-	0.09
Cipla Malaysia Sdn. Bhd.	0.00	-
iCaltech Innovations Private Limited	0.08	-
Inzpera Healthsciences Limited	0.18	-
	99.79	**110.29**
X. Donations given#		
Cipla Foundation	94.80	67.48
	94.80	**67.48**

#Including CSR & Corporate Environmental Responsibility

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Y. Rent received		
Dr Y K Hamied (₹ 20,040/- in both the years)	0.00	0.00
Cipla Pharmaceuticals Limited	0.01	0.01
Cipla Pharma and Life Sciences Limited	1.33	1.33
	1.34	**1.34**
Z. Reimbursement of operating/ other expenses		
Breathe Free Lanka (Private) Limited	-	0.13
Cipla Europe NV	28.29	16.87
Cipla (China) Pharmaceutical Co., Ltd	2.94	1.81
Sitec Labs Limited	6.16	1.40
InvaGen Pharmaceuticals Inc.	13.74	12.00
Goldencross Pharma Limited	10.00	7.27
Cipla Health Limited	0.33	0.22
Cipla Brasil Importadora E Distribuidora De Medicamentos Limiteda.	30.30	39.50
Cipla Kenya Limited	0.43	0.26
Cipla USA Inc.	307.02	242.87
Stempeutics Research Private Limited	0.65	0.65

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Medispray Laboratories Private Limited	-	0.11
Medpro Pharmaceutica (Pty) Limited	-	0.05
GoApptiv Private Limited	3.88	-
Cipla Gulf FZ-LLC	0.42	2.08
Cipla (EU) Limited	-	0.68
Mexicip S.A. de C.V.	6.93	5.67
Cipla Australia Pty. Limited	-	4.45
Cipla Malaysia Sdn. Bhd.	-	0.58
Exelan Pharmaceuticals Inc.	19.74	7.14
Cipla Pharmaceuticals Limited	26.47	-
Medispray Laboratories Private Limited	0.23	-
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	2.79	-
iCaltech Innovations Private Limited	0.08	-
	460.40	**343.74**
AA. Reimbursement received of operating/other expenses		
Goldencross Pharma Limited	0.67	0.44
Meditab Specialities Limited	0.35	0.23
Cipla Health Limited	10.54	0.41
Cipla Gulf FZ-LLC	0.03	0.03
Cipla (EU) Limited	0.14	0.11
Cipla Australia Pty Limited	0.10	0.13
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	1.24	2.83
Cipla Medpro Manufacturing (Pty) Limited	0.05	0.02
Cipla USA Inc.	0.36	0.52
Medispray Laboratories Private Limited	1.94	1.14
Cipla Medpro South Africa (Pty) Limited	-	0.02
Cipla Pharma and Life Sciences Limited	7.29	8.60
Sitec Labs Limited	3.06	0.71
Cipla Europe NV	0.12	0.13
Invagen Pharmaceuticals Inc.	2.28	1.43
Breathe Free Lanka (Private) Limited	0.03	0.28
Cipla Malaysia Sdn. Bhd.	0.04	0.09
Cipla Maroc S.A.	0.40	0.19
Cipla Holding B.V.	0.07	0.20
Exelan Pharmaceuticals Inc.	0.09	0.06
Cipla Kenya Limited	0.01	0.03

Notes to the Standalone Financial Statements

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Medpro Pharmaceutica (Pty) Limited	6.59	5.07
Cipla Colombia SAS	0.03	0.07
Cipla Digital Health Limited	0.13	0.14
Cipla Pharmaceuticals Limited	2.80	0.08
Aspergen Inc.	5.66	0.60
Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.	0.01	0.01
Mirren (Pty) Limited	0.01	0.03
	44.04	**23.60**
AB. Royalty received		
Cipla Health Limited	26.54	23.35
Cipla Medpro South Africa (Pty) Limited	50.97	46.12
Cipla USA Inc.	525.34	2,331.21
Cipla Pharma and Life Sciences Limited	35.64	31.47
Cipla Maroc S.A.	1.32	0.06
Cipla Australia Pty. Limited	9.52	-
Cipla Digital Health Limited	0.01	-
Exelan Pharmaceuticals Inc.	709.65	-
	1,358.99	**2,432.21**
AC. Technical Know-How fees Received		
Cipla Health Limited	0.04	0.04
	0.04	**0.04**
AD. Dividend received		
Jay Precision Pharmaceuticals Private Limited	9.62	21.66
Meditab Specialities Limited	-	77.59
Cipla USA Inc.	0.03	0.02
Cipla Pharma and Life Sciences Limited	200.01	-
	209.66	**99.27**
AE. Dividend paid to Key Management Personnel and Directors	**258.84**	**244.13**
AF. Payable to Key Management Personnel and Directors	**11.95**	**17.36**

Note 42: Related Party Disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
AG. Contribution payable to gratuity/ provident fund		
Cipla Limited Employee Provident Fund	28.99	15.64
Cipla Limited Employee gratuity fund	19.00	9.82
	47.99	**25.46**
AH. Rent Paid		
Cipla Pharmaceuticals Limited	0.08	0.31
	0.08	**0.31**

Note - Amount less than ₹ 50,000/- is presented as ₹ 0.00 crores.

Terms and conditions of transactions with related parties:

(i) Terms and conditions of transactions with related parties:

All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured, trued up for foreign currency translations and settlement occurs in cash.

(ii) Names of related party and related party relationships, are disclosed where transactions have taken place during the reporting period / balances are outstanding as at such date, and for all parties in the case of relationship of control and significant influence.

(iii) Equity (or equity like) investments by the Company and equity (or equity like) infusion into the Company are not considered for disclosure under balances as these are not considered "outstanding" exposures. Refer note 5 for the same.

(iv) Initial investment amount has not been considered as Related party transactions.

Notes to the Standalone Financial Statements

Note 43: Share based payments

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Expense arising from equity settled share based payment transactions (ESOS and ESAR)*	24.94	27.15

* net off by cross charge to wholly owned subsidiary of ₹ 0.41 Crores (31st March 2025: 0.28 Crores).

A. Employee stock option scheme ('ESOS')

The Company has implemented Employee Stock Option Scheme 2013-A ('ESOS 2013-A Scheme') as approved by the shareholders on 22nd August 2013. The ESOS 2013-A Scheme covers the permanent employees of the Company and its subsidiaries and directors (excluding promoter directors) [collectively "eligible employees"]. The nomination and remuneration committee of the Board of Cipla Limited administers the ESOS 2013-A Scheme and grants stock options to eligible employees.

Details of the options granted during the year ended 31st March, 2026 and 31st March, 2025 under the Scheme(s) are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year	Within same calendar year of vesting
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year, 11 months	Within same calendar year of vesting
ESOS 2013 - A	10th May, 2024	89,110	2.00	2 Years	5 Years from vesting date
ESOS 2013 - A	13th May, 2025	98,815	2.00	2 Years	5 Years from vesting date
ESOS 2013 - A	25th July, 2025	5,264	2.00	2 Years	5 Years from vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹ 2 each.

Weighted average share price for options exercised during the year ended 31st March, 2026

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,481.49

Weighted average share price for options exercised during the year ended 31st March, 2025

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,464.32

Stock option activity under the scheme(s) for the year ended 31st March, 2026 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**3,81,837**	**2.00**	**2.00**	**4.02**
Granted during the year	1,04,079	2.00	2.00	-
Forfeited/cancelled during the year	(21,855)	2.00	2.00	-
Exercised during the year	(1,20,472)	2.00	2.00	-
Outstanding at the end of the year	**3,43,589**	**2.00**	**2.00**	**4.12**
Exercisable at the end of the year	1,76,418	2.00	2.00	2.65

Notes to the Standalone Financial Statements

Note 43: Share based payments (Contd..)

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**4,21,584**	**2.00**	**2.00**	**4.32**
Granted during the year	1,22,278	2.00	2.00	-
Forfeited/cancelled during the year	(19,169)	2.00	2.00	-
Exercised during the year	(1,42,856)	2.00	2.00	-
Outstanding at the end of the year	**3,81,837**	**2.00**	**2.00**	**4.02**
Exercisable at the end of the year	1,64,824	2.00	2.00	2.85

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

ESOS 2013 - A	31st March, 2026	31st March, 2025
Expected dividend yield (%)	0.86%	0.63%
Expected volatility	23.65%	26.28%
Risk-free interest rate	6.06%	6.99%
Weighted average share price (₹)	1510.40	1358.80
Exercise price (₹)	2.00	2.00
Expected life of options granted in years	4.50	3.77
Weighted average fair value of options (₹)	1349.93	1325.44

B. Employee Stock Appreciation Rights ('ESARs')

The Company has implemented "Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR 2021/the Scheme')" as approved by the shareholders by postal ballot on 25th March, 2021. The Scheme covers the employees who are in permanent employment, including director(s) other than independent directors of the Company and its subsidiaries [collectively "eligible employees"]. The nomination and remuneration committee of the Board of Cipla Limited will administer this scheme and grant ESARs to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights (ESARs) that may be granted under the Scheme shall not exceed 1,75,00,000 and the maximum number of equity shares that may be issued towards appreciation of the ESARs to be granted under the Scheme shall not exceed 33,00,000 shares of ₹ 2 each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR will be settled by the issue of shares and hence been accounted as equity settled.

Details of the ESAR granted during the year ended 31st March, 2026 and 31st March, 2025 are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Fair value at grant date	Exercise period
ESAR 2021	10th May, 2024	2,93,393	2.00	3 Years graded vesting	435.45	5 Years from vesting date
ESAR 2021	10th May, 2024	63,746	2.00	1 Year	352.97	5 Years from vesting date
ESAR 2021	10th May, 2024	50,659	2.00	1 Year, 11 months	444.15	5 Years from vesting date
ESAR 2021	13th May, 2025	3,36,340	2.00	3 Years graded vesting	443.80	5 Years from vesting date
ESAR 2021	25th July, 2025	18,178	2.00	3 Years graded vesting	430.24	5 Years from vesting date

Notes to the Standalone Financial Statements

Note 43: Share based payments (Contd..)

Weighted average share price for ESAR exercised during year ended 31st March, 2026

Particulars	ESAR 2021
Weighted average share price (₹)	1,520.60

Weighted average share price for ESAR exercised during year ended 31st March, 2025

Particulars	ESAR 2021
Weighted average share price (₹)	1,496.51

Stock option activity under the scheme(s) for the year ended 31st March, 2026 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**8,36,586**	**1,154.41**	**913.38-1,139.34**	**5.32**
Granted during the year	3,54,518	1,517.74	1,491.77-1,519.14	-
Forfeited/cancelled during the year	(62,107)	1,337.92	918.77-1,519.14	-
Lapsed during the year	(344)	1,390.90	1390.90	-
Exercised during the year*	(1,16,881)	988.90	913.38-1,390.90	-
Outstanding at the end of the year	**10,11,772**	**1,289.49**	**913.38-1,519.14**	**4.97**
Exercisable at the end of the year	4,38,562	1,143.40	913.38-1,390.90	3.86

* Number of shares are issued against options exercised based on formula as defined in ESAR scheme 2021.

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**7,49,785**	**941.11**	**913.38-1,139.34**	**5.58**
Granted during the year	4,07,798	1,390.90	1,390.90	-
Forfeited/cancelled during the year	(60,595)	1,058.73	913.38-1,390.90	-
Lapsed during the year	-	-	-	-
Exercised during the year*	(2,60,402)	932.87	913.38-984.67	-
Outstanding at the end of the year	**8,36,586**	**1,154.41**	**913.38-1,390.90**	**5.32**
Exercisable at the end of the year	1,90,074	959.82	913.38-1,139.34	3.83

* Number of shares are issued against options exercised based on formula as defined in ESAR scheme 2021.

Notes to the Standalone Financial Statements

Note 43: Share based payments (Contd..)

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

₹ in Crores

Particulars	31st March, 2026	31st March, 2025
Expected dividend yield (%)	0.86%	0.63%
Expected volatility	24.77%	25.98%
Risk-free interest rate	6.07%	7.02%
Weighted average share price (₹)	1510.38	1358.80
Exercise price (₹)	1516.52	1390.90
Expected life of options granted in years	4.5	4.33
Weighted average fair value of options (₹)	443.11	423.64

The effect of share based payment transactions on the entity's profit or loss for the period and earnings per share is presented below:

Particulars	31st March, 2026	31st March, 2025
Profit after tax as reported (₹ in Crore)	3,515.18	5,157.65
Share based payment expense (₹ in Crore)	24.94	27.15
Earnings per share		
Basic (₹)	43.83	64.20
Diluted (₹)	43.80	64.15

Note 44: Segment information

In accordance with paragraph 3 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

Note 45: Details of loans given, investment made and guarantee given

(a) Disclosure as per Regulations 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Section 186(4) of the Companies Act, 2013 for the year ended 31st March 2026 and 31st March 2025:

₹ in Crores

Sr. No.	Name of the Company	Granted during the year ended 31st March 2026	Maximum balance during the current year(v)	As at 31st March, 2026(v)	Granted during the year ended 31st March 2025	Maximum balance during the previous year(v)	As at 31st March, 2025(v)
1	Cipla USA Inc.	666.49	1,138.02	1,138.02	392.37	992.52	598.33
2	Cipla Health Limited	-	-	-	80.00	130.20	-
3	Sitec Labs Limited	16.00	42.00	42.00	21.00	26.00	26.00
4	Cipla Pharma and Life Sciences Limited	-	-	-	-	198.21	-
5	Cipla Medpro South Africa (Pty) Limited	-	649.20	552.25	-	1,025.33	564.90
6	Cipla Pharmaceuticals Limited	90.00	90.00	90.00	-	-	-
7	Inzpera Healthsciences Limited	27.07	27.26	14.59	-	-	-

Notes:

i. All the above loans have been given for business purposes.

ii. The loanees have not made any investment in the shares of the Company.

iii. Loans given to employees as per the Company's policy are not considered for this disclosure.

iv. Loans granted are unsecured.

v. Includes revaluation impact where such amounts are denominated in foreign currency.

vi. Refer note 6 and 15 for loans granted during the year.

(b) Refer note 5 for investments.

(c) Corporate guarantees given by the Company in respect of loans obtained by subsidiaries - Nil

Notes to the Standalone Financial Statements

Note 46: Additional disclosure with respect to amendments to Schedule III

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

b. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961).

c. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

d. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

e. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g. The Company has not entered into any scheme of arrangement which has been approved by Competent authority under section 230 to 237 of Companies Act 2013, having accounting impact on the current or previous financial year.

h. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

i. The Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as of and for the year ended 31st March, 2026 and 31st March 2025.

j. The Company has invested in the following entities with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries). However it has not been from the borrowed fund.

31st March, 2026:-

₹ in Crores

Sr. no.	Name of entity	Amount	Nature of transactions	Purpose
1	Meditab Specialities Limited	121.98	Investment in wholly owned subsidiary	For further investment in step down subsidiaries

31st March, 2025:-

₹ in Crores

Sr. no.	Name of entity	Amount	Nature of transactions	Purpose
1	Cipla (EU) Limited	156.00	Investment in wholly owned subsidiary	For further investment in step down subsidiaries

k. The Company has not advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to the Standalone Financial Statements

Note 46: Additional disclosure with respect to amendments to Schedule III (Contd..)

Analytical ratios

Sr. No.	Particulars	Numerator	Denominator	As at 31st March 2026 Current Period	As at 31st March 2025 Previous Period	% Variance	Variance Remark
1	Current ratio (in times)	Current assets	Current liabilities	4.63	5.77	(19.76%)	Note a
2	Debt-equity ratio (in times)	Total debt [1]	Shareholder's equity	0.004	0.004	0.00%	Note a
3	Debt service coverage ratio (in times)	Earning available for Debt Service [2]	Debt service [3]	104.54	237.65	(56.01%)	Note b
4	Return on equity ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	10.60%	17.17%	(38.26%)	Note b
5	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	1.50	1.59	(5.45%)	Note a
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	5.23	5.82	(10.14%)	Note a
7	Trade payables turnover ratio (in times)	Net Credit Purchases & other expenses	Average trade payables	5.66	5.72	(1.05%)	Note a
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital	1.35	1.25	8.00%	Note a
9	Net profit ratio (in %)	Net profit	Revenue from operations	18.52%	27.08%	(31.61%)	Note b
10	Return on capital employed (in %)	Earnings before interest and taxes	Capital employed [4]	14.27%	19.21%	(25.72%)	Note b
11	Return on investment (in %)	Interest and Treasury Income [5]	Monthly Average Investment [6]	6.40%	7.68%	(16.41%)	Note a

Notes :

a. In respect of aforesaid mentioned ratios, there is no significant change (25% or more) in FY 2025-26 in comparison to FY 2024-25.

b. Variance is mainly on account of movement in earnings during the year

[1] Debt represents lease liabilities & working capital loan.

[2] Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments

[3] Interest and lease payments + Principal repayments

[4] Tangible net worth + deferred tax liabilities + Lease Liabilities

[5] Interest on inter-company deposits and fixed deposits + income from mutual funds

[6] Average of monthly balances of (Inter-company deposits + fixed deposits + investments in mutual funds)

Notes to the Standalone Financial Statements

Note 47: Financial instruments

A. Accounting classification and fair value measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, lease liabilities, loans, cash and cash equivalents, other bank balances and other receivables as at 31st March, 2026 and 31st March, 2025 are considered to be the same as their fair values, due to their short-term nature.

Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1 - Category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quoted price (unadjusted) in an active market.

Level 2 - Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3 - Category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

The carrying value and fair value of financial instruments by categories as on 31st March, 2026, were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI		Amortised cost	Total	Level 1	Level 2	Level 3	Total
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition						
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	5	0.00	-	0.05	-	**0.05**	-	-	0.05	**0.05**
- Investments in Venture funds	5	-	-	30.07	-	**30.07**	-	-	30.07	**30.07**
- Investment in limited liability partnership firm	5	-	-	45.62	5.60	**51.22**	-	-	45.62	**45.62**
- Investment in National saving certificates	5	-	-	-	0.00	**0.00**	-	-	-	**-**
- Investment in Debentures	5	-	-	-	2.08	**2.08**	-	-	-	**-**
Non- Current Loans	6	-	-	-	1,410.10	**1,410.10**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	7	-	-	-	75.74	**75.74**	-	-	-	**-**
- Fixed Deposit	7	-	-	-	1,077.43	**1,077.43**	-	-	-	**-**
- Others	7	-	-	-	21.67	**21.67**	-	-	-	**-**
Investments in mutual funds*	11	6,768.44	-	-	-	**6,768.44**	6,768.44	-	-	**6,768.44**
Trade receivables	12	-	-	-	3,396.74	**3,396.74**	-	-	-	**-**
Cash and Cash Equivalents	13	-	-	-	248.80	**248.80**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	14	-	-	-	269.80	**269.80**	-	-	-	**-**
Current Loans	15	-	-	-	426.88	**426.88**	-	-	-	**-**
Other Current Financial Assets										**-**
- Fixed Deposit	16	-	-	-	1,075.16	**1,075.16**	-	-	-	**-**
- Others	16	-	-	-	331.25	**331.25**	-	-	-	**-**
Financial liabilities:										**-**
Lease Liability (Non Current)	2.2	-	-	-	78.88	**78.88**	-	-	-	**-**
Other Non-Current Financial Liabilities										
- Security Deposit	20	-	-	-	0.53	**0.53**	-	-	-	**-**
- Derivative instruments	20	143.39	37.02	-	-	**180.41**	-	180.41	-	**180.41**
Lease Liability (Current)	2.2	-	-	-	35.49	**35.49**	-	-	-	**-**
Current borrowings	23	-	-	-	10.60	**10.60**	-	-	-	**-**
Trade Payables	24	-	-	-	2,061.55	**2,061.55**	-	-	-	**-**

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI							
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Other Current Financial Liabilities										
- Security Deposit	25	-	-	-	2.48	**2.48**	-	-	-	**-**
- Deferred consideration	25	106.10	-	-	-	**106.10**	-	-	106.10	**106.10**
- Derivative instruments	25	212.71	132.67	-	-	**345.38**	-	345.38	-	**345.38**
- Others	25	-	-	-	242.65	**242.65**	-	-	-	**-**

The carrying value and fair value of financial instruments by categories as on 31st March, 2025, were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI							
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	5	0.00	-	0.05	-	**0.05**	-	-	0.05	**0.05**
- Investments in Venture funds	5	-	-	13.92	-	**13.92**	-	-	13.92	**13.92**
- Investment in limited liability partnership firm	5	-	-	40.41	5.87	**46.28**	-	-	40.41	**40.41**
- Investment in National saving certificates	5	-	-	-	0.00	**0.00**	-	-	-	**-**
- Investment in Debentures	5	-	-	-	1.86	**1.86**	-	-	-	**-**
Non- Current Loans	6	-	-	-	975.54	**975.54**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	7	-	-	-	73.21	**73.21**	-	-	-	**-**
- Derivative instruments	7	1.00	10.76	-	-	**11.76**	-	11.76	-	**11.76**
- Fixed Deposit	7	-	-	-	171.33	**171.33**	-	-	-	**-**
- Others	7	-	-	-	9.47	**9.47**	-	-	-	**-**
Investments in mutual funds*	11	6,849.31	-	-	-	**6,849.31**	6,849.31	-	-	**6,849.31**
Trade receivables	12	-	-	-	3,859.99	**3,859.99**	-	-	-	**-**
Cash and Cash Equivalents	13	-	-	-	82.74	**82.74**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	14	-	-	-	195.71	**195.71**	-	-	-	**-**
Current Loans	15	-	-		213.87	**213.87**	-	-	-	**-**

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI		Amortised cost	Total	Level 1	Level 2	Level 3	Total
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition						
Other Current Financial Assets										
- Derivative instruments	16	3.35	2.09	-	-	**5.44**	-	5.44	-	**5.44**
- Fixed Deposit	16	-	-	-	2,548.62	**2,548.62**	-	-	-	**-**
- Others	16	-	-	-	331.31	**331.31**	-	-	-	**-**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	86.18	**86.18**	-	-	-	**-**
Other Non-Current Financial Liabilities										**-**
- Security Deposit	20	-	-	-	4.72	**4.72**	-	-	-	**-**
- Derivative instruments	20	-	-	-	-	**-**	-	-	-	**-**
- Others	20	30.81	-	-	-	**30.81**	-	30.81	-	**30.81**
Lease Liability (Current)	2.2	-	-	-	31.20	**31.20**	-	-	-	**-**
Current borrowings	23	-	-	-	-	**-**	-	-	-	**-**
Trade Payables	24	-	-	-	1,883.71	**1,883.71**	-	-	-	**-**
Other Current Financial Liabilities										
- Security Deposit	25	-	-	-	2.65	**2.65**	-	-	-	**-**
- Deferred consideration	25	0.70	-	-	-	**0.70**	-	-	0.70	**0.70**
- Derivative instruments	25	28.43	0.16	-	-	**28.59**	-	28.59	-	**28.59**
- Others	25	-	-	-	203.17	**203.17**	-	-	-	**-**

*Mutual funds for which NAVs are published on daily basis are considered as quoted securities.

(i) There have been no transfer between Level 1 and Level 2 for the years ended 31st March, 2026 and 31st March, 2025.

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

(ii) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

Particulars	Equity Securities	Other investments	Deferred consideration
Balance at 1st April, 2024	**0.05**	**43.81**	**12.00**
Addition during the year	-	17.83	-
Transfer out from Level 3	-	-	(11.30)
Net change in fair value (unrealised)	-	0.42	-
Foreign exchange gain/loss	-	-	-
Balance at 31st March, 2025	**0.05**	**62.06**	**0.70**
Addition during the year	-	15.88	115.69
Transfer out from Level 3	-	-	(15.70)
Net change in fair value (unrealised)	-	5.43	-
Foreign exchange gain/(loss)	-	-	5.41
Balance at 31st March, 2026	**0.05**	**83.37**	**106.10**

(iii) Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the standalone balance sheet as well as the significant unobservable inputs used in measuring Level 3 fair value for financial instruments.There is no change in valuation technique as compared to previous year.

Particulars	Valuation technique	Significant unobservable inputs
Deferred consideration	Discounted cash flow method	Expected cash flows and risk- adjusted discount rate
Investment (unquoted) (other than subsidiaries & associates)	Discounted cash flow method	Expected cash flows and risk- adjusted discount rate
Fair value of derivatives	The fair value is determined using quoted forward exchange rates at the reporting date	Not Applicable

B. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Company’s financial liabilities comprise of trade payable and other liabilities to manage its operation and financial assets include trade receivables, security deposits, loans and advances, etc, arises from its operation.

The Company has constituted a Risk Management Committee consisting of a majority of directors and senior managerial personnel. The Company has implemented a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company’s competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level.

The Audit Committee of the Board periodically reviews the risk management framework.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. The Company’s size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- other price risk; and
- interest rate risk

The above risks may affect the Company’s income and expenses, or the value of its financial instruments. The Company’s exposure to and management of these risks are explained below.

(a) Currency risk:

The Company operates internationally and a major portion of the business is transacted in multiple currencies and consequently the Company is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. The Company also holds derivative financial instruments such as foreign exchange forward and currency option contracts to mitigate the

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the Rupee (INR) appreciates/ depreciates against US Dollar (USD), Euro (EUR), Great Britain Pound (GBP), South African Rand (ZAR), New Zealand Dollar (NZD) and other currencies.

Foreign exchange risk

(i) Foreign exchange derivatives and exposures outstanding at the year end

₹ in Crores

Nature of Instrument	Currency	Cross currency	As at 31st March, 2026	As at 31st March, 2025
Forward contracts - Sold	USD	INR	4,870.81	4,790.33
Forward contracts - Sold	ZAR	INR	594.22	638.29
Forward contracts -Currency Swap Sold	ZAR	INR	552.25	470.75
Forward contracts - Sold	AUD	INR	175.48	104.77
Forward contracts - Sold	NZD	INR	10.49	-
Foreign exchange currency options contracts - Sold and bought	USD	INR	825.06	359.00
Unhedged foreign exchange exposures:				
Trade and other receivables			341.38	767.81
Cash and cash equivalents			176.46	8.56
Trade and other payables			(592.42)	(541.09)

Note: The Company uses foreign exchange forward and currency options contracts/derivatives for hedging purposes.

(ii) Foreign currency risk from financial instruments as of:

₹ in Crores

Particulars	31st March, 2026					
	USD	EUR	GBP	ZAR	Other Currency	Total
Trade and other receivables	19.91	52.78	54.00	161.32	53.37	341.38
Cash and cash equivalents	150.43	-	-	25.91	0.12	176.46
Trade and other payables	(414.09)	(120.98)	(33.34)	(0.05)	(23.96)	(592.42)
Net assets/(liabilities)	**(243.75)**	**(68.20)**	**20.66**	**187.18**	**29.53**	**(74.58)**

₹ in Crores

Particulars	31st March, 2025					
	USD	EUR	GBP	ZAR	Other Currency	Total
Trade and other receivables	504.81	63.66	60.94	68.98	69.42	767.81
Cash and cash equivalents	7.58	0.51	0.29	-	0.18	8.56
Trade and other payables	(390.62)	(109.73)	(22.98)	-	(17.76)	(541.09)
Net assets/(liabilities)	**121.77**	**(45.56)**	**38.25**	**68.98**	**51.84**	**235.28**

(iii) Sensitivity analysis

For the years ended 31st March, 2026 and 31st March, 2025, 5% strengthening of the Indian rupee (INR) against foreign currencies for the above mentioned financial assets/liabilities would (decrease)/increase the equity and profit or loss by the amounts shown below. A 5% weakening of the Indian rupee(INR) and the respective currencies would lead to an equal but opposite effect. This analysis assumes that all other variables remain constant.

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Movement in exchange rate (Strengthening of INR)		
USD - INR	5%	5%
EUR - INR	5%	5%
GBP - INR	5%	5%
ZAR - INR	5%	5%
Other currency	5%	5%
Impact on profit/loss		
USD - INR	12.19	6.09
EUR - INR	3.41	2.28
GBP - INR	1.03	1.91
ZAR - INR	9.36	3.45
Other currency	1.48	2.59

(b) Other Price risk

The Company is mainly exposed to the other price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2026, the investments in mutual funds amounts to ₹ 6,768.44 Crores (31st March, 2025: ₹ 6,849.31 Crores). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the equity and profit or loss by the amounts shown below.

The Company is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2026 is ₹ 75.74 Crores (31st March, 2025: ₹ 54.38 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

Sensitivity Analysis of 1% change in price.

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Impact on profit/loss		
Increase by 1%	67.68	68.49
Decrease by 1%	(67.68)	(68.49)
Impact on other comprehensive income/loss		
Increase by 1%	0.76	0.54
Decrease by 1%	(0.76)	(0.54)

Note 47: Financial instruments (Contd..)

(c) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Company has borrowings at a fixed rate therefore not exposed to interest rate risk.

The Company also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Company has invested, such price risk is not significant.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables, cash and cash equivalents and investments.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 16,507.62 Crores and ₹16,089.78 Crores, as at 31st March, 2026 and 31st March, 2025 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, derivative assets and other financial assets.

Trade and other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Cash and cash equivalents and investments:

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31st March, 2026 (as at 31st March, 2025: nil)

For ageing analysis of the receivable (gross of provision) - refer note 12.

Expected credit loss:

In accordance with Ind AS 109- Financial Instruments, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115- Revenue from contracts with customers. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The default in collection as a percentage to total receivable is low and overall expected credit loss is not material to these financial statements.

Note 47: Financial instruments (Contd..)

The details of changes in allowance for credit losses during the year ended 31st March, 2026 and 31st March, 2025 for trade and other receivables are as follows:

₹ in Crores

Particulars	Other Receivable		Trade Receivable	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening balance	1.46	3.22	63.72	105.56
Provided during the year	0.23	0.61	11.85	20.21
Reversal of provision during the year	-	-	(11.94)	(22.10)
Written off/back during the year	(0.22)	(2.37)	(1.15)	(33.42)
Effect of changes in the foreign exchange rates	-	-	2.17	(6.53)
	1.47	**1.46**	**64.65**	**63.72**

Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2026 and 31st March, 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities on undiscounted basis as of 31st March, 2026:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non derivative:				
Trade payables	2,061.55	-	-	2,061.55
Borrowings	10.60	-	-	10.60
Other financial liabilities	351.23	0.53	-	351.76
Lease liabilities	37.18	87.93	17.45	142.56
Derivative:				
Derivative designated as hedge	132.67	37.02	-	169.69
Derivative not designated as hedge	212.71	143.39	-	356.10
	2,805.94	**268.87**	**17.45**	**3,092.26**

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

The table below provides details regarding the contractual maturities of significant financial liabilities on undiscounted basis as of 31st March, 2025:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non derivative:				
Trade payables	1,883.71	-	-	1,883.71
Other financial liabilities	206.52	4.72	-	211.24
Lease liabilities	32.40	95.43	20.69	148.52
Derivative:				
Derivative designated as hedge	0.16	-	-	0.16
Derivative not designated as hedge	28.43	30.81	-	59.24
	2,151.22	**130.96**	**20.69**	**2,302.87**

(d) Impact of hedging activities

The Company uses foreign exchange forward and currency option contracts to hedge against the foreign currency risk of highly probable USD, ZAR , AUD and NZD sales. Such derivative financial instruments are governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

a) Disclosure of effects of hedge accounting in the Company's balance sheet

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2026						
Cash flow hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 20 & 25)	4,224.18	-	302.26	April 2026-September 2027	1:1	AUD 1 = ₹ 59.05 USD 1 = ₹ 90.39 ZAR 1 = ₹ 4.92
ii) Foreign exchange currency options contracts - sold (refer note 20 & 25)	825.06	-	49.45	April 2026-March 2028	1:1	USD 1 = ₹ 91.72
iii) Foreign exchange currency options contracts - bought (refer note 20 & 25)	825.06	3.71	-	April 2026-March 2028	1:1	USD 1 = ₹ 91.13
Fair value hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 20 & 25)	1,426.82		76.14	April 2026-March 2028	1:1	USD 1= ₹ 91.93 ZAR 1= ₹ 5.58 NZD= ₹ 52.61
ii) Foreign exchange currency Swap contracts (refer note 20)	552.25		101.65	March 2029-October 2029	1:1	ZAR 1= ₹ 4.43

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2025						
Cash flow hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 7, 16 & 25)	3,960.31	-	17.91	April 2025-September 2026	1:1	AUD 1 = ₹ 56.77 USD 1 = ₹ 86.55 ZAR 1 = ₹ 4.51

Notes to the Standalone Financial Statements

Note 47: Financial instruments (Contd..)

₹ in Crores

Type of hedge and risks	Nominal amount	Carrying amount		Maturity date	Hedge ratio*	Weighted average strike price/rate
		Assets	Liabilities			
ii) Foreign exchange currency options contracts - sold (refer note 7 & 25)	359.00	-	3.17	May 2025- July 2026	1:1	USD 1 = ₹ 87.92
iii) Foreign exchange currency options contracts - bought (refer note 7 & 25)	359.00	5.33	-	May 2025- July 2026	1:1	USD 1 = ₹ 86.72
Fair value hedge						
Foreign exchange risk						
i) Foreign exchange forward contracts (refer note 7 & 16)	1,573.09	4.35	-	April 2025- March 2028	1:1	USD 1= ₹ 87.67 ZAR 1= ₹ 4.35 AUD 1= ₹ 54.96
ii) Foreign exchange currency Swap contracts (refer note 20)	470.75	-	30.81	March 2029- October 2029	1:1	ZAR 1= ₹ 4.43

* The foreign currency forward and currency options contracts are denominated in the same currency as the highly probable future sales, therefore hedge ratio of 1:1.

b) Disclosure of effects of hedge accounting in the Company's profit or loss and other comprehensive income

₹ in Crores

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss (recognised as component of revenue)	Amount recognised in profit or loss
31st March, 2026				
Foreign exchange risk				
(i) Cash flow hedge	(360.81)	-	177.90	-

₹ in Crores

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss (recognised as component of revenue)	Amount recognised in profit or loss
31st March, 2025				
Foreign exchange risk				
(i) Cash flow hedge	(46.53)	-	50.00	-

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instrument.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

₹ in Crores

Cash flow hedging reserve	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**9.78**	**7.18**
Add: Changes in fair value	(360.81)	(46.53)
Less: Amount reclassified to profit or loss	177.90	50.00
Less: Deferred tax relating to above	46.04	(0.87)
Closing balance	**(127.09)**	**9.78**

Notes to the Standalone Financial Statements

Note 48: Corporate social responsibility (CSR) expenditure

The Company meets the criteria specified under Section 135 of the Companies Act, 2013 and has formed a Corporate Social Responsibility (CSR) Committee to monitor the CSR activities implemented as per the CSR Policy of the Company. The Company spends in each financial year at least 2% of its average net profit for the immediately preceding three financial years as per provisions of Section 135 of the Act and in compliance of its CSR policy. The funds allocated are utilized through the year on the activities which are specified in Schedule VII of the Act. Key focus areas for CSR activities include Health, Education, Skilling, Environmental Sustainability, Disaster Response, Rural development projects, Research and Development and any other activity permissible under Schedule VII of the Act.

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A) Amount required to be spent by the company during the year#	95.42	80.06
B) Amount of expenditure incurred on construction/acquisition of assets	4.08	5.53
C) Amount of expenditure incurred/ unspent amount deposited to separate bank account on purposes other than (B) above# & **	90.65	74.54
D) Shortfall at the end of the year	-	-
E) Details of related party transactions *	94.26	67.48
F) Balance carried forward:		
Opening balance	0.69	0.68
Addition during the year**	94.73	80.07
Utilised during the year (including excess provided of previous year)	(95.42)	(80.06)
Closing balance	**-**	**0.69**

* This includes contribution to Cipla Foundation, which is a trust, with focus on Health, Education, Skilling, Environmental Sustainability etc.

includes the surplus of ₹ 0.46 Crores (31st March 2025: ₹ 0.49 crores) arising out of the CSR Projects.

The Company has set off the excess spent of ₹ 0.69 Crores in Financial Year 2024-25 against the current year's CSR obligation.

**Addition during the year includes CSR amount of ₹ 12.04 Crores (31st March 2025: ₹ 4.75 Crores) towards ongoing projects which had been deposited in a special account designated as "Unspent Corporate Social Responsibility" Account.

Total unspent CSR obligation of ₹ 13.51 Crores as on 31st March 2026 includes ₹1.47 Crores of Financial Year 2024-25 and ₹ 12.04 Crores of Financial Year 2025-26.

Note 49: Capital management

A. Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in Industry, the Company monitors capital on the basis of the following gearing ratio: (net debt divided by total 'equity')

Net debt = Total borrowings (including lease liabilities) less [Cash and cash equivalents + Bank balance other than cash and cash equivalents (excluding balance earmarked for unclaimed dividend) + Current investments + Fixed Deposit]

Total 'equity' is as shown in the balance sheet.

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total debt	124.97	117.38
Less: Cash and cash equivalents (including current investments and bank deposit)	9,430.67	9,836.11
Net debt (A)	**(9,305.70)**	**(9,718.73)**
Total equity (B)	**34,201.11**	**32,099.24**
Net debt to equity ratio (A/B)	**(0.27)**	**(0.30)**

B. Dividend on equity share

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Dividend on equity shares paid during the year		
Final dividend for the year [FY 2024-25 : ₹ 16 per equity share of ₹ 2.00 each] [FY 2023-24 : ₹ 13 per equity share of ₹ 2.00 each]	1,292.40	1,049.83
Total	**1,292.40**	**1,049.83**
(b) Proposed dividend on equity share not recognised as liability	**1,050.12**	**1,292.19**

The Board of Directors of the Company at its meeting held on 13th May, 2026 has recommended a final dividend of ₹ 13/- per equity share for the financial year ended 31st March, 2026 (face value of ₹ 2 each). The dividend is subject to approval of the shareholders at the ensuing annual general Meeting of the Company and hence is not recognised as a liability.

Notes to the Standalone Financial Statements

Note 50: Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares which includes all stock options granted to employees. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed to have been converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Disclosure as required by Indian Accounting Standard (Ind AS) 33 - Earnings per share:

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Basic Earnings per share		
Profit for the year (₹ in Crore)	3,515.18	5,157.65
	3,515.18	**5,157.65**
Basic weighted average number of equity shares outstanding	80,77,41,636	80,75,52,253
Basic earnings per share of par value ₹ 2/- per share	**₹ 43.52**	**₹ 63.87**
Dilutive Earnings per share		
Basic weighted average number of equity shares outstanding	80,77,41,636	80,75,52,253
Add- Dilutive impact of employee stock options	5,05,791	6,42,705
Diluted weighted average number of equity shares outstanding	80,82,47,427	80,81,94,958
Diluted earnings per share of par value ₹ 2/- per share	**₹ 43.49**	**₹ 63.82**

Note 51: Information about Subsidiaries and Associates

Name of company	Country of Incorporation	Proportion (%) of equity interest	
		As at 31st March, 2026	As at 31st March, 2025
I. Investments in Subsidiaries			
Goldencross Pharma Limited[1]	India	100%	100%
Cipla Pharmaceuticals Limited[1]	India	100%	100%
Meditab Specialities Limited[1]	India	100%	100%
Cipla (EU) Limited[1]	United Kingdom	100%	100%
Cipla Medpro South Africa (Pty) Limited[1]	South Africa	100%	100%
Cipla Holding B.V.[1]	Netherlands	100%	100%
Cipla Pharma and Life Sciences Limited[1]	India	100%	100%
Jay Precision Pharmaceuticals Private Limited[1]	India	60%	60%
Cipla Health Limited[1]	India	100%	100%
Cipla Digital Health Limited[1]	India	100%	100%
Cipla USA Inc.[1]	USA	0.00%	0.00%
Inzpera Healthsciences Limited[1]	India	100%	-
II. Investments in associate			
GoApptiv Private Limited[1]	India	22.99%	22.99%
Achira Labs Private Limited[1]	India	21.05%	21.05%
AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited)[2]	India	26.00%	26.00%
AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)[2]	India	32.49%	32.49%
Clean Max Auriga Power LLP[2]	India	33.00%	33.00%
iCaltech Innovations Private Limited[1]	India	20.00%	-

1. The principle business activities of the entities is pharmaceutical business.
2. The principle business activities of the entities is renewable power generation

Notes to the Standalone Financial Statements

Note 52: Reclassification note

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary to make them comparable. The impact of such reclassification/regrouping is not material to the standalone financial statements.

Note 53: Unforeseeable losses

The Company has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has made provision on all long term contracts including derivative contracts for which there were any material foreseeable losses. Refer note 20.

Note 54: Scheme of Amalgamation

The Board in its meeting held on 19th March, 2026, has approved the scheme of amalgamation between Cipla Limited ("Transferee Company") and its wholly owned subsidiary company Inzpera Healthsciences Limited ("Transferor Company"). The Scheme of Amalgamation is subject to necessary approvals required under the Companies Act, 2013, including approval of the Hon'ble National Company Law Tribunal, Mumbai. The Company is in the process of filing the Scheme with the authorities.

Note 55: Authorisation of financial statements

The standalone financial statements for the year ended 31st March, 2026 were approved by the Board of Directors on **13th May, 2026**.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Independent Auditor's Report

To the Members of **Cipla Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Cipla Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, as listed in **Annexure 1**, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate / consolidated financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its associates, as at 31 March 2026, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate / consolidated financial statements of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
DPCO matters (Refer note 11 and 44 A to the Consolidated Financial Statements) The Holding Company and its certain Indian subsidiaries had received several demand notices/ communications from the National Pharmaceutical Pricing Authority ("NPPA") commencing from the year 1998 seeking recovery of alleged overcharging regarding scheduled drugs under the Drugs (Prices Control) Orders ("DPCO"). The Holding Company has reviewed all the notices/ communications received which are attributable to the Holding Company and its certain Indian subsidiaries and are under litigation at various forums as follows:	**Our audit of DPCO matters included, but was not limited to, the following procedures:** a) Obtained an understanding of the management's process for updating the status of the matters and assessed the appropriateness of the Group's accounting policies related to provisions and contingent liabilities in accordance with Ind AS 37; b) Evaluated the design and tested the operating effectiveness of key controls around above process; c) Inspected correspondence with the Holding Company's external legal counsel in order to corroborate our understanding of these matters, accompanied by discussions with both internal and external legal counsels. Tested the objectivity and competence of such management experts involved;

Key audit matter	How our audit addressed the key audit matter
a) DPCO demands for certain products wherein after removing duplications, the amount covered by the notices / communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores and the Company has deposited ₹ 175.08 crores based on Hon'ble Supreme Court ("SC") judgement in 2003 and ₹ 27.07 crores in the current year under protest without prejudice to the Group's position of no amount being due towards the alleged overcharge (principal) or consequential interest. b) DPCO demands on products other than above, wherein based on its legal assessment, the Group carries a provision of ₹171.99 crores as at 31 March 2026. c) DPCO demands amounting to ₹ 9.96 crores issued jointly to 2 promoter group manufacturing companies and the Holding Company, wherein based on its legal assessment, the Holding Company is not the manufacturer and, accordingly, is not liable for such demands. The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37'), in order to determine the amounts to be recognised as liability or to be disclosed as a contingent liability or not, is inherently subjective and needs careful evaluation and significant judgement to be applied by the management in predicting the outcome of the matter. Accordingly, DPCO matters have been considered to be a key audit matter for the current period audit.	d) Obtained direct confirmation from the external legal counsel handling DPCO matters with respect to the legal determination of the liability arising from such matters including demand notices which are jointly addressed to the promoter group manufacturing companies and the Holding Company, conclusion of the matters in accordance with the requirements of Ind AS 37 and disclosures to be made in the financial statements. Evaluated the response received from the external legal counsel to ensure that the conclusions reached are supported by sufficient legal rationale; e) Assessed the appropriateness of methods used, and the reliability of underlying data for the calculations made for quantifying the amounts involved. Tested the arithmetical accuracy of such calculations; and f) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of the significant litigations of the Group, in accordance with applicable accounting standards. Based on the audit procedures performed, the judgements made by the management were reasonable and disclosures made in respect of these matters were appropriate in the context of the Consolidated financial statements taken as a whole.
Impairment of goodwill, intangible assets and intangible assets under development: (Refer note 4, 5 and 38(a) to the Consolidated Financial Statements) As at 31 March 2026, the Group has goodwill balance of ₹ 3,754.42 crore relating to multiple Cash Generating Units ('CGUs'). Further, the Group is carrying product-related capitalised intangible assets and intangible assets under development aggregating to ₹ 2,640.14 crore and ₹ 455.94 crore, respectively. These balances are subjected to a test of impairment by the management in accordance with Ind AS 36 "Impairment of Assets" ('Ind AS 36'). The Group has recorded an impairment charge on intangible assets and intangible assets under development of ₹ 122.53 crore during the year ended 31 March 2026. The carrying values of goodwill, intangible assets and intangible assets under development will be recovered through future cash flows and there is a risk that the assets will be impaired if these cash flows do not meet the Group's expectations.	**Our audit included, but was not limited to, the following procedures:** a) Obtained an understanding of the management's process for identification of impairment indicators for goodwill, intangible assets and intangible assets under development and process for identification of CGUs and impairment testing of such assets, and assessed the appropriateness of the Group's accounting policy for impairment of non-financial assets in accordance with Ind AS 36; b) Evaluated the design and tested the operating effectiveness of key controls over such identification and impairment measurement of identified assets; c) Evaluated management's identification of CGUs; d) Obtained the impairment assessment workings prepared by the management and its experts; e) Involved auditor's experts to assess the appropriateness of the valuation methodologies and the reasonableness of the assumptions used by the management's expert to determine the recoverable amounts; f) Reconciled the cash flows to the business plans approved by the Board of Directors of the companies which constitute identified CGUs; g) Evaluated and challenged management's assumptions such as implied growth rates during explicit periods, terminal growth rates and discount rates for their appropriateness based on our understanding of the business of the respective CGUs, past results and external factors such as industry trends and forecasts;

Key audit matter	How our audit addressed the key audit matter
In addition to significance of the amounts, management's impairment assessment process is complex as it involves significant judgement in determining the assumptions to be used to estimate the recoverable amounts such as forecasting cash flows for each of the CGUs, intangible assets and those under development, principally relating to budgeted revenue, operating margins, short-term and long-term growth rates and the discount rates used. Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, which are dependent on current and future economic factors and trading conditions varying for different economic and geographical territories, impairment assessment of carrying values of goodwill, intangible assets and intangible assets under development is considered to be complex and determined to be a key audit matter for the current period audit.	h) Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit periods, terminal growth rates and discount rates; i) Tested the mathematical accuracy of the management computations; j) Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the estimated recoverable amounts for respective CGUs to evaluate sufficiency of headroom between recoverable values and carrying amounts; and k) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements with respect to goodwill, intangible assets and intangible assets under development, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards; Based on the audit procedures performed, we determined that the management's assessment that the carrying values of goodwill, intangible assets and intangible assets under development is appropriate in the context of the consolidated financial statements taken as a whole.
Revenue from operations: (refer note 1.3.9 and 30 to the consolidated financial statements) The Group recognises revenue from sales of pharmaceutical products, when control of the product is transferred. The Group records product sales net of estimated incentives / discounts, right to returns, chargeback, rebates and other price adjustments. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers. Further, the Group has a large number of customers operating in various geographies and sales contracts with customers have different terms relating to the revenue recognition especially in United States of America ('US') contracts have different terms relating to the recognition of revenue leading to material deduction from gross sales which includes chargebacks, rebates, discounts, right to return and other price adjustments (failure to supply, Medicaid reimbursements, shelf stock adjustments, etc.) in accordance with principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'). We identified the recognition of revenue from operations as a key audit matter because: a) Accrual towards chargebacks, rebates, discounts, right to return and other price adjustments is complex and requires significant judgments and estimates in relation to contractual agreements/commercial terms across various geographies. Any change in these estimates can have a significant financial impact. These estimates are particularly complex in USA Business which involves multi-layered product discounting due to competitive pricing pressure;	**Our audit included, but was not limited to, the following procedures:** a) Obtained an understanding of the management's process for revenue recognition, judgments in estimation and accounting treatment of chargeback, rebates, right to return and other price adjustments (failure to supply, Medicaid, shelf stock adjustments, etc.); b) Evaluated the design and tested the operating effectiveness of the key controls, including general IT controls, key IT application controls implemented by the management, over recognition of revenue and measurement of chargeback, rebates, right to return and other price adjustments (failure to supply, Medicaid, shelf stock adjustments, etc.); c) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/shipping documents; d) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during specific periods before and after year end to ensure that the correct amount of revenue is recorded in the correct period; e) Obtained management workings for amounts recognised towards chargeback, rebates, right to return and other price adjustments (failure to supply, Medicaid, shelf stock adjustments, etc.). On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents; f) Evaluated historical accuracy of the Group's estimates of year end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias;

Key audit matter	How our audit addressed the key audit matter
b) The Group considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period.	g) Tested the manual sales-related adjustments made to revenue comprising of variable consideration under Ind AS 115 to ensure the appropriateness of revenue recognition during the year; and h) Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements in accordance with applicable accounting standards. Based on audit procedures performed, we determined that the revenue recognition and measurement is appropriate in the context of the consolidated financial statements taken as a whole.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities included in the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information / financial statements of the entities or business activities within the Group, and its associates, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 32 subsidiaries, whose financial statements (prior to consolidation adjustments) reflects total consolidated assets of ₹ 13,420.29 crores as at 31 March 2026, total revenues of ₹ 5,073.11 crores and net cash inflows amounting to ₹ 43.11 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 0.67 crores for the year ended 31 March 2026 in respect of 2 associates, whose financial statements has not been audited by us. These financial statements / consolidated financial statements have been audited by other auditors whose report has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and associates, are based solely on the reports of the other auditors.

    Further, of these subsidiaries and associates, 28 subsidiaries and an associate are located outside India whose financial statements / consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and an associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries and an associate located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income after tax) of ₹ 7.38 crores for the year ended 31 March 2026 as considered in the consolidated financial statements, in respect of 6 associates, whose financial information has not been audited by their auditors. These financial statements has been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associates, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiaries and associates, we report that the Holding Company and 6 subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 5 subsidiaries incorporated in India whose financial statements have been audited under the act have not paid or provided for any managerial remuneration during the year. Also, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 10 associates incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law 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;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries, and associates and taken on record by the Board of Directors of the Holding Company, its subsidiaries and associates and the reports of the statutory auditors of its subsidiaries and associates, covered under the Act, none of the directors of the Holding Company, its subsidiaries and associates, are disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries and associates covered under the Act, and the operating effectiveness of such controls, refer to our separate report in '**Annexure II**' wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and associates incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 51 to the consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2026; Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries and associates companies covered under the Act, during the year ended 31 March 2026;

iv. a) The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief as disclosed in note 52 (j) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and associates to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and associates ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and associates incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 52 (f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and associates, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement;

v. a) The interim dividend declared and paid by the subsidiaries during the year ended 31 March 2026 and until the date of this audit report is in compliance with section 123 of the Act;

b) The final dividend paid by the Holding Company during the year ended 31 March 2026 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

c) As stated in note 43 (C) (b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2026 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks performed by us on the Holding Company, its subsidiaries and by the respective auditors of the other subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company, its subsidiaries, in respect of financial year commencing on 1 April 2025 have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility at the application level and database level with an access management tool and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of such audit trail features being tampered with where such feature was enabled. Furthermore, the audit trail has been preserved by the Holding Company and its eight subsidiaries as per the statutory requirements for record retention at application level since commencement of audit trail requirement from 1 April 2023 and at the database level from 7 June 2024 onwards as applicable for seven subsidiaries. For one subsidiary, the audit trail has been preserved from the migration date of 1 March 2024 at the application level and at the database level from 7 June 2024 onwards. For one another subsidiary the audit trail has been preserved as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 26108840AMBHCL3606

Place: Mumbai
Date: 13 May 2026

Annexure 1

List of entities included in the Statement

List of subsidiaries:

1. Goldencross Pharma Limited, India
2. Meditab Specialities Limited, India
3. Cipla Pharma and Life Sciences Limited, India
4. Jay Precision Pharmaceuticals Private Limited, India
5. Cipla Health Limited, India
6. Medispray Laboratories Private Limited, India
7. Sitec Labs Limited, India
8. Cipla Pharmaceuticals Limited, India
9. Cipla Health Employees Stock Option Trust, India
10. Cipla Digital Health Limited, India
11. Cipla Medpro South Africa (Pty) Limited, South Africa
12. Cipla Dibcare (Pty) Limited, South Africa (Dissolved w.e.f. 26 June 2024)
13. Cipla Medpro Manufacturing (Pty) Limited, South Africa
14. Cipla-Medpro (Pty) Limited, South Africa
15. Cipla-Medpro Distribution Centre (Pty) Limited, South Africa
16. Cipla Medpro Botswana (Pty) Limited, Botswana
17. Cipla Kenya Limited, Kenya
18. Cipla Select (Pty) Limited, South Africa
19. Medpro Pharmaceutica (Pty) Limited, South Africa
20. Mirren (Pty) Limited, South Africa
21. The Cipla Empowerment Trust, South Africa
22. Actor Pharma (Pty) Limited, South Africa
23. InvaGen Pharmaceuticals Inc., United States of America
24. Exelan Pharmaceuticals Inc., United States of America
25. Cipla USA Inc., United States of America
26. Cipla Therapeutics Inc., United States of America
27. Aspergen Inc., United States of America
28. Cipla Employee Stock Option Trust, India (Deregistered)
29. Cipla Holding B.V., Netherlands
30. Cipla (EU) Limited, United Kingdom
31. Cipla Australia Pty Limited, Australia
32. Meditab Holdings Limited, Mauritius
33. Cipla Malaysia Sdn. Bhd., Malaysia
34. Cipla Europe NV, Belgium
35. Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda., Brazil
36. Cipla Algérie, Algeria
37. Breathe Free Lanka (Private) Limited, Sri Lanka
38. Cipla Maroc SA, Morocco
39. Cipla Gulf FZ-LLC, United Arab Emirates
40. Cipla Colombia SAS, Colombia
41. Cipla (China) Pharmaceutical Co., Ltd., China
42. Cipla (Jiangsu) Pharmaceutical Co., Ltd., China
43. Mexicip S.A. de C.V, Mexico
44. CiplaRna GmbH, Germany (incorporated w.e.f. 28 May 2025)
45. Inzpera Healthsciences Limited, India (acquired w.e.f. 4 December 2025)
46. Cipla Middle East Company, Saudi Arabia (incorporated w.e.f. 1 March 2026)

List of associates:

1. Stempeutics Research Private Limited, India
2. AMPIN Power Systems Private Limited (formerly known as AMPSOLAR Power Systems Private Limited), India (share of loss/profit not required to be considered)
3. AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited), India (share of loss/profit not required to be considered)
4. Clean Max Auriga Power LLP, India (share of loss/ profit not required to be considered)
5. GoApptiv Private Limited, India
6. Iconphygital Private Limited, India (Wholly owned subsidiary of GoApptiv Private Limited)
7. MKC Biotherapeutics Inc., United States of America
8. Pactiv Healthcare Private Limited, India (Wholly owned subsidiary of GoApptiv Private Limited)
9. Achira Labs Private Limited, India
10. Brandmed (Pty) Limited, South Africa
11. AMPIN Energy C&I Eighteen Private Limited (formerly known as AMP Energy C&I Eighteen Private Limited), India (w.e.f. 28 May 2025) (share of loss/profit not required to be considered)
12. iCaltech Innovations (Private) Limited, India (w.e.f. 26 August 2025)

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Cipla Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the guidance note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of a subsidiary and 6 associates, which are companies covered under the Act, reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and associate companies, the Holding Company, its subsidiary companies and its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the 'Guidance note issued by ICAI'.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiary companies, which are companies covered under the Act, whose financial statements (prior to consolidation adjustments) reflect total assets of ₹ 275.81 crores as at 31 March 2026, total revenues of ₹ 191.88 crores and net cash inflows amounting to ₹ 5.29 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

10. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 4 associate companies, which are companies covered under the Act, in respect of which, the Group's share of net profit (including other comprehensive income) of ₹ 0.49 crores for the year ended 31 March 2026 has been considered in the consolidated financial statements. The internal financial controls with reference to financial statements of these associate companies, which are companies covered under the Act, are unaudited and our opinion under Section 143(3)(i) of the Act on adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the aforesaid associates, which are companies covered under the Act, is solely based on the corresponding internal financial controls with reference to financial statements reports certified by the management of such companies. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements reports certified by the management.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840
UDIN: 26108840AMBHCL3606

Place: Mumbai
Date: 13 May 2026

Consolidated Balance sheet

as at 31st March, 2026

₹ in Crores

Particulars	Notes	As at 31st March, 2026	As at 31st March, 2025
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2.1	5,586.66	4,813.88
(b) Right-of-use assets	2.2	453.14	448.38
(c) Capital work-in-progress	2.1	1,586.28	1,212.76
(d) Investment property	3	-	111.25
(e) Goodwill	4	3,754.42	3,270.27
(f) Other intangible assets	5	2,640.14	1,362.61
(g) Intangible assets under development	5	455.94	353.51
(h) Investment in associates	6	111.75	140.47
(i) Financial assets			
(i) Investments	7	432.24	499.07
(ii) Loans	8	2.76	32.54
(iii) Other financial assets	9	1,194.10	283.46
(j) Non-current tax assets (net)	10	573.28	487.86
(k) Deferred tax assets (net)	10	901.02	644.87
(l) Other non-current assets	11	657.22	437.59
Total non-current assets		**18,348.95**	**14,098.52**
(2) Current assets			
(a) Inventories	12	6,596.72	5,642.11
(b) Financial assets			
(i) Investments	13	7,679.42	7,293.23
(ii) Trade receivables	14	5,620.05	5,506.37
(iii) Cash and cash equivalents	15	1,018.22	588.69
(iv) Bank balances other than cash and cash equivalents	16	289.20	211.15
(v) Loans	17	23.12	15.64
(vi) Other financial assets	18	1,460.23	2,936.90
(c) Other current assets	19	1,458.90	1,054.88
Total current assets		**24,145.86**	**23,248.97**
(3) Assets classified as held for sale	2.3	1.17	39.55
Total assets		**42,495.98**	**37,387.04**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	20	161.56	161.52
(b) Other equity	21	34,270.39	31,031.93
Equity attributable to owners of the parent		**34,431.95**	**31,193.45**
(c) Non-controlling interest	22	88.29	95.80
Total equity		**34,520.24**	**31,289.25**
(2) Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	117.47	11.98
(ii) Lease liabilities	2.2	264.48	240.49
(iii) Other financial liabilities	24	220.40	102.39
(b) Provisions	25	157.56	148.69
(c) Deferred tax liabilities (net)	10	153.27	53.53
(d) Other non-current liabilities	26	48.97	56.75
Total non-current liabilities		**962.15**	**613.83**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	140.50	80.12
(ii) Lease liabilities	2.2	91.32	105.60
(iii) Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		215.18	278.60
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,014.72	2,558.89
(iv) Other financial liabilities	28	986.77	374.54
(b) Other current liabilities	29	300.50	292.85
(c) Provisions	25	2,259.15	1,716.61
(d) Current tax liabilities (net)	10	5.45	76.75
Total current liabilities		**7,013.59**	**5,483.96**
Total liabilities		**7,975.74**	**6,097.79**
Total equity and liabilities		**42,495.98**	**37,387.04**

The accompanying notes form an integral part of these consolidated financial statements. 1-57

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive
Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2026

₹ in Crores

Particulars	Notes	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
(1) Income			
(a) Revenue from operations			
(i) Revenue from sale of products	30	27,711.69	27,145.40
(ii) Other operating revenue	31	450.90	402.22
Total revenue from operations		**28,162.59**	**27,547.62**
(b) Other income	32	882.01	861.87
(2) Total income (a+b)		**29,044.60**	**28,409.49**
(3) Expenses			
(a) Cost of materials consumed	33	5,841.62	5,409.60
(b) Purchases of stock-in-trade	34	4,451.37	3,851.49
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	35	(743.88)	(332.10)
(d) Employee benefits expense	36	5,366.33	4,832.83
(e) Finance costs	37	54.39	62.01
(f) Depreciation, impairment and amortisation expense	38(a)	1,210.98	1,106.95
(g) Impairment of investment in associates	38(b)	42.02	-
(h) Other expenses	39(a)	7,322.23	6,657.90
Total expenses		**23,545.06**	**21,588.68**
(4) Profit before exceptional items, tax and share of profit/(loss) from associates (2-3)		**5,499.54**	**6,820.81**
(5) Exceptional item - (Loss)	39(b)	(275.91)	-
(6) Profit before tax and share of profit/(loss) from associates (4+5)		**5,223.63**	**6,820.81**
(7) Tax expense/credit (net)	10		
(a) Current tax		1,440.95	1,708.35
(b) Deferred tax		(87.11)	(178.59)
Total tax expense (net)		**1,353.84**	**1,529.76**
(8) Net profit after tax before share of profit/(loss) from associates (6-7)		**3,869.79**	**5,291.05**
(9) Share of profit (+)/loss (-) of associates	6	(8.05)	(21.85)
(10) Net profit for the year (8+9)		**3,861.74**	**5,269.20**
(11) Other comprehensive income/(loss) for the year	40		
(a) (i) Items that will not be reclassified to profit or loss		(188.93)	(66.11)
(ii) Income tax on item that will not be reclassified to profit or loss		2.07	9.94
(b) (i) Items that will be reclassified to profit or loss		828.14	276.16
(ii) Income tax on item that will be reclassified to profit or loss		46.46	(1.33)
Total other comprehensive income for the year		**687.74**	**218.66**
(12) Total comprehensive income for the year (10+11)		**4,549.48**	**5,487.86**
(13) Profit for the year attributable to			
(a) Owners of the parent		**3,879.23**	**5,272.52**
(b) Non-controlling interests		(17.49)	(3.32)
(14) Other comprehensive income/(loss) attributable to			
(a) Owners of the parent		**688.69**	**216.94**
(b) Non-controlling interests		(0.95)	1.72
(15) Total comprehensive income attributable to			
(a) Owners of the parent		**4,567.92**	**5,489.46**
(b) Non-controlling interests		(18.44)	(1.60)
(16) Earnings per equity share of face value of ₹ 2 each	41		
Basic (in ₹)		**48.03**	**65.29**
Diluted (in ₹)		**48.00**	**65.24**

The accompanying notes form an integral part of these consolidated financial statements. 1-57

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive
Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2026

(a) Equity share capital (refer note 20)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	161.52	161.47
Changes in equity share capital during the year on exercise of employee stock options (ESOS & ESAR)	0.04	0.05
Balance at the end of the year	**161.56**	**161.52**

(b) Other equity (refer note 21)

₹ in Crores

Particulars	Share application money pending allotment	Reserves and surplus					Items of other comprehensive income			Attributable to the owners of the Company	Non-controlling interest	Total
		Capital reserve	Securities premium	General reserve	Share Option Outstanding Account (ESOS/ESAR)	Retained earnings*	Foreign currency translation reserve	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges			
Balance as at 1st April, 2024	**0.00**	**(264.24)**	**1,672.84**	**3,145.00**	**86.54**	**21,438.78**	**315.21**	**144.98**	**5.85**	**26,544.96**	**95.90**	**26,640.86**
Profit for the year	-	-	-	-	-	5,272.52	-	-	-	**5,272.52**	(3.32)	**5,269.20**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(17.19)	268.82	(38.53)	3.84	**216.94**	1.72	**218.66**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,255.33**	**268.82**	**(38.53)**	**3.84**	**5,489.46**	**(1.60)**	**5,487.86**
Payment of dividend (refer note 43 C)	-	-	-	-	-	(1,049.83)	-	-	-	**(1,049.83)**	(28.97)	**(1,078.80)**
Exercise of employee stock options	-	-	19.76	-	(19.76)	-	-	-	-	**-**	-	**-**
Contribution by Non-controlling interest (refer note 22)	-	-	-	-	-	-	-	-	-	**-**	30.47	**30.47**
Share application money pending allotment#	0.00	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**
Share based payments expense (refer note 46)	-	-	-	-	47.34	-	-	-	-	**47.34**	-	**47.34**
Balance as at 31st March, 2025	**0.00**	**(264.24)**	**1,692.60**	**3,145.00**	**114.12**	**25,644.28**	**584.03**	**106.45**	**9.69**	**31,031.93**	**95.80**	**31,127.73**

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2026

₹ in Crores

Particulars	Share application money pending allotment	Reserves and surplus					Items of other comprehensive income			Attributable to the owners of the Company	Non-controlling interest	Total
		Capital reserve	Securities premium	General reserve	Share Option Outstanding Account (ESOS/ESAR)	Retained earnings*	Foreign currency translation reserve	Equity instruments fair value through other comprehensive income	Effective portion of cash flow hedges			
Profit for the year	-	-	-	-	-	3,879.23	-	-	-	**3,879.23**	(17.49)	**3,861.74**
Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(15.11)	1,013.62	(171.78)	(138.04)	**688.69**	(0.95)	**687.74**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,864.12**	**1,013.62**	**(171.78)**	**(138.04)**	**4,567.92**	**(18.44)**	**4,549.48**
Payment of dividend (refer note 43 C)	-	-	-	-	-	(1,292.40)	-	-	-	**(1,292.40)**	(11.27)	**(1,303.67)**
Transfers within Other equity	-	-	-	0.02	(0.02)	-	-	-	-	**-**	-	**-**
Exercise of employee stock options	-	-	14.54	-	(14.54)	-	-	-	-	**-**	-	**-**
Transfer to other financial liabilities (refer note 28)	-	-	-	-	(96.11)	-	-	-	-	**(96.11)**	-	**(96.11)**
Contribution by Non-controlling interest (refer note 22)	-	-	-	-	-	-	-	-	-	**-**	22.20	**22.20**
Share application money pending allotment#	0.00	-	-	-	-	-	-	-	-	**0.00**	-	**0.00**
Share based payments expense (refer note 46)	-	-	-	-	59.05	-	-	-	-	**59.05**	-	**59.05**
Balance as at 31st March, 2026	**0.00**	**(264.24)**	**1,707.14**	**3,145.02**	**62.50**	**28,216.00**	**1,597.65**	**(65.33)**	**(128.35)**	**34,270.39**	**88.29**	**34,358.68**

represent share application money pending allotment of ₹ 638 for 319 number of shares (31st March, 2025: ₹ 9,144 for 4,572 number of shares)

*Remeasurement gain/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

There are no prior period errors, and hence disclosure with respect to the restatement of the opening balance of "Equity share capital" and "Other equity" is not applicable.

The accompanying notes form an integral part of these consolidated financial statements (Note 1-57).

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive
Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Consolidated Statement of Cash Flows

for the year ended 31st March, 2026

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cash flow from operating activities		
Profit before tax	5,223.63	6,820.81
Adjustments for:		
Depreciation, impairment and amortisation expense	1,210.98	1,106.95
Impairment of investment in associates (refer note 38(b))	42.02	-
Finance costs	54.39	62.01
Unrealised foreign exchange gain (net)	(103.30)	(13.85)
Share based payment expense	59.05	47.34
Allowances for credit loss (net)	8.36	8.93
Interest income on income tax refund	(0.66)	(9.98)
Interest income on bank deposits and others	(227.91)	(254.42)
Sundry balances written back (net)	(3.45)	(10.94)
Net gain on sale of current investment carried at fair value through profit or loss	(344.81)	(174.27)
Net fair value gain on financial instruments at fair value through profit or loss	(128.14)	(234.55)
Net loss/(gain) on sale/disposal of property, plant and equipment and intangible asset	(31.81)	5.06
Rent income	(6.91)	(14.54)
Operating profit before working capital changes	**5,751.44**	**7,338.55**
Adjustments for working capital:		
Increase in inventories	(642.39)	(322.54)
Decrease/(Increase) in trade receivables	465.29	(593.76)
Increase in other receivables	(701.18)	(149.18)
Increase in trade payables	252.58	342.17
Increase in other payables and provisions	400.48	57.84
Cash generated from operations	**5,526.22**	**6,673.08**
Income tax paid (net of refunds)	(1,586.20)	(1,668.10)
Net cash flows generated from operating activities (a)	**3,940.02**	**5,004.98**
Cash flow from investing activities		
Purchase of property, plant and equipment {refer note (ii) below}	(1,599.33)	(1,162.16)
Purchase of intangible assets (including intangible asset under development)	(1,479.98)	(386.04)
Proceeds from sale of property, plant and equipment {refer note (ii) below}	23.56	24.85
Proceeds from sale of intangible assets	44.05	8.55
Purchase consideration for acquisition of business	-	(130.00)
Purchase/Deferred consideration for acquisition of subsidiary (net of cash acquired) (refer note 54)	(110.65)	(75.09)
Investment in associates (refer note 6)	(15.63)	(30.63)
Purchase of non-current investments	(17.37)	(17.83)
Sale/(purchase) of current investments (net)	86.76	(2,077.40)
Proceed/Advance received against sale of assets classified as held for sale	26.15	11.09
Change in bank balances and cash not available for immediate use	486.48	(104.41)
Interest received	222.92	260.20
Loan given to associate and others	-	(26.81)
Rent received	6.91	14.54
Net cash used in investing activities (b)	**(2,326.13)**	**(3,691.14)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2026

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cash flow from financing activities		
Proceeds from issue of equity shares (ESOS & ESAR)	0.04	0.05
Transaction with non-controlling interest (net)	15.78	2.79
Consideration paid for settlement of option liability	-	(43.14)
Proceeds/(Repayment) from current borrowings (net)	94.62	(98.01)
Proceeds from non-current borrowings	93.16	11.96
Principal payment of lease liabilities	(107.82)	(80.23)
Interest paid (including interest on lease liability of ₹ 28.31 Crores (31st March, 2025: ₹ 23.02 Crores))	(37.03)	(36.38)
Dividend paid	(1,292.40)	(1,049.83)
Net cash used in financing activities (c)	**(1,233.65)**	**(1,292.79)**
Net increase in cash and cash equivalents (a+b+c)	**380.24**	**21.05**
Cash and cash equivalents at the beginning of the year	542.65	512.34
Exchange difference on translation of foreign currency cash and cash equivalents	92.50	9.26
Cash and cash equivalents at the end of the year (refer note 15)	**1,015.39**	**542.65**
Components of cash and cash equivalents:		
Cash and cash equivalents as per Consolidated Balance Sheet (refer note 15)	1,018.22	588.69
Less: Bank overdraft (refer note 23)	(2.83)	(46.04)
Cash and cash equivalents for Consolidated Statement of Cash Flows	**1,015.39**	**542.65**

Note:

(i) The above statement of cash flow from operating activities has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

(ii) Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment and investment property adjusted for movement of capital work in progress, capital advances and capital creditors during the year.

(iii) For reconciliation of borrowings and lease liability, refer note 23 & note 2.2

(iv) Cash and cash equivalents comprises of balances with banks (in current accounts, EEFC accounts, and fixed deposits with an original maturity of less than three months), remittance in transit, and cash on hand. Cash and cash equivalents as presented in the balance sheet are adjusted for bank overdrafts used for cash management purposes (refer to Note 23), and the resulting amount represents cash and cash equivalents in the statement of cash flows.

The accompanying notes form an integral part of these consolidated financial statements (Note 1-57).

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive
Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Notes to the Consolidated Financial Statements

Group Information

Cipla Limited (Corporate identity number: L24239MH1935PLC002380) ("Cipla" or "the Company") having a registered office at Cipla house, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, is a public company incorporated and domiciled in India. The Company is in the business of manufacturing, developing, and marketing a wide range of branded and generic formulations and Active Pharmaceutical Ingredients (APIs). The Group has a wide network of manufacturing, trading, and other incidental operations in India and International markets. Equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Global Depository Receipts are listed on the Luxembourg Stock Exchange.

The consolidated financial statements comprise financial statements of Cipla Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), and its associates (refer to "**Annexure A**" to Note 1 for the list of subsidiaries and associates).

Note 1: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information

1.1 Basis of Preparation and Measurement

(i) Compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group as at and for the year ended 31st March, 2026 have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, and other relevant provisions of the Act and accounting principles generally accepted in India.

(ii) Consistency of accounting policy and going concern

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. These financial statements have been prepared on a going concern basis.

(iii) Functional currency and rounding of amounts

The consolidated financial statements are presented in Indian Rupee (₹) which is also the functional currency of the parent company. All amounts disclosed in the consolidated financial statements and notes have been rounded-off to the nearest crore or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹ 50,000/- is presented as ₹ 0.00 Crore. Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') unless the use of a different currency is appropriate.

(iv) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Derivative financial instruments and contingent consideration is measured at fair value;
- Assets held for sale – measured at lower of their carrying value and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value;
- Share based payments – measured at fair value;
- Investment in associates are accounted for using equity method; and
- Asset and liabilities assumed as part of business combination – measured at fair value.

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1 - Presentation of Financial Statements.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are always disclosed as non-current.

(v) Basis of consolidation

The consolidated financial statements relate to Cipla Limited, its subsidiaries and associates. The financial statements of the subsidiaries and associates used for the purpose of consolidation are drawn up to the same reporting date as that of the Group.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate financial statements. The consolidated financial statements have been prepared on the following basis:

Investment in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The net assets and results of acquired businesses are included in the consolidated financial statements from their

Notes to the Consolidated Financial Statements

respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Other Equity' in the consolidated financial statements.

Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interest which is not owned, directly or indirectly, by the Parent Company.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests are valued based on the proportion of net assets of the acquired company at the date of acquisition.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profits. Unrealised losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

The profit and other comprehensive income attributable to non-controlling interest of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated statement of changes in equity.

Upon loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI or FVTPL financial asset, depending on the level of influence retained.

Investment in Associates

Investments in associates are accounted for using the equity method unless otherwise stated. Under the equity method of accounting, on initial recognition the investment in an associate is recognised at cost. The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss after the date of acquisition, unless the share purchase agreement specify otherwise. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

If an entity's share of losses of an associate equal or exceeds its interest in the associate, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

1.2 Key accounting estimates and Judgements

The preparation of consolidated financial statements requires management of the Group to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Notes to the Consolidated Financial Statements

Following are the critical judgements and estimates:

1.2.1. Judgements

(i) Leases

Ind AS 116 - Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

The major tax jurisdictions for the Group are India, US and South Africa, though the Group companies also file tax returns in other foreign jurisdictions. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Research and development costs

Research and development (R&D) expenses are fully charged to "Other expenses" in the consolidated statement of profit and loss in the period in which they are incurred. The Group considers that regulatory and other uncertainties inherent in the development of new products preclude the capitalization of internal development expenses as an intangible asset until marketing approval from a regulatory authority is obtained in a major market.

Payments made to third parties, such as contract research and development organizations in compensation for subcontracted R&D, that are deemed not to transfer intellectual property to Group are expensed as R&D expenses in the period in which they are incurred. Such payments are only capitalized if they meet the criteria for recognition of an internally generated intangible asset, usually when marketing approval has been received from a regulatory authority in a major market.

Payments made to third parties to in-license or acquire intellectual property rights, compounds and products, including initial upfront and subsequent milestone payments, are capitalized, as are payments for other assets, such as technologies to be used in R&D activities. If additional payments are made to the originator company to continue performing R&D activities, an evaluation is made as to the nature of the payments. Such additional payments will be expensed if they are deemed to be compensation for subcontracted R&D services not resulting in an additional transfer of intellectual property rights to Group. Such additional payments will be capitalized if they are deemed to be compensation for the transfer of additional intellectual property developed at the risk of the originator company. Subsequent internal R&D costs in relation to IPR&D and other assets are expensed, since the technical feasibility of the internal R&D activity can only be demonstrated by the receipt of marketing approval for a related product from a regulatory authority in a major market.

(iv) Provisions and contingent liabilities

The Group exercises judgement in determining if a particular matter is possible, probable or remote. The Group also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Notes to the Consolidated Financial Statements

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(v) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. In assessing control, potential voting rights are considered only if the rights are substantive.

1.2.2 Estimates

(i) Useful lives of property, plant and equipment, and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(ii) Refund liabilities

The Group accounts for sales returns accrual by recording refund liabilities concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods to the extent goods are saleable in market) which is included in inventories for the products expected to be returned and sold. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

(iii) Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts, other deductions and medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Group. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on historical average rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler.

(iv) Shelf stock adjustments

Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Group, and are accrued when the prices of certain products decline as a result of increased competition upon the expiration of limited competition or exclusivity periods. These credits are customary in the pharmaceutical industry and are intended to reduce the customer inventory cost to better reflect the current market prices. The determination to grant a shelf stock adjustment to a customer is based on the terms of the applicable contract, which may or may not specifically limit the age of the stock on which a credit would be offered.

(v) Inventories obsolescence

The factors that the Group considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

(vi) Expected credit loss

In accordance with Ind AS 109 - Financial Instruments, the Group applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another

Notes to the Consolidated Financial Statements

financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Group follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

(vii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(viii) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(ix) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.3 Material Accounting Policy Information

1.3.1 Property, plant and equipment and Capital work-in-progress

(i) Recognition and measurement

Property, plant and equipment, is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes net of trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

Freehold land has an unlimited useful life and therefore is not depreciated.

Property, plant and equipment acquired in a business combination, other than common control business combination, are recognised at fair value at the acquisition date. Property, plant and equipment acquired under common control business combination are recognised at carrying value at the acquisition date.

Subsequent costs (including cost of replacing parts) are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the consolidated statement of profit and loss during the period in which they are incurred.

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Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under 'Other Non-Current Assets'.

Software for internal use, which is primarily acquired from third-party vendors, and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on property, plant, and equipment (other than freehold land) is calculated on pro-rata on the straight line method based on the useful life of the assets as indicated under Part C of Schedule II of the Companies Act 2013 except for certain assets where management believes and based on the technical evaluation and assessment that the useful lives adopted by it best represent the period over which an asset is expected to be available for use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate and adjusted prospectively.

The estimated useful lives are as follows:

Property, plant and equipment	Useful Life
Buildings – Factory and Administrative Buildings	25 to 40 years
Buildings – Ancillary structures	3 to 10 years
Plant and equipment	2 to 20 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	4 to 8 years
Computers	3 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss.

1.3.2 Intangible assets

(i) Recognition and measurement

Intangible assets comprises of marketing intangibles, trademarks, technical know-how, brands, customer relationship, computer software, product related intangibles, distribution network and non – compete rights acquired separately are measured on initial recognition at cost. The cost of intangibles acquired in a business combination is their fair value at the date of acquisition. Further, payments to third parties for in-licensed products, generally take the form of up-front and milestones payments and are capitalised following a cost accumulation approach to variable payments (milestones) when receipt of economic benefits out of the separately purchased transaction is considered to be probable. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. Internally generated intangibles are not capitalised and the related expenditure is reflected in the consolidated statement of Profit and Loss in the period in which expenditure is incurred.

(ii) Goodwill

Goodwill is initially recognised and measured as set out in paragraph 1.3.19. After initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying value of the equity accounted investee.

(iii) In-Process Research and Development assets ("IPR&D") or Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent

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expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

(iv) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the consolidated statement of profit and loss.

(v) Amortisation

The Group amortises intangible assets with a finite useful life using the straight-line method over the following useful lives:

Intangible assets	Useful Life
Marketing intangibles	2 to 25 years
Trademarks	2 to 15 years
Technical Know-how	2 to 15 years
Brands	2 to 15 years
Computer software	2 to 6 years
Non-compete rights	5 years
Customer Relationships	4 years

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite life is recognised in the consolidated statement of profit and loss under the head depreciation, impairment and amortisation expense.

(vi) De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the consolidated profit or loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

1.3.3 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment properties. Investment property is measured initially at its cost, including related transaction costs and borrowing costs where applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 5-60 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit and loss in the period of derecognition.

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, and Property, plant & equipment do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes

1.3.4 Discontinued operations and Assets classified as held for sale

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; and
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately as a single amount as profit or loss after tax from discontinued operational in the consolidated statement of profit and loss.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and the asset is available for immediate sale in its present condition They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative

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impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Consolidated Balance Sheet.

1.3.5 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31st March.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

1.3.6 Foreign currency translation

Foreign currency transactions and balances

Transactions in foreign currencies are translated into respective functional currencies of Group Companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Foreign exchange gains and losses resulting from the translation are recognised in the consolidated statement of profit and loss except for foreign currency exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective.

Group Companies

The financial statements of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing rate prevailing on the reporting date;
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate;
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

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- All resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the related cumulative translation differences recognised in equity are re-classified to consolidated statement of profit and loss and are recognised as part of the gain or loss on disposal.

1.3.7 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress, stock-in-trade and finished goods and are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost of inventories is determined on a weighted average basis.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold below cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of consumables, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

1.3.8 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is initially recognised as deferred income at fair value and subsequently are recognised in consolidated statement of profit and loss as other income on a systematic basis over the expected useful life of the related asset.

Export benefits and other incentives from government authority are recognised in the consolidated statement of profit and loss as other operating revenue in the year in which the right to receive is established as per the terms of the scheme in respect of the exports made by the Group with no future related cost and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.3.9 Revenue recognition

(i) Sale of products

The Group recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer.

Revenues are recorded in the amount of consideration to which the Group expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold and services rendered is net of estimated incentives, returns, chargeback, rebates, sales tax and applicable trade discounts, allowances, Goods and Services Tax (GST) and amounts collected on behalf of third parties.

Variable consideration are estimated and accounted in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. The Group estimates the amount of variable consideration using the expected value method or historical record of performance of similar contracts.

(ii) Sales by clearing and forwarding agents

Revenue from sales of generic products in India is recognised upon delivery of products to distributors by clearing and forwarding agents of the Group. Control in respect of ownership of generic products are transferred by the Group when the goods are delivered to distributors from clearing and forwarding agents. Clearing and forwarding agents are generally compensated on a commission basis as a percentage of sales made by them.

(iii) Out-licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more components, the Group accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Group can make a

Notes to the Consolidated Financial Statements

reasonable estimate of the fair value of the undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Group has pending performance obligations.

Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

The Group estimates variable consideration in the form of sales-based milestones by using the expected value or most likely amount method, depending upon which method the Group expects to better predict the amount of consideration to which it will be entitled.

(iv) Service fee

Revenue from services rendered is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(v) Profit sharing revenues

The Group from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Group sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

(vi) Contract balances

Contract assets - A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

Contract liabilities - A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.10 Other income (interest income, Dividend and Others)

(i) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Dividends

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

(iii) Others (other than interest and dividend income)

Other Income consists of rent income, insurance claim, vendor settlement income and miscellaneous income and is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.

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1.3.11 Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are measured on undiscounted basis. Benefits such as salaries, wages, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Post-retirement contribution plans such as Employees' Pension scheme, Labour Welfare Fund, Employee State Insurance Corporation (ESIC) are charged to the consolidated statement of profit and loss for the year when the contributions to the respective funds accrue. The Group does not have any obligation other than the contribution made.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under provident fund plan are deposited in a government - administered provident fund. Indian subsidiaries have no further obligation to plan beyond its monthly contributions.

In respect of USA subsidiaries, there is a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The USA subsidiaries contributions to the plan are at the discretion of the Board. Obligations for contributions to 401(k) plan are recognised as an employee benefits expense in consolidated statement of profit and loss as incurred.

For other foreign subsidiaries, contributions to defined contribution plans are charged to the consolidated profit or loss as and when the services are received from the employees.

(iii) Defined benefit plans

a) Employee's provident fund

In accordance with the Employees' Provident Fund and Miscellaneous Provision Act, 1952, all eligible employees of the Holding Company are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly to "Cipla Limited Employee's Provident Fund Trust", a Trust set up by the Holding Company to manage the investments and distribute the amounts to employees at the time of separation from the Holding Company or retirement, whichever is earlier. This plan is a defined benefit obligation plan as the Company is obligated to provide its members a rate of return which should, at a minimum, meet the interest rate declared by the government-administered provident fund. A part of the Holding Company's contribution is transferred to the government-administered pension fund. The contributions made by the Holding Company and the shortfall of interest, if any, on the basis of an actuarial valuation are recognised in accordance with Ind AS 19 "Employee Benefits".

b) Gratuity obligations

Post-retirement benefit plans such as gratuity for eligible employees of the Company and its Indian subsidiaries are calculated using projected unit credit method on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable), and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to the consolidated statement of profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

(iv) Other benefit plans

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted

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value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

(v) Termination benefits

Termination benefits are recognised in the consolidated statement of profit and loss at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits; or

(b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value consolidated statement of profit and loss.

(vi) Other long-term employee benefits

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

1.3.12 Share-based payments

a) Equity settled share-based payment transactions

The Group operates equity-settled share-based remuneration plans for its employees.

The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102-Share based Payment. For share entitlement granted by the Group to its employees, the estimated fair value as determined on the date of grant, is charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the vesting period and assessment of performance conditions if any, with a corresponding increase in equity.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

b) Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the consolidated statement of profit and loss.

1.3.13 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax

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asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the respective group company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the respective group company.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Group will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The Group recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Group is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the consolidated statement of changes in equity as part of the associated dividend payment.

(iii) Uncertain tax positions

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

1.3.14 Leases

The Group's lease asset classes primarily consist of leases for land, Plant and equipment, buildings and flats, vehicles and computers. The Group assesses whether a contract is or contains a lease, at the inception of a contract. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Group has the right to direct the use of the asset.

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases of low value assets. For these leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated

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from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less. For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for onerous contracts

A provision for onerous contracts is recognised in the consolidated statement of profit and loss when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

1.3.17 Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

All financial assets (excluding trade receivables) are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Group commits to purchase or sell the financial assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "Revenue from Contracts with Customers".

(b) Subsequent measurement

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- The Group's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial asset.

Notes to the Consolidated Financial Statements

Based on the above criteria, the Group classifies its financial assets into the following categories:

a) Debt instruments at amortised cost;

b) Debt instruments at FVTOCI;

c) Debt instruments, derivatives and equity instruments at FVTPL; and

d) Equity instruments measured at FVTOCI.

(i) Debt instruments at amortised cost

A 'debt instrument' is subsequently measured at the amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

(ii) Debt instrument at fair value through other comprehensive income (FVTOCI)

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instrument at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all the changes in the consolidated statement of profit and loss.

(iv) Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

(c) De-recognition

A financial asset is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

a) The contractual rights to receive cash flows from the asset have expired, or

b) The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to

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the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(d) Impairment of financial assets (trade receivables and other financial assets)

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed. In respect of other financial assets (e.g. deposits, bank balances etc.) the Group generally invests in instruments with high credit rating and consequently low credit risk. In the unlikely event that the credit risk increases significantly from inception of investment, lifetime ECL is used for recognising impairment loss on such assets.

(ii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(c) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/loss are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

(d) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting

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periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the consolidated statement of profit and loss. After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

(e) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

(iii) Derivative financial instruments

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Fair value hedges:

The Group uses derivative forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss.

Hedge accounting is discontinued when the group revokes the hedge relationship, the hedging instrument or hedged item expire or sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

Cash flow hedge:

The Group classifies its foreign exchange forward and currency options contracts that hedge foreign currency risk associated with highly probable forecasted as cash flow hedges and measures them at fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit and loss and is included in the 'Other income/ expenses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the consolidated statement of profit and loss in the periods when the hedged item affects consolidated statement of profit and loss, in the same line as the recognised hedged item.

When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain/loss at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain/loss that was reported in equity are immediately reclassified to consolidated statement of profit and loss.

(iv) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model as per Ind AS 109 – Financial Instruments; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for

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assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

1.3.19 Business combinations

The Group accounts for business combinations using acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships and employee service-related payments. Any goodwill that arises on account of such business combination is tested annually for impairment.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit and loss or OCI, as appropriate.

Any contingent consideration is measured at fair value at the date of acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the consolidated profit and loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

Business Combination involving entities or businesses under common control is accounted for using the pooling of interest method.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

1.3.20 Exceptional Items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in consolidated statement of profit and loss and in the notes forming part of the consolidated financial statements.

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1.3.21 Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2026, MCA has notified Amendment to following Ind AS, applicable to the Group w.e.f. 1st April, 2025.

- Ind AS – 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
- Ind AS 12 - Income Taxes relating to International Tax Reform – Pillar Two Model Rules – Exception to recognition and disclosure of deferred tax.
- Amendments to Ind AS 7 – Cash flow statement and Ind AS 107 – Financial Instrument - Disclosures relating to supplier finance arrangements
- Ind AS 1-Presentation of Financial Statements-Classification of Liabilities as current or non- current and non- current liabilities with covenants.

The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its Consolidated financial statements.

1.3.22 New and amended standards issued but not effective:

The MCA has issued certain amendments to Indian Accounting Standards which are not yet effective as at 31st March, 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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Annexure 'A' to Note 1: List of Subsidiaries and Associates

Sr. No.	Name of the Entity	Country of Incorporation	% Ownership Interest		With effect from
			As at 31st March, 2026	As at 31st March, 2025	
a.	**Subsidiaries (held directly)**				
1	Goldencross Pharma Limited	India	100%	100%	14/05/2010
2	Meditab Specialities Limited	India	100%	100%	01/10/2010
3	Cipla Medpro South Africa (Pty) Limited	South Africa	100%	100%	15/07/2013
4	Inzpera Healthsciences Limited	India	100%	-	04/12/2025
5	Cipla Holding B.V.	Netherlands	100%	100%	28/08/2013
6	Cipla Pharma and Life Sciences Limited	India	100%	100%	24/07/2014
7	Cipla (EU) Limited	United Kingdom	100%	100%	27/01/2011
8	Jay Precision Pharmaceuticals Private Limited	India	60%	60%	26/02/2015
9	Cipla Health Limited	India	100%	100%	27/08/2015
10	Cipla Pharmaceuticals Limited	India	100%	100%	19/11/2019
11	Cipla Digital Health Limited	India	100%	100%	25/02/2022
b.	**Subsidiaries (held indirectly)**				
12	Cipla Australia Pty Limited	Australia	100%	100%	04/03/2011
13	Medispray Laboratories Private Limited	India	100%	100%	01/10/2010
14	Sitec Labs Limited	India	100%	100%	01/10/2010
15	Meditab Holdings Limited	Mauritius	100%	100%	01/10/2010
16	Cipla USA Inc.	USA	100%	100%	12/09/2012
17	Cipla Kenya Limited	Kenya	100%	100%	08/10/2012
18	CiplaRNA GmbH	Germany	100%	-	28/05/2025
19	Cipla Malaysia Sdn. Bhd.	Malaysia	100%	100%	20/03/2013
20	Cipla Europe NV	Belgium	100%	100%	30/09/2013
21	Actor Pharma (Pty) Limited	South Africa	100%	100%	07/02/2024
22	Mexicip S.A. de C.V.	Mexico	100%	100%	22/01/2024
23	Cipla Dibcare (Pty) Limited[1]	South Africa	-	-	15/07/2013
24	Cipla Medpro Manufacturing (Pty) Limited	South Africa	100%	100%	15/07/2013
25	Cipla Medpro (Pty) Limited	South Africa	100%	100%	15/07/2013
26	Cipla Medpro Distribution Centre (Pty) Limited	South Africa	100%	100%	15/07/2013
27	Cipla Medpro Botswana (Pty) Limited	Botswana	100%	100%	15/07/2013
28	Cipla Select (Pty) Limited	South Africa	100%	100%	15/07/2013
29	Medpro Pharmaceutica (Pty) Limited	South Africa	100%	100%	15/07/2013
30	Breathe Free Lanka (Private) Limited	Sri Lanka	100%	100%	16/06/2014
31	Cipla Brasil Importadora E Distribuidora de Medicamentos Ltda.	Brazil	100%	100%	11/05/2015
32	Cipla Maroc SA	Morocco	75.1%	75.1%	08/05/2015
33	InvaGen Pharmaceuticals Inc.	USA	100%	100%	17/02/2016
34	Exelan Pharmaceuticals Inc.	USA	100%	100%	17/02/2016
35	Cipla Algérie	Algeria	40%	40%	06/06/2016
36	Cipla Gulf FZ-LLC	UAE	100%	100%	10/10/2018
37	Mirren (Pty) Limited	South Africa	100%	100%	22/10/2018
38	Cipla Colombia SAS	Colombia	100%	100%	25/04/2019
39	Cipla (China) Pharmaceutical Co., Ltd.	China	100%	100%	20/05/2019
40	Cipla (Jiangsu) Pharmaceutical Co., Ltd.[2]	China	100%	100%	08/08/2019
41	Cipla Therapeutics Inc.	USA	100%	100%	15/05/2020
42	Aspergen Inc.	USA	60%	60%	30/08/2022
43	Cipla Middle East Company	Kingdom of Saudi Arabia	100%	-	01/03/2026

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Sr. No.	Name of the Entity	Country of Incorporation	% Ownership Interest		With effect from
			As at 31st March, 2026	As at 31st March, 2025	
c.	**Associates (held directly)**				
44	AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited)	India	26%	26%	12/06/2019
45	GoApptiv Private Limited	India	22.99%	22.99%	27/07/2020
46	AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	India	32.49%	32.49%	08/02/2022
47	Clean Max Auriga Power LLP	India	33%	33%	14/12/2021
48	Achira Labs Private Limited	India	21.05%	21.05%	17/08/2022
49	iCaltech Innovations Private Limited	India	20%	-	26/08/2025
d.	**Associates (held indirectly)**				
50	Stempeutics Research Private Limited	India	34.36%	34.36%	01/10/2010
51	Brandmed (Pty) Limited	South Africa	30%	30%	24/04/2019
52	Iconphygital Private Limited	India	22.99%	22.99%	03/05/2021
53	Pactiv Healthcare Private Limited	India	22.99%	22.99%	26/07/2023
54	MKC Biotherapeutics Inc[3]	USA	34.40%	34.40%	27/02/2024
55	AMPIN Energy C&I Eighteen Private Limited (formerly known as AMP Energy C&I Eighteen Private Limited)	India	26.00%	-	28/05/2025
e.	**Other consolidating entities**				
56	Cipla Employee Stock Option Trust (Deregistered)	India	-	-	09/10/2015
57	Cipla Health Employee Stock Option Trust	India	100%	100%	14/03/2016
58	The Cipla Empowerment Trust	South Africa	100%	100%	30/06/2022

1. Dissolved w.e.f 26th June, 2024

2. Additional equity stake of 6.91% acquired by Cipla (EU) Ltd w.e.f. 25th October, 2024.

3. Stake changed from 35.20% to 34.40% w.e.f. 27th September, 2024.

Notes to the Consolidated Financial Statements

Note 2.1: (a) Property, plant and equipment

₹ in Crores

Particulars	Freehold land[iv]	Leasehold building improvements	Buildings and flats[i & iv]	Plant and Equipment	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross carrying value								
As at 1st April, 2024	**81.74**	**269.34**	**2,535.35**	**6,304.64**	**163.79**	**131.10**	**9.80**	**9,495.76**
Additions through business combination (refer note 54)	-	-	-	-	-	0.03	-	0.03
Additions for the year	5.36	-	55.81	697.11	13.34	29.86	1.21	802.69
Transfer from assets group classified as held for sale {refer note 2.3}	-	-	0.09	40.01	0.68	0.18	-	40.96
Transfer from Investment property (refer note 3)	-	-	0.34	-	-	-	-	0.34
Deletions and adjustments during the year	-	-	(3.45)	(127.11)	(3.22)	(7.18)	(0.36)	(141.32)
Foreign currency translations adjustments	0.34	11.57	12.18	38.99	0.92	(0.95)	0.12	63.17
As at 31st March, 2025	**87.44**	**280.91**	**2,600.32**	**6,953.64**	**175.51**	**153.04**	**10.77**	**10,261.63**
Additions through business combination (refer note 54)	-	0.02	-	0.28	0.01	0.03	-	0.34
Additions for the year	0.51	10.23	177.34	943.85	26.82	40.44	2.46	1,201.65
Transfer from assets group classified as held for sale {refer note 2.3}	-	-	(1.55)	8.41	0.49	1.08	-	8.43
Transfer from Investment property (refer note 3)	-	-	132.83	1.36	1.91	2.37	-	138.47
Deletions and adjustments during the year	(0.21)	43.62	(48.25)	(98.44)	(0.55)	(3.47)	(0.84)	(108.14)
Foreign currency translations adjustments	1.28	37.15	58.89	160.91	4.56	1.27	0.27	264.33
As at 31st March, 2026	**89.02**	**371.93**	**2,919.58**	**7,970.01**	**208.75**	**194.76**	**12.66**	**11,766.71**
Accumulated depreciation and impairment								
As at 1st April, 2024	**-**	**185.39**	**630.99**	**3,834.95**	**107.12**	**89.71**	**5.66**	**4,853.82**
Depreciation charge for the year	-	13.83	79.39	517.71	11.66	12.81	0.90	636.30
Impairment charge for the year	-	-	0.48	3.20	-	-	-	3.68
Transfer from assets group classified as held for sale {refer note 2.3}	-	-	0.06	34.23	0.45	0.16	-	34.90
Transfer from Investment property (refer note 3)	-	-	0.07	-	-	-	-	0.07
Deletions and adjustments during the year	-	-	(2.16)	(101.85)	(2.95)	(6.67)	(0.33)	(113.96)
Foreign currency translations adjustments	-	7.94	3.24	21.91	0.32	(0.57)	0.10	32.94
As at 31st March, 2025	**-**	**207.16**	**712.07**	**4,310.15**	**116.60**	**95.44**	**6.33**	**5,447.75**
Depreciation charge for the year	-	15.87	84.68	520.17	12.25	17.79	1.04	651.80
Impairment charge for the year	-	-	0.04	2.20	-	0.08	-	2.32
Additions through business combination (refer note 54)	-	0.02	-	0.24	-	0.03	-	0.29
Transfer from assets group classified as held for sale {refer note 2.3}	-	-	(0.38)	6.79	0.38	0.98	-	7.77
Transfer from Investment property (refer note 3)	-	-	22.92	1.29	1.81	2.22	-	28.24
Deletions and adjustments during the year	-	8.18	(12.17)	(88.00)	(0.40)	(3.14)	(0.70)	(96.23)
Foreign currency translations adjustments	-	17.85	24.75	91.49	2.71	1.07	0.24	138.11
As at 31st March, 2026	**-**	**249.08**	**831.91**	**4,844.33**	**133.35**	**114.47**	**6.91**	**6,180.05**
Net carrying value as at 31st March, 2026	**89.02**	**122.85**	**2,087.67**	**3,125.68**	**75.40**	**80.29**	**5.75**	**5,586.66**
Net carrying value as at 31st March, 2025	**87.44**	**73.75**	**1,888.25**	**2,643.49**	**58.91**	**57.60**	**4.44**	**4,813.88**

i. The gross value of buildings and flats includes the cost of shares in co-operative housing societies.

ii. The above additions to Property, plant and equipments during the year includes ₹ 25.88 Crores (31st March, 2025: ₹ 32.63 Crores) used for research and development.

iii. The impairment charge for the year ₹ 2.32 Crores (31st March, 2025: ₹ 3.68 Crores), includes impairment charge on certain assets that has been assessed as non-usable by the management and has been recorded at scrap value less cost to sell.

iv. The title deeds of the immovable properties are held in the name of entities included in group, covered under the Act.

v. The Group has not revalued its property, plant and equipment.

vi. A notarial bond over all movable assets of ₹ 717.93 Crores (31st March, 2025: ₹ 611.98 Crores) has been held as security for short-term borrowings facility of Cipla Medpro South Africa (Pty) Limited. However, there is no outstanding borrowings as at 31st March, 2026 and 31st March, 2025.

Notes to the Consolidated Financial Statements

Note 2.1: (b) Details of Capital work-in-progress (CWIP)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**1,212.76**	**864.32**
Additions during the year	1,538.40	1,167.71
Deletions and adjustments during the year	-	(10.48)
Capitalised during the year	(1,201.65)	(802.69)
Impairment during the year[i]	(2.16)	(10.92)
Transfer from assets of disposal group classified as held for sale {refer note 2.3}	-	0.02
Foreign currency translations adjustments	38.93	4.80
Closing balance	**1,586.28**	**1,212.76**

i. The impairment loss relates to certain capital work-in-progress that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.

ii. Capital work-in-progress Ageing schedule :

The table below provides details regarding the capital work-in-progress ageing schedule as of 31st March, 2026:

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,002.70	382.13	159.06	42.39	1,586.28
Projects temporarily suspended	-	-	-	-	-
Total	**1,002.70**	**382.13**	**159.06**	**42.39**	**1,586.28**

The table below provides details regarding the capital work-in-progress ageing schedule as of 31st March, 2025

₹ in Crores

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	813.66	296.20	89.70	13.20	1,212.76
Projects temporarily suspended	-	-	-	-	-
Total	**813.66**	**296.20**	**89.70**	**13.20**	**1,212.76**

iii. CWIP completion schedule

There are no capital work-in-progress, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2026 and 31st March, 2025.

iv. Capital work-in-progress includes :

₹ 40.07 Crores (31st March, 2025: ₹ 40.76 Crores) capitalised for the expenses incurred directly attributable to projects.

v. For projects which were under legal proceedings as at 31st March, 2025 - Refer note below:

In March 2006, Meditab Specialties Limited ("the Subsidiary Company") had acquired on lease 12,32,000 sq. m. of land within the pharmaceutical Special Economic Zone (SEZ) at Kerim, Goa from the Goa Industrial Development Corporation (GIDC). Following public agitation, the Government of Goa revised its SEZ policy, which prevented the Subsidiary Company from proceeding with the project, and GIDC, acting on the State Government's instructions, issued a show cause notice proposing revocation of the land allotment. The Subsidiary Company challenged the notice before the Bombay High Court, which upheld the State Government's position. The Subsidiary Company thereafter preferred a Special Leave Petition (SLP) before the Honourable Supreme Court, which admitted the matter and ordered maintenance of status quo.

During the current year, while the SLP was under consideration, the Subsidiary Company and GIDC reached an amicable settlement under which the Subsidiary Company agreed to surrender the land for a consideration of ₹ 33 Crores. Following execution of the Deed of Surrender in July 2025, the land was handed over and full consideration was received. The parties subsequently filed consent terms before the Supreme Court, resulting in withdrawal of the proceedings and closure of the dispute.

Notes to the Consolidated Financial Statements

Note 2.2: Right-of-use assets

Where Group is lessee:

Following are the changes in the carrying value of right-of-use assets:

₹ in Crores

Particulars	Category of ROU asset			
	Land	Buildings and Flats	Plant and Equipment	Total
Balance recognised as at 1st April, 2024	**155.93**	**270.74**	**0.36**	**427.03**
Additions during the year	-	102.49	-	102.49
Deletions, modifications and adjustments during the year	0.04	(0.50)	-	(0.46)
Depreciation charge for the year	(4.31)	(86.28)	(0.04)	(90.63)
Foreign currency translations adjustments	0.44	9.51	-	9.95
Balance as at 31st March, 2025	**152.10**	**295.96**	**0.32**	**448.38**
Additions through business combination (refer note 54)	-	0.16	-	**0.16**
Additions during the year	4.23	95.21	-	**99.44**
Deletions, modifications and adjustments during the year	-	(5.35)	-	**(5.35)**
Depreciation charge for the year	(4.20)	(106.21)	(0.04)	**(110.45)**
Foreign currency translations adjustments	2.97	17.99	-	**20.96**
Balance as at 31st March, 2026	**155.10**	**297.76**	**0.28**	**453.14**

i. The lease agreements for immovable properties where the entities included in group is the lessee, are duly executed in favour of entities included in group, covered under the Act.

ii. The Group has not revalued its Right-of-use assets.

iii. The weighted average incremental borrowing rate applied to lease liabilities is in the range of 4.5% to 15% (31st March, 2025: 4% to 12.45%).

Note 2.2: Right-of-use assets (Contd..)

The following is the break-up of current and non-current lease liabilities :

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current lease liabilities	91.32	105.60
Non-current lease liabilities	264.48	240.49
Total	**355.80**	**346.09**

The following is the movement in lease liabilities:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**346.09**	**312.39**
Additions during the year	97.07	102.49
Deletions, modifications and adjustments during the year	(8.19)	(0.61)
Finance cost accrued during the year (refer note 37)	28.31	23.02
Payment of lease liabilities (outflow)	(136.13)	(103.25)
Translation difference	28.65	12.05
Closing balance	**355.80**	**346.09**

The above movement in lease liability is also the reconciliation of borrowings as per Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

Note 2.2: Right-of-use assets (Contd..)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Less than one year	106.43	116.06
One to five years	292.11	267.79
More than five years	65.76	75.55
Sub-total	**464.30**	**459.40**
Less: Financial component	(108.50)	(113.31)
Total	**355.80**	**346.09**

₹ in Crores

Right-of-use assets	Range of remaining term	
	As at 31st March, 2026	As at 31st March, 2025
Land	4 to 93 years	5 to 94 years
Buildings and Flats	1 to 9 years	0 to 10 years
Plant and Equipments	7 years	8 years

Rental expense recorded for short-term and low-value leases was ₹ 129.21 crores for the year ended 31st March, 2026 (31st March, 2025: ₹ 111.84 crores).

Notes to the Consolidated Financial Statements

Note 2.2: Right-of-use assets (Contd..)

The aggregate depreciation on Right-of-use assets has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

Where Group is lessor -

The Group has given certain premises under operating lease or leave and license agreement. The Group retains substantially all risks and benefits of ownership of the leased asset and hence classified as operating lease. Lease income on such operating lease is recognised in profit or loss under 'Rent' in Note 32 - Other income.

Note 2.3: Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Property, plant and equipment*	1.17	37.32
Capital work-in-progress	-	2.23
Total	**1.17**	**39.55**

*Net of accumulated depreciation, amortisation and movement during the year

Movement of assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	39.55	48.96
Derecognition of asset on completion of sale transaction	(37.24)	-
Transfer to property, plant and equipment	(0.66)	(6.06)
Transfer to capital work in progress	-	(0.02)
Impairment during the year (refer note 38 (a))	(0.35)	(3.33)
Assets written off during the year	(0.13)	-
Closing balance	**1.17**	**39.55**

During the previous year, the Holding Company signed an asset sale agreement to sell a part of its manufacturing facility at Goa. Accordingly, the related assets were classified as a disposal group held for sale as at 31st March, 2025.

In the current year, the sale transaction has been completed upon satisfaction of the conditions specified in the asset sale agreement, and consequently, the related assets have been derecognised from the Balance sheet.

Note 3: Investment property

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Gross carrying value		
Opening balance	**138.47**	**139.23**
Transfer (to)/from property, plant and equipment (refer note 2.1 {a})	(138.47)	(0.34)
Disposals and other adjustment during the year	-	(0.42)
Closing balance	**-**	**138.47**
Accumulated depreciation		
Opening balance	**27.22**	**25.62**
Transfer (to)/from property, plant and equipment (refer note 2.1 {a})	(28.24)	(0.07)
Depreciation for the year (refer note 38 (a))	1.02	2.07
Disposals during the period	-	(0.40)
Closing balance	**-**	**27.22**
Net carrying value	**-**	**111.25**
Fair Value	**-**	**187.80**

Rental income recognised in profit or loss for investment properties aggregates to ₹ 6.33 Crores (31st March, 2025: ₹ 14.21 Crores).

Details of total direct operating expenses on investment property:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Income-generating property	0.40	0.69
Vacant property	-	-
Total	**0.40**	**0.69**

During the current year, a building previously classified as Investment Property has been transferred to Property, Plant and Equipment. This reclassification was made as it was decided that the building will be fully utilised by the Group for its own operations.

Estimation of fair value

The fair valuation of the assets is based on the perception about the macro and micro economics factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc.

This value is based on valuation conducted by an external valuation specialist who is registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Notes to the Consolidated Financial Statements

Note 3: Investment property (Contd..)

Minimum lease payments receivable on leases of investment properties are as follows:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Less than one year	-	5.89
One to five years	-	-
More than five years	-	-
Total	**-**	**5.89**

Note 4: Goodwill

Movement in Goodwill during the year ended:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**3,270.27**	**3,112.04**
Recognised on business combinations (refer note below)	66.70	23.62
Other adjustments*	-	6.31
Foreign currency translation adjustments	417.45	128.30
Closing balance	**3,754.42**	**3,270.27**

*Adjustment on account of revision in purchase price allocation for acquisition of Actor Pharma (Pty.) Ltd.

For impairment testing, goodwill is allocated to the cash generating units (CGUs) which represents the lowest level within the group at which goodwill is monitored for internal management purposes.

Goodwill acquired in business combination, is allocated to the following CGUs that are expected to benefit from that business combination:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
United States of America	2,294.66	2,068.18
South Africa	1,290.78	1,100.29
Others	168.98	101.80
Total	**3,754.42**	**3,270.27**

The Group's goodwill on consolidation is tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

Current year :

Goodwill recognised during the year includes an amount of ₹ 66.70 Crores relates to acquisition of Inzpera Healthsciences Limited ("Inzpera") through equity shares and non-convertible redeemable preference shares by Cipla Limited (refer note 54(i)).

Note 4: Goodwill (Contd..)

Previous year :

Goodwill recognised during the previous year includes an amount of ₹ 23.62 Crores relates to acquisition of distribution and marketing business undertaking of cosmetics and personal care business from Ivia Beaute Private Limited by Cipla Health Limited, a wholly owned subsidiary of the Company (refer note 54(ii)).

The recoverable amounts of the above cash generating units have been assessed using a value in use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

Key assumptions upon which the Group has based its determinations of value in use includes:

a) The Group prepares its cash flow forecast for five years based on management's projections.

b) A terminal value is arrived at by extrapolating the last forecasted year cashflows to perpetuity, using a constant long-term growth rate ranging from 2% to 7.30% (31st March, 2025: 2% to 7.30%)

c) **Growth rates**

The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports ranging from 0% to 30% as at 31st March, 2026 (31st March, 2025: 0% to 25%)

d) **Discount rates**

Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) ranging from 12% to 15% as at 31st March, 2026 (31st March, 2025: 12% to 15%).

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating units.

e) **Sensitivity**

Reasonable sensitivities in key assumptions consequent to the change in estimated growth rate and discount rate is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

Notes to the Consolidated Financial Statements

Note 5: Other intangible assets

₹ in Crores

Particulars	Software	Marketing intangibles	Technical know-how	Trademarks	Licences, Patents and Copyrights	Brands	Non Compete	Customer Relationships / Distribution Network	Total
Gross carrying value									
As at 1st April, 2024	**293.24**	**3,492.81**	**10.71**	**727.14**	**11.02**	**294.32**	**11.50**	**43.20**	**4,883.94**
Acquisition through business combinations (refer note 54)	-	-	9.70	-	-	74.50	9.19	9.01	102.40
Additions for the year (acquired separately)	12.36	201.96	18.03	15.00	-	-	-	-	247.35
Deletions and adjustments for the year*	(1.83)	(42.76)	-	-	-	(8.65)	-	-	(53.24)
Foreign currency translations adjustments	2.77	112.68	-	34.69	0.78	17.59	0.89	3.34	172.74
As at 31st March, 2025	**306.54**	**3,764.69**	**38.44**	**776.83**	**11.80**	**377.76**	**21.58**	**55.55**	**5,353.19**
Acquisition through business combinations (refer note 54)	-	-	-	-	-	56.24	5.45	8.64	70.33
Additions for the year (acquired separately)	17.34	265.58	-	1,217.93	-	-	-	-	1,500.85
Deletions and adjustments for the year	0.01	-	-	(31.19)	-	-	-	-	(31.18)
Foreign currency translations adjustments	8.28	410.85	-	81.92	1.88	40.98	2.15	8.06	554.12
As at 31st March, 2026	**332.17**	**4,441.12**	**38.44**	**2,045.49**	**13.68**	**474.98**	**29.18**	**72.25**	**7,447.31**
Accumulated amortisation and impairment									
As at 1st April, 2024	**273.05**	**2,820.31**	**6.65**	**406.63**	**10.63**	**52.39**	**0.42**	**1.26**	**3,571.34**
Amortisation charge for the year	11.80	164.97	3.36	49.14	0.20	22.66	4.17	10.15	266.45
Impairment charge for the year (refer note 5.1)	-	48.60	-	0.74	-	-	-	-	49.34
Deletions and adjustments for the year	(0.23)	(5.51)	-	-	-	-	-	-	(5.74)
Foreign currency translations adjustments	2.26	80.30	-	25.37	0.96	0.17	0.03	0.10	109.19
As at 31st March, 2025	**286.88**	**3,108.67**	**10.01**	**481.88**	**11.79**	**75.22**	**4.62**	**11.51**	**3,990.58**
Amortisation charge for the year	11.33	164.23	5.79	71.65	0.20	48.50	5.39	13.26	320.35
Impairment charge for the year (refer note 5.1)	0.03	9.34	13.18	22.41	-	-	-	-	44.96
Deletions and adjustments for the year	0.02	(13.11)	-	(15.10)	(2.75)	13.11	-	-	(17.83)
Transfer of accumulated impairment from intangible asset under development to intangible assets	-	56.90	-	-	-	-	-	-	56.90
Foreign currency translations adjustments	7.63	332.66	-	64.46	1.87	3.13	0.61	1.85	412.21
As at 31st March, 2026	**305.89**	**3,658.69**	**28.98**	**625.30**	**11.11**	**139.96**	**10.62**	**26.62**	**4,807.17**
Net carrying value as at 31st March, 2026	**26.28**	**782.43**	**9.46**	**1,420.19**	**2.57**	**335.02**	**18.56**	**45.63**	**2,640.14**
Net carrying value as at 31st March, 2025	**19.66**	**656.02**	**28.43**	**294.95**	**0.01**	**302.54**	**16.96**	**44.04**	**1,362.61**

i. The Group has not revalued its intangible assets.

*Includes adjustment on account of revision in purchase price allocation for acquisition of Actor Pharma (Pty.) Ltd.

Intangible assets under development

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	**353.51**	**288.40**
Additions during the year	425.04	256.65
Capitalised during the year	(303.31)	(153.87)
Impairment charge during the year	(77.57)	(44.23)
Deletion & adjustment during the year	(23.91)	-
Transfer of accumulated impairment from intangible asset under development to intangible assets	56.90	-
Foreign currency translations adjustments	25.28	6.56
Closing balance	**455.94**	**353.51**

Notes to the Consolidated Financial Statements

Note 5.1: Impairment charge during the year

Due to change in market conditions and dynamics for certain products, the carrying amount of certain intangible assets and intangible assets under development relating to US generics, Emerging market and Europe business, the Group has recorded an impairment charge of ₹ 122.53 crores (31st March, 2025: ₹ 93.57 crores) in consolidated profit and loss. (refer note 38(a)).

Note 5.2: Acquisition/capitalisation of intangibles

a) Significant acquisitions/capitalisation during current year

Product	Group Entity	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Galvus (refer note below)	Cipla Limited	1st January, 2026	1,107.28	Acquisition of Galvus from Novartis Pharma AG
Doloneuron and Zolsoma	Cipla Limited	12th May, 2025	101.18	Acquisition of trademark from Pulse Pharmaceuticals Private Limited
Yurpeak	Cipla Limited	22nd November , 2025	90.26	Acquisition of marketing rights from Eli Lilly

During the current year, the Company has paid ₹ 1,107.28 Crores for acquiring perpetual rights to manufacture and market Galvus® and Galvus® combination brands, used in the treatment of type 2 diabetes with effect from 1st January, 2026 pursuant to the trademark license agreement with Novartis Pharma AG (Switzerland).

b) Significant acquisitions/capitalisation during previous year

Product	Group Entity	Date of agreement/ completion/launch date	₹ in Crores	Type of deal
Lanreotide	Cipla USA Inc	23rd May, 2024	94.10	Capitalisation of Pharmathen SA Lanreotide ANDA
Amoxicillin and Clavulanic acid	Cipla Limited	2nd July, 2024	45.98	Acquisition of Amoxicillin from Wockhardt Bio AG

The Group has recorded the acquired assets as Intangible assets under Ind AS 38 - Intangible Assets on the assessment that fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets which is controlled by the group and future economic benefits are probable.

Contingent consideration (on achievement of sale target as per agreement)

As at 31st March, 2026 and 31st March, 2025, the fair value of the contingent consideration was assessed as ₹ Nil in respect of acquired intangibles as the sales targets are not probable and estimable. Determination of the fair value as at balance sheet date is based on discounted cash flow method. Contingent consideration is arrived at, basis weighted average probability approach of achieving various financial and non-financial performance targets. Basis the future projections and the performance of the products, the contingent consideration is subject to revision on a yearly basis.

Note 5.3: Intangible assets under development ageing

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2026:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	207.80	39.59	130.64	77.91	455.94
Projects temporarily suspended	-	-	-	-	-
Total	**207.80**	**39.59**	**130.64**	**77.91**	**455.94**

The table below provides details regarding the Intangible assets under development ageing schedule as of 31st March, 2025:

₹ in Crores

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	120.99	129.48	46.06	56.98	353.51
Projects temporarily suspended	-	-	-	-	-
Total	**120.99**	**129.48**	**46.06**	**56.98**	**353.51**

There are no intangible assets under development, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2026 and 31st March, 2025.

Notes to the Consolidated Financial Statements

Note 6: Investment in associates

₹ in Crores

Particulars	No.'s/ %	As at 31st March, 2026	No.'s/ %	As at 31st March, 2025
Carrying amount determined using equity method of accounting				
A. Investments in unquoted equity instruments				
Equity shares of Brandmed (Pty) Limited, fully paid (refer note 38 (b))	375	7.78	375	20.20
Equity shares of Stempeutics Research Private Limited of ₹ 10 each, fully paid%	2,18,58,803	-	2,18,58,803	-
Equity shares of GoApptiv Private Limited of ₹ 10 each, fully paid	13,449	20.03	13,449	19.92
Equity shares of Achira Labs Private Limited (refer note 38 (b))	104,074	-	1,04,074	0.84
Equity shares of AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited) of ₹ 10 each, fully paid	101,800	0.01	1,01,800	0.01
Equity shares of AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited) of ₹ 10 each, fully paid	7,50,000	0.08	7,50,000	0.08
Equity shares of AMPIN Energy C&I Eighteen Private Limited (Formerly known as AMP Energy C&I Eighteen Private Limited)$	14,64,000	1.46	-	-
Equity shares of ICaltech Innovations Private Limited*	1	0.00	-	-
MKC Biotherapeutics Inc.@	34.4%	10.23	34.4%	6.60
B. Investments in compulsory convertible preference shares (CCPS)				
CCPS of GoApptiv Private Limited of ₹ 10 each, fully paid	47,121	59.58	47,121	59.20
CCPS of Achira Labs Private Limited of ₹ 10 each, fully paid (refer note 38 (b))	10,32,949	-	10,32,949	21.27
C. Investments in optionally convertible (redeemable) preference shares (OCPS)				
OCPS of Achira Labs Private Limited of ₹ 10 each, fully paid& (refer note 38 (b))	60,00,000	-	60,00,000	4.62
OCPS of ICaltech Innovations Private Limited*	1,50,820	4.89	-	-
D. Investments in debentures				
0.01% Compulsory Convertible Debentures of AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited) of ₹ 1,000 each, fully paid	1,00,742	1.24	1,00,742	1.11
0.01% Compulsory Convertible Debentures of AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited) of ₹ 1,000 each, fully paid	67,500	0.85	67,500	0.76
E. Investment in Limited Liability Partnership (LLP)				
Clean Max Auriga Power LLP	33%	5.60	33%	5.86
		111.75		**140.47**
Aggregate amount of unquoted investments		111.75		140.47
Aggregate amount of impairment in value of investments (refer note 38 (b))		42.02		-

Notes for changes in current year:

$ Pursuant to the Share Purchase, Subscription and Shareholders' Agreement ("SPSSA") dated 19th May, 2025, Jay Precision Pharmaceuticals Private Limited, a Subsidiary Company of the Group, acquired a 26% equity interest on a fully diluted basis in AMPIN Energy C&I Eighteen Private Limited for the purpose of setting up a captive solar power project in Maharashtra. The investment comprises 14,64,000 equity shares of ₹ 10 each for a total consideration of ₹ 1.46 Crores.

As per the terms of the SPSSA, upon termination of the contractual arrangements or upon completion of the power purchase agreement ("PPA") term, the Subsidiary Company is entitled to receive only the nominal value of its investment, without any entitlement to the profits or losses of the investee. Accordingly, the investment amount has been amortised to reflect the expected fixed return over the relevant period.

As the Group has significant influence over the investee, the investment has been accounted for as an investment in associate in accordance with Ind AS 28 – Investments in Associates and Joint Ventures. However, equity accounting has not been applied in the Consolidated Financial Statements.

* The Holding Company has entered into definitive agreements to acquire 20% voting rights in iCaltech Innovations Private Limited ("iCaltech"). The investment comprises 1,50,820 optionally convertible preference shares of face value ₹ 10 each and 1 equity share of face value ₹ 10 each, for a total consideration of ₹ 5.01 Crores. iCaltech is engaged in the design, development and commercialisation of diagnostic medical equipment and apparatus, with a core focus on respiratory care. As the Group has significant influence over the investee, the investment has been accounted for as an investment in associate in accordance with Ind AS 28 – Investments in Associates and Joint Ventures.

@ Cipla (EU) Limited, a wholly owned subsidiary of the Company, has made an additional investment of ₹ 9.16 crores in MKC Biotherapeutics Inc., a joint venture entity. The investment does not result in any change in Holding stake on a fully diluted basis.

Notes to the Consolidated Financial Statements

Note 6: Investment in associates (Contd..)

Notes for changes in previous year:

& On 15th May, 2024, the Holding Company has entered into definitive agreements for further investment of upto ₹ 26 crores in four tranches upon completion of mutually agreed milestones under the definitive agreements. The first tranche of investment amounting to ₹ 6 crores into 60,00,000 Optionally Convertible (redeemable) Preference Shares (OCPS) of face value of ₹10 per share has been completed in current year. The OCPS shall carry a preferential cumulative compounded dividend at rate of 0.0001% per annum and the Holding company has right to convert it or redeem as per terms as specified in the agreement.

@ Joint venture agreement entered between Cipla (EU) Limited, wholly owned subsidiary of the Company, with Kemwell Biopharma UK Limited and MNI Ventures ("JV Partners") with effective date of incorporation of 27th February 2024. The Group has made an investment of ₹ 14.32 Crores in MKC Biotherapeutics Inc. (Joint venture entity) in previous year for a stake of 34.4%.

% Meditab Specialities Limited, a wholly owned subsidiary of the Holding Company, has made an additional investment of ₹ 10.31 crores, leading to its cumulative stake of 34.36% on a fully diluted basis.

Standalone financial information of associates :

₹ in Crores

Particulars	Place of Business	% of Ownership interest		Accounting Method	Quoted fair value		Carrying value	
		31st March, 2026	31st March, 2025		31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Material associates :								
GoApptiv Private Limited[1]	India	22.99%	22.99%	Equity	-*	-*	79.61	79.12
Other immaterial associates (refer note below)							32.14	61.35
							111.75	**140.47**

* Unlisted entity- no quoted price available.

[1] GoApptiv Private Limited is an India based start-up providing end to end business solutions for healthcare companies to commercialise and improve access of healthcare product reach in tier 2-6 geographies through engagement with all stakeholders in the value chain leveraging proprietary technology platforms and physical reach.

Movement of investment in associates

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance	79.12	79.95
Profit/(Loss) for the year	0.49	(0.83)
Aggregate carrying amount of individually material associates	**79.61**	**79.12**
Opening balance	61.35	50.10
Addition/unwinding during the year	15.58	30.55
Loss for the year	(8.54)	(21.02)
Impairment during the year (refer note 38 (b))	(42.02)	-
Translation adjustment arising out of translation of foreign currency balances	5.77	1.72
Aggregate carrying amount of individually immaterial associates	**32.14**	**61.35**

GoApptiv Private Limited

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current assets	755.10	711.98
Non-current assets	48.83	43.39
Current liabilities	(509.68)	(464.90)
Non-current liabilities	(21.55)	(21.45)
Equity	**272.70**	**269.02**
Group ownership	22.99%	22.99%
Equity proportion of the Group ownership	62.69	61.85
Goodwill	16.92	17.27
Carrying amount of the investment	79.61	79.12

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Revenue from operations	1,586.04	1,612.60
Profit/(loss) for the year	2.13	(3.61)
Total comprehensive income for the year	**2.13**	**(3.61)**
Group's share of profit/(loss) for the year	0.49	(0.83)

Notes to the Consolidated Financial Statements

Note 7: Non-current financial assets - other investments

₹ in Crores

Particulars	Face value	As at 31st March, 2026 %	As at 31st March, 2025 %	As at 31st March, 2026 Nos.	As at 31st March, 2025 Nos.	As at 31st March, 2026	As at 31st March, 2025
Unquoted investments							
I. Equity Investments							
A. Investments carried at fair value through OCI							
Equity interest in Shanghai Desano Pharmaceuticals Co., Ltd.	¥ 1	16.50%	16.50%	9,55,00,000	9,55,00,000	356.50	307.10
Equity interest in Swasth Digital Health Foundation	₹ 100	4.00%	4.00%	5,000	5,000	0.05	0.05
Equity interest in Ethris GmBH$	€ 1	12.87%	10.35%	12,721	9,939	-	137.59
B. Equity investment carried at fair value through profit or loss							
Equity shares of Saraswat Co-operative Bank Limited, fully paid ₹ 10,000 (31st March, 2025: ₹ 10,000)	₹ 10	-	-	1,000	1,000	0.00	0.00
II. Other Investments							
A. Investment in Venture Funds carried at fair value through OCI							
Alkemi Venture Fund#		-	-	1,30,264	96,131	10.78	6.88
Early spring fund%		-	-	1,76,950	85,584	19.29	7.04
B. Investments in Limited Liability Partnership at fair value through OCI							
ABCD Technologies LLP@		6.83%	6.83%			45.62	40.41
C. Investment in government securities carried at amortised cost							
National saving certificates ₹ 38,000 (31st March, 2025: ₹ 41,000)						0.00	0.00
						432.24	**499.07**
Aggregate amount of unquoted investments						432.24	499.07
Aggregate amount of impairment in value of investments						-	-

Notes for changes in current year:

$ Cipla (EU) Limited, a wholly owned subsidiary of the Company, has increased its cumulative stake in Ethris GmBH ("investee") to 12.87% from 10.35% by converting an outstanding amount of convertible loan along with cumulative interest into equity. Further, as at 31st March, 2026, the Group reassessed the recoverable amount of the investment in light of recent developments relating to the investee company's funding and liquidity position. Based on this assessment, the Group has recognised a fair value loss of ₹ 190.07 crores during the year in "Other Comprehensive Income".

The Holding Company further invested ₹ 3.79 Crores in Alkemi Ventures as per contribution agreement entered in past years for committing upto lower of ₹ 33.10 Crores or 10% of the total capital commitment of the Funds at the final closing date.

% The Holding Company further invested ₹ 8.33 Crores in Early Spring as per contribution agreement entered in past years for committing upto lower of ₹ 32.88 Crores or 10% of the total capital commitment of the Funds at the final closing date.

@ The Holding Company has made an additional investment of ₹ 3.76 Crores, with no change in its holding stake.

Notes for changes in previous year:

@ The Holding Company has made an additional investment of ₹ 10.00 Crores leading to cumulative revise stake of 6.83% in the entity.

Notes to the Consolidated Financial Statements

Note 8: Non-current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good, except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loan to Associate (including interest accrued) (refer note 47) (refer note i below)	2.76	4.71
Loan to Others (including interest accrued) (refer note ii below)	-	27.83
	2.76	**32.54**

(i) Unsecured interest bearing loan at a rate of prime less 1.75%. Repayments started after 31st March, 2025 and the loan term ends on 31st March, 2028.

(ii) During the previous year, pursuant to agreement dated 6th June, 2024 the Cipla (EU) Limited, wholly owned subsidiary, have granted a convertible loan to Ethris GmbH with a nominal value of EUR 3 million, bearing interest at 8% per annum and maturity date of 2 years from the date of agreement. As per the terms of the agreement, both the loan principal and the accrued cumulative interest thereon have been converted into equity during the current year.

Note 9: Non-current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Margin deposits*	6.50	6.26
Fixed Deposits with banks (having remaining maturity more than 12 months)	1,077.43	171.33
Security deposit	89.37	85.63
Fair value of derivative designated as Hedge - FVOCI		
- Forward contracts	-	7.99
- Options	-	2.77
Fair value of derivative not designated as Hedge - FVTPL		
- Forward contracts	-	1.00
Amount recoverable from supplier	20.80	8.48
	1,194.10	**283.46**

*Amount held as margin money under lien to tax authority and electricity department.

Note 10: Income taxes

The major components of income tax expense for the years ended 31st March, 2026 and 31st March, 2025 are:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(A) Profit or loss section		
Current income tax charge	1,497.30	1,863.96
MAT credit utilisation/entitlement	(0.45)	0.49
Adjustment in respect of Current/Deferred tax charge of previous years	31.27	2.36
Reversal of current tax of earlier years*	(56.35)	(155.61)
Deferred tax credit/reversal on account of temporary differences	(117.93)	(181.44)
	1,353.84	**1,529.76**
*Previous year includes tax provision relating to earlier years amounting to ₹ 155.61 Crores, as an outcome of favourable ITAT order and completion of assessments for past years.		
(B) Other comprehensive income section		
Income tax relating to re-measurements on defined benefit plans	5.02	5.74
Income tax relating to changes in fair value of equity instruments	(2.95)	4.20
Income tax relating to cash flow hedge	46.46	(1.33)
	48.53	**8.61**

Notes to the Consolidated Financial Statements

Note 10: Income taxes (Contd..)

Reconciliation of tax expense and the profit multiplied by tax rate applicable to respective tax jurisdiction for 31st March, 2026 and 31st March, 2025:

Particulars	For the year ended 31st March, 2026		For the year ended 31st March, 2025	
	%	Amount	%	Amount
Profit before tax and share of associates		**5,223.63**		**6,820.81**
At Income tax rates applicable to respective tax jurisdiction	25.75%	1,344.83	25.27%	1,723.30
Effect for:				
Prior year adjustments	0.60%	31.27	0.03%	2.36
Impairment of Investment in Associate	0.16%	8.16	-	-
Non-deductible expenses for tax purposes	1.17%	61.34	0.80%	54.59
Deferred tax not recognised (net)	0.51%	26.50	0.33%	22.21
Utilisation of previously un-recognised DTA and MAT credit	(0.13%)	(6.65)	(0.07%)	(4.92)
Recognition of previously unrecognised capital losses	(0.33%)	(17.03)	(0.76%)	(51.72)
Reversal of previously recognised deferred tax asset	0.03%	1.36	-	-
Reversal of current year tax of earlier years	(1.08%)	(56.35)	(2.28%)	(155.61)
Effect of differential tax rate impact on capital gain on current investments	(0.27%)	(14.07)	(0.58%)	(39.31)
Others	(0.49%)	(25.52)	(0.31%)	(21.14)
Effective income tax rate/Income tax expense reported in the profit or loss	**25.92%**	**1,353.84**	**22.43%**	**1,529.76**

Note 10: Income taxes (Contd..)

There are unused tax losses (including capital losses and MAT Credit) for which no deferred tax asset has been recognised as the Group believes that availability of taxable profit against which such temporary difference can be utilised, is not probable.

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Unabsorbed depreciation and business loss	780.47	597.39
Capital losses	411.14	505.97
MAT credit not recognised	9.45	10.98
Total	**1,201.06**	**1,114.34**

In respect of certain foreign subsidiaries, business losses can be carried forward indefinitely unless there is a substantial change in the ownership.

Unrecognised deferred tax assets relate primarily to business losses and tax credit entitlements which do not qualify for recognition as per the applicable accounting standards. These unexpired business losses will expire based on the year of origination as follows:

Note 10: Income taxes (Contd..)

Details of expiration of unused tax losses as at 31st March, 2026

₹ in Crores

Financial Year	Tax losses
2026-27	-
2027-28	319.32
2028-29	117.63
2029-30	-
2030-31	19.31
Thereafter	744.80
Total	**1,201.06**

Details of expiration of unused tax losses as at 31st March, 2025

₹ in Crores

Financial Year	Tax losses
2025-26	-
2026-27	-
2027-28	282.11
2028-29	100.82
2029-30	-
Thereafter	731.41
Total	**1,114.34**

Notes to the Consolidated Financial Statements

Note 10: Income taxes (Contd..)

Uncertain tax position:

The Group is subject to income taxes in India and numerous foreign jurisdictions including US and South Africa as other major jurisdictions. The Group has ongoing disputes which includes demands, notices and inquiries from income tax authorities in India and in some of the jurisdictions where they operate. The disputes relate to tax treatment of certain expenses claimed as deductions, computation or eligibility of tax incentives or allowances and transfer pricing adjustments.

The Group has disclosed amount of ₹ 211.69 Crores (31st March, 2025: ₹ 152.17 Crores) as contingent liability, in respect of tax demands which are being contested by it based on the management evaluation and advice of tax consultants as the management believes that the ultimate tax determination is uncertain due to various tax positions taken by adjudicating authorities in the past.

The Group has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

Deferred tax on undistributed earnings:

Deferred income tax liabilities on undistributed earnings of the Group subsidiaries have not been provided as such earnings are deemed to be reinvested in the business and the Group is able to control the timing of the reversals of temporary differences associated

Note 10: Income taxes (Contd..)

with these investments. Accordingly, temporary difference on which deferred tax liability has not been recognised amounts to ₹ 4,551.84 Crores (31st March, 2025: ₹ 3,458.85 Crores).

Pillar Two of the Base Erosion and Profit Shifting ("BEPS"):

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released the Model Rules under Pillar Two of the Base Erosion and Profit Shifting ("BEPS"), introducing a global minimum corporate tax rate of 15% for multinational enterprise ("MNE") groups with consolidated revenue of €750 million or more. The Group has evaluated the applicability of the Pillar Two rules for the financial year ended 31st March 2026, including for jurisdictions in which it operates.

In accordance with the amendments to Ind AS 12 – Income Taxes, the Group has applied the mandatory temporary exception in relation to the recognition and disclosure of deferred tax assets and liabilities arising from Pillar Two income taxes. Accordingly, the Group has not recognised and disclosed deferred tax assets and liabilities related to Pillar Two income taxes.

Based on the Global computations performed for the financial year ended 31 March 2026, no material Pillar Two top-up tax liability arose for the Group. Further, based on the Group's preliminary assessment for the financial year ended 31st March 2026, and considering there are no significant changes to the existing business structure and scale of operations, management currently does not expect any material Pillar Two top-up tax liability to arise.

Note 10: Income taxes (Contd..)

Deferred tax:

Movement in deferred tax assets and liabilities during the year ended 31st March, 2026:

₹ in Crores

Particulars	As at 1st April, 2025	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Acquired in business combinations (refer note 54)	Foreign currency translation	As at 31st March, 2026
Property, plant and equipment and intangible assets	(426.19)	(0.33)	-	(17.70)	(27.93)	(472.15)
Employee benefits expense	113.24	(5.40)	5.02	-	5.93	118.79
Others*	385.43	94.86	43.51	-	21.30	545.10
Allowance for credit loss	23.76	4.10	-	-	0.54	28.40
Deferred revenue	6.32	(2.07)	-	-	-	4.25
Provision for right of return, discounts and others	371.56	6.66	-	-	30.93	409.15
Losses available for offsetting against future taxable income (refer note below)	116.02	(11.16)	-	-	7.70	112.56
MAT credit entitlement/utilised	1.20	0.45	-	-	-	1.65
Deferred tax assets/(liabilities) (net)	**591.34**	**87.11**	**48.53**	**(17.70)**	**38.47**	**747.75**
Deferred tax assets	644.87					901.02
Deferred tax liabilities	(53.53)					(153.27)
Total	**591.34**					**747.75**

*Others includes unrealised margins, provision for claims – DPCO, Hedge reserve, etc.

Notes to the Consolidated Financial Statements

Note 10: Income taxes (Contd..)

Movement in deferred tax assets and liabilities during the year ended 31st March, 2025:

₹ in Crores

Particulars	As at 1st April, 2024	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Acquired in business combinations (refer note 54)	Foreign currency translation	As at 31st March, 2025
Property, plant and equipment and intangible assets	(484.04)	70.14	-	2.33	(14.62)	(426.19)
Employee benefits expense	120.15	(14.43)	5.74	-	1.78	113.24
Others*	315.05	61.91	2.87	-	5.60	385.43
Allowance for credit loss	33.84	(10.35)	-	-	0.27	23.76
Deferred revenue	8.11	(1.79)	-	-	-	6.32
Provision for right of return, discounts and others	314.82	51.17	-	-	5.57	371.56
Losses available for offsetting against future taxable income (refer note below)	92.89	22.43	-	-	0.70	116.02
MAT credit entitlement/utilised	1.69	(0.49)	-	-	-	1.20
Deferred tax assets/(liabilities) (net)	**402.51**	**178.59**	**8.61**	**2.33**	**(0.70)**	**591.34**
Deferred tax assets	587.80					644.87
Deferred tax liabilities	(185.29)					(53.53)
Total	**402.51**					**591.34**

*Others includes unrealised margins, provision for claims – DPCO, Hedge reserve, etc.

Note:

1. Based on approved plans and budgets, the Cipla Health Limited (CHL) one of the subsidiaries of the Group has estimated that future taxable income will be sufficient to absorb carried forward unabsorbed depreciation and business losses, which management believes is probable, and accordingly CHL has recognised deferred tax assets on aforesaid losses aggregating to ₹ Nil Crores as at 31st March, 2026 (31st March, 2025: ₹ 18.23 Crores)

2. During the year, based on the reasonable evidence available for a year, Goldencross Limited, a wholly owned subsidiary has recognised ₹ 0.45 crores (31st March, 2025: ₹ Nil) of unrecognised MAT credit.

3. During the year, the Holding company have created deferred tax assets on unutilised capital losses to the extent of unrealised capital gains recorded in the books.

Tax assets and liabilities :

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current tax assets (net)	573.28	487.86
Non-current tax liabilities (net)	5.45	76.75

Note 11: Other non-current assets

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good, except otherwise stated)		
Capital advances		
Secured*	8.91	6.32
Unsecured	347.78	224.11
Advances other than Capital advances		
Prepaid expenses	28.13	20.00
VAT receivable	2.96	3.13
Other deposits$	269.44	184.03
	657.22	**437.59**

* Secured against bank guarantees

$ Includes ₹ 202.15 Crores (31st March 2025: 175.08 Crores) as at 31st March, 2026 in respect of DPCO matter explained in note 44A and pre deposits for other litigations.

Note 12: Inventories

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Lower of cost or net realisable value)		
Raw materials and packing materials	1,916.59	1,728.66
Work-in-progress	948.38	853.44
Finished goods*	1,851.16	1,664.75
Stock-in-trade*	1,721.07	1,258.54
Stores, spares and consumables	159.52	136.72
	6,596.72	**5,642.11**

*Refer note 30 (iii)

Notes to the Consolidated Financial Statements

Note 12: Inventories (Contd..)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Goods-in-transit included above		
Raw materials and packing materials	126.06	103.43
Work-in-progress	52.87	30.23
Finished goods	302.08	156.37
Stock-in-trade	172.46	95.43
	653.47	**385.46**

The Group recorded inventory write down (net) of ₹ 334.1 crores (31st March, 2025: ₹ 376.1 crores) on account of inventory obsolescence. This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade in profit or loss, as the case may be.

A notarial bond over all movable assets of ₹ 717.93 crores (31st March, 2025: ₹ 611.98 crores) has been held as security for short-term borrowings facility of Cipla Medpro South Africa (Pty) Limited. However, there is no outstanding borrowings as at 31st March, 2026 & 31st March, 2025.

Note 13: Current investments

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at fair value through profit or loss)		
Investment in mutual funds (quoted)	7,679.42	7,293.23
Aggregate book value of quoted investments	**7,679.42**	**7,293.23**
Aggregate market value of quoted investments	**7,679.42**	**7,293.23**
Aggregate amount of impairment in value of investments	**-**	**-**

Note 14: Trade receivables

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good	5,684.78	5,579.37
Unsecured, credit impaired	41.29	28.49
Total	**5,726.07**	**5,607.86**
Less: Allowance for expected credit loss (refer note 42)	(106.02)	(101.49)
	5,620.05	**5,506.37**

- Trade receivables are interest and non-interest bearing and are generally due upto 180 days.
- There are no trade receivables (except which are already being provided) having significant increase in credit risk and which are credit impaired.
- Trade receivables of ₹ 1,065.63 Crores (31st March, 2025: ₹ 866.90 Crores) have been ceded to the bank (maximum to the extent of outstanding borrowings) as security for short-term borrowings facility of Cipla Medpro South Africa (Pty) Limited.
- There are no debts due by Directors or other Officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is a Partner or a Director or a Member except as disclosed in note 47.

Trade Receivables Ageing Schedule

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2026 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed trade receivables								
- considered good	-	4218.09	1,238.70	91.36	41.26	25.08	70.29	5,684.78
- credit impaired	-	-	0.31	1.51	4.44	1.30	4.74	12.30
b. Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- credit impaired	-	-	1.85	0.69	1.97	2.26	22.22	28.99
	-	**4,218.09**	**1,240.86**	**93.56**	**47.67**	**28.64**	**97.25**	**5,726.07**

Notes to the Consolidated Financial Statements

Note 14: Trade receivables (Contd..)

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2025 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
a. Undisputed trade receivables								
- considered good	-	4,250.17	1,092.99	107.62	40.39	20.74	67.46	5,579.37
- credit impaired	-	-	2.54	0.02	1.13	0.15	8.04	11.88
b. Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	0.39	0.52	0.83	14.87	16.61
	-	**4,250.17**	**1,095.53**	**108.03**	**42.04**	**21.72**	**90.37**	**5,607.86**

Note 15: Cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
- In Current accounts	769.32	567.81
- In EEFC accounts	131.16	1.65
- In fixed deposits (original maturity less than 3 months)	72.94	11.67
Remittance in transit*	44.41	7.02
Cash on hand	0.39	0.54
Cash and cash equivalents in the balance sheet	**1,018.22**	**588.69**
Less: Bank overdraft used for cash management purpose (refer note 23)	(2.83)	(46.04)
Cash and cash equivalents in the statement of cash flow	**1,015.39**	**542.65**

There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

* Remittance in transit from Group entities.

Note 16: Bank balance other than cash and cash equivalents

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Fixed Deposits with banks (original maturity between 3 months and 12 months)	255.32	178.74
Earmarked balances with bank#	23.10	15.43
Amount held as margin money to Government authority	2.87	2.69
Balances earmarked for unclaimed dividend*	7.91	14.29
	289.20	**211.15**

Note 16: Bank balance other than cash and cash equivalents (Contd..)

#Earmarked balances with bank

Includes the closing balance as at 31st March 2026 ₹ 19.40 Crores (31st March 2025 ₹ 15.43 Crores) relates to cash deposited in Escrow account for the acquisition of Actor Proprietary Limited which will be released upon conclusion of the events as set out in the Share Purchase Agreement, to the satisfaction of both parties. An equivalent liability termed as deferred consideration has been created. (refer note 28)

*The above balances are restricted for specific use. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2026 and 31st March, 2025.

Note 17: Current financial assets - loans

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loans to employees and others	0.13	0.19
Loan to Associate (including interest accrued) (refer note 47 and 8)	22.99	15.45
	23.12	**15.64**

Notes -

1. In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

Note 17: Current financial assets - loans (Contd..)

2. There are no loans or advances in the nature of loans granted to Promoters, Key Managerial Personnel (KMPs), Directors or other officers, or to firms/private companies in which any Director is a partner, director, or member, or to their related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are:
   (a) repayable on demand; or
   (b) without specifying any terms or period of repayment

3. There are no loans which have significant increase in credit risk and which are credit impaired.

Note 18: Current financial assets - others

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Incentives/benefits receivable from Government	277.89	220.09
Security deposits	17.28	14.93
Deposits	-	7.92
Fair value of derivatives not designated as hedges - carried at FVTPL*		
Forward contracts	-	3.35
Fair value of derivative designated as hedges - carried at FVOCI*		
Forward contracts	1.58	6.20
Advance gratuity	0.56	0.08
Fixed deposit interest receivable	42.06	37.29
Fixed deposits with banks (having remaining maturity less than 12 months)	1,075.16	2,548.62
Amount held as margin money to Government authority	1.78	1.70
Receivables for litigation settlement (refer note 32)	-	42.74
Other receivables (Dues from ex-employees, expense reimbursement receivable, etc.)		
Considered good	43.92	53.98
Credit impaired	1.47	1.89
Less: Allowance for expected credit loss	(1.47)	(1.89)
	1,460.23	**2,936.90**

*Refer note 42 for information about Fair value measurement and effects of hedge accounting.

Note 19: Other current assets

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Unsecured, considered good except otherwise stated)		
Advance to suppliers	185.51	203.90
Prepaid expenses	180.49	152.73
Balances with statutory/revenue authorities like goods and service tax (GST), excise, customs, service tax and value added tax, etc.	1,064.14	688.63
Other advances	28.76	9.62
	1,458.90	**1,054.88**

Note 20: Equity share capital

₹ in Crores

Particulars	Numbers	As at 31st March, 2026	Numbers	As at 31st March, 2025
Authorised				
Equity shares of ₹ 2/- each	87,50,00,000	175.00	87,50,00,000	175.00
		175.00		**175.00**
Issued				
Equity shares of ₹ 2/- each	80,77,82,631	161.56	80,76,17,120	161.52
		161.56		**161.52**
Subscribed and paid-up				
Equity shares of ₹ 2/- each, fully paid up	80,77,82,631	161.56	80,76,17,120	161.52
		161.56		**161.52**

Notes to the Consolidated Financial Statements

Note 20: Equity share capital (Contd..)

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

Particulars	As at 31st March, 2026	As at 31st March, 2025
Number of shares outstanding at the beginning of the period	80,76,17,120	80,73,67,062
Add: Allotment of equity shares on exercise of employee stock options (ESOS) and Employee Stock Appreciation Rights (ESAR) (refer note 46)	1,65,511	2,50,058
Number of shares outstanding at the end of the reporting period	**80,77,82,631**	**80,76,17,120**

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Number of shares	% of holdings	Number of shares	% of holdings
Dr Y K Hamied	15,05,21,183	18.63%	15,05,21,183	18.64%
Life Insurance Corporation of India	7,74,65,141	9.59%	3,35,07,860	4.15%
Sophie Ahmed*	4,59,82,000	5.69%	4,59,82,000	5.69%
HDFC Trustee Company Limited	3,50,20,124	4.34%	4,13,06,993	5.11%

* Jointly held by Sophie Ahmed with Farah Barua, Monisha Ahmed & Sara Ahmed

Details of shares held by promoters in the Company

Particulars	As at 31st March, 2026		As at 31st March, 2025		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.63%	15,05,21,183	18.64%	(0.01%)
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	(0.00%)
Sophie Ahmed*	4,59,82,000	5.69%	4,59,82,000	5.69%	0.00%
Kamil Hamied**	1,09,39,500	1.35%	1,09,39,500	1.35%	0.00%
Total	**23,52,87,003**	**29.12%**	**23,52,87,003**	**29.13%**	**(0.01%)**

* Jointly held by Sophie Ahmed with Farah Barua, Monisha Ahmed & Sara Ahmed

** Jointly held by Kamil Hamied with Shirin Hamied, Rumana Hamied & Samina Hamied

Particulars	As at 31st March, 2025		As at 31st March, 2024		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Dr Y K Hamied	15,05,21,183	18.64%	15,05,21,183	18.64%	0.00%
M K Hamied	2,78,44,320	3.45%	2,78,44,320	3.45%	0.00%
Sophie Ahmed*	4,59,82,000	5.69%	4,59,82,000	5.70%	(0.01%)
Shirin Hamied	-	-	63,63,000	0.79%	(0.79%)
Kamil Hamied**	1,09,39,500	1.35%	1,09,39,500	1.36%	(0.01%)
Samina Hamied	-	-	1,79,09,500	2.22%	(2.22%)
Rumana Hamied	-	-	98,86,500	1.22%	(1.22%)
Okasa Pharma Private Limited	-	-	1,89,375	0.02%	(0.02%)
Total	**23,52,87,003**	**29.13%**	**26,96,35,378**	**33.40%**	**(4.27%)**

* Jointly held by Sophie Ahmed with Farah Barua, Monisha Ahmed & Sara Ahmed

** Jointly held by Kamil Hamied with Shirin Hamied, Rumana Hamied & Samina Hamied

Notes to the Consolidated Financial Statements

Note 20: Equity share capital (Contd..)

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

Equity shares reserved for issue under employee stock options and share appreciation rights.

For number of stock options against which equity shares are to be issued by the Company upon vesting and exercise of those stock options and rights by the option/ESAR holders as per the relevant schemes (refer note 46).

Note 21: Other equity*

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Share application money pending allotment#	0.00	0.00
Capital reserve	(264.24)	(264.24)
Securities premium	1,707.14	1,692.60
General reserve	3,145.02	3,145.00
Share Options Outstanding Account (ESOS/ESAR)	62.50	114.12
Retained earnings	28,216.00	25,644.28
Foreign currency translation reserve	1,597.65	584.03
Equity instruments fair value through other comprehensive income	(65.33)	106.45
Effective portion of cash flow hedges	(128.35)	9.69
Total Other equity	**34,270.39**	**31,031.93**

* For movement in other equity, refer Statement of Changes in Equity

\# represent share application money pending allotment of ₹ 638 for 319 number of shares (31st March, 2025: ₹ 9,144 for 4,572 number of shares)

Note 21: Other equity* (Contd..)

Nature and purpose of reserves:-

Capital reserve

Capital reserve represents gain arising from business combination and loss/(gain) on account of acquisition/divestment of non-controlling interest and profit or loss on sale, issue, purchase or cancellation of the Company's own equity instrument or purchase of ESOS rights relating to subsidiary.

Securities premium

Securities premium is used to record the premium on issue of shares. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

General reserve

The general reserve is used from time to time to transfer profit from retained earning for appropriation purpose.

Share Option Outstanding Account (ESOS/ESAR)

Employee stock options/ESAR is used to record the share based payments, expense under the various ESOS schemes as per SEBI regulations. The reserve is used for the settlement of ESOS (refer note 46).

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders. It includes impact of remeasurement gain/(losses) net of taxes on defined benefit plans on account of changes in actuarial assumptions or experience adjustments within the plans.

Foreign currency translation reserve

Foreign currency translation reserve represents the unrealised gains and losses on account of translation of reporting currency for foreign subsidiaries into the Company's presentation currency.

Equity instruments fair value through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity instrument measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised/disposed off.

Effective portion of cash flow hedges

The hedging reserve represents the cumulative effective portion of gain or loss arising on changes in fair value of designated portion of hedging instruments (i.e., forward contracts). Upon derecognition, amounts accumulated in other comprehensive income are taken to profit or loss at the same time as the related cash flow.

Notes to the Consolidated Financial Statements

Note 22: Non-controlling interest (NCI)

Standalone financial information of subsidiaries that have material non-controlling interests is provided below:

A. Proportion of equity interest held by non-controlling interest:

₹ in Crores

Name of the subsidiary	As at 31st March, 2026	As at 31st March, 2025
Jay Precision Pharmaceuticals Private Limited	40.00%	40.00%
Cipla Maroc SA	24.90%	24.90%
Aspergen Inc.@	40.00%	40.00%

Transactions with non-controlling interest

@During the current financial year, the Group has further invested ₹22.20 Crores in Aspergen Inc. and in previous year ₹30.47 Crores towards its share of equity stake

For movement in NCI, refer Statement of Changes in Equity.

B. Information regarding non-controlling interest:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Accumulated balances of material non-controlling interest:		
Jay Precision Pharmaceuticals Private Limited	81.03	72.02
Cipla Maroc SA	19.07	13.45
Aspergen Inc.	(11.80)	10.34
Accumulated balances of immaterial non-controlling interest	(0.01)	(0.01)
Total	**88.29**	**95.80**

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Profit/(loss) allocated to material non-controlling interest:		
Jay Precision Pharmaceuticals Private Limited	15.39	15.20
Cipla Maroc SA	11.45	9.90
Aspergen Inc.	(44.33)	(28.42)
Loss allocated to immaterial non-controlling interest	(0.00)	(0.00)
Total	**(17.49)**	**(3.32)**

Notes to the Consolidated Financial Statements

Note 22: Non-controlling interest (NCI) (Contd..)

Summarised profit or loss of material non-controlling interest for the year ended 31st March, 2026:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Revenue from operations	153.19	270.11	-
Profit for the year	38.64	45.81	(110.83)
Other comprehensive income	0.09	-	-
Total comprehensive income/(loss)	**38.73**	**45.81**	**(110.83)**
Dividends to non-controlling interests	6.42	4.85	-

Summarised profit or loss of material non-controlling interest for the year ended 31st March, 2025:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Revenue from operations	150.25	236.51	-
Profit/(loss) for the year	38.17	39.92	(71.06)
Other comprehensive income	(1.14)	-	-
Total comprehensive income/(loss)	**37.03**	**39.92**	**(71.06)**
Dividends to non-controlling interests	14.44	14.53	-

Summarised balance sheet of material non-controlling interest as at 31st March, 2026:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Non-current assets	155.63	33.45	44.22
Non-current liabilities	8.14	0.31	-
Net non-current assets	**147.49**	**33.14**	**44.22**
Current assets	68.22	189.81	24.76
Current liabilities	11.18	108.22	98.49
Net current assets	**57.04**	**81.59**	**(73.73)**
Total equity	**204.53**	**114.73**	**(29.51)**

Summarised balance sheet of material non-controlling interest as at 31st March, 2025:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Non-current assets	146.87	29.47	35.51
Non-current liabilities	7.64	-	-
Net non-current assets	**139.23**	**29.47**	**35.51**
Current assets	56.78	162.69	30.23
Current liabilities	14.18	119.31	39.90
Net current assets	**42.60**	**43.38**	**(9.67)**
Total equity	**181.83**	**72.85**	**25.84**

Notes to the Consolidated Financial Statements

Note 22: Non-controlling interest (NCI) (Contd..)

Summarised cash flow information of material non-controlling interest as at 31st March, 2026:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Operating activities	37.87	10.79	(55.01)
Investing activities	(18.92)	(1.65)	(8.33)
Financing activities	(16.04)	-	55.22
Net increase/(decrease) in cash and cash equivalents	**2.91**	**9.14**	**(8.12)**

Summarised cash flow information of material non-controlling interest as at 31st March, 2025:

₹ in Crores

Particulars	Name of the subsidiary		
	Jay Precision Pharmaceuticals Private Limited	Cipla Maroc SA	Aspergen Inc.
Operating activities	51.03	32.95	(64.36)
Investing activities	(7.91)	(23.78)	(19.41)
Financing activities	(36.09)	-	76.93
Net increase/(decrease) in cash and cash equivalents	**7.03**	**9.17**	**(6.84)**

Note 23: Financial liabilities: borrowings

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Non-current		
(Carried at amortised cost, except otherwise stated)		
Unsecured loans:		
Term loan from banks*	117.47	11.98
Total non-current borrowings	**117.47**	**11.98**
(b) Current		
(Carried at amortised cost, except otherwise stated)		
Unsecured loans:		
Loans repayable on demand		
Bank overdraft$	2.83	46.04
Working capital line of credit##	103.91	21.27
Import Loan&	33.76	12.81
Total current borrowings	**140.50**	**80.12**

Note: Borrowings obtained during the year have been used for the purpose for which they have been obtained.

***Term loan from banks (Unsecured)**

Includes loan of ₹ 117.47 Crores (31st March, 2025: ₹ 11.98 Crores) obtained by Cipla (Jiangsu) Pharmaceutical Co. Ltd from Hong Kong and Shanghai Banking Corporation Limited, China. This loan is repayable after 3 years from the date of loan disbursement and carries an interest at LPR plus 1.2% per annum (1.25% till 5th January, 2026).

Notes to the Consolidated Financial Statements

Note 23: Financial liabilities: borrowings (Contd..)

$Bank overdraft (Unsecured)

₹ in Crores

Bank	Subsidiary	Interest Rate	As at 31st March, 2026	As at 31st March, 2025
HSBC Continental Europe	Cipla Europe NV	Main Refinancing Operations rate published by the European Central Bank ("ECB") + 1.25%	-	6.78
HSBC Bank Plc.	Cipla (EU) Limited	Relevant Base Rate + 1.3% per annum	-	39.26
HSBC-Sri Lanka	Breathe Free Lanka (Pvt) Limited	Overnight Cost of Funds + 2.5% per annum	2.83	-
Total			**2.83**	**46.04**

##Working capital line of credit (Unsecured):

₹ in Crores

Bank	Subsidiary	Interest Rate	As at 31st March, 2026	As at 31st March, 2025
HSBC China	Cipla (Jiangsu) Pharmaceutical Co., Ltd	LPR plus 0.5% per annum	93.31	21.27
Kotal Mahindra Bank	Cipla Limited	9% per annum	10.60	-
Total			**103.91**	**21.27**

&Import Loan (Unsecured)

Includes import loan of ₹ 33.76 Crores (31st March, 2025: ₹ 12.81 Crores) obtained by Breathe Free Lanka (Pvt) Limited from HSBC Sri Lanka. The import loan is repayable on demand and carries an interest at Standard Facility Lending Rate of Central bank +2.5%.

Note 23: Financial liabilities: borrowings (Contd..)

Changes in liabilities arising from financing activities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Opening balance		
Non-current borrowings	11.98	-
Current borrowings	34.08	119.29
	46.06	**119.29**
Movement of borrowings		
Proceeds from non-current borrowings	93.16	11.96
Proceeds/(Repayment) from current borrowings (net)	94.62	(98.01)
Foreign exchange movement	21.30	12.82
	209.08	**(73.23)**
Closing balance		
Non-current borrowings	117.47	11.98
Current borrowings	137.67	34.08
	255.14	**46.06**
Add: Bank overdraft	2.83	46.04
Total	**257.97**	**92.10**

Note 24: Other financial liabilities - non-current

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Security deposits	33.53	63.69
Deferred consideration - carried at FVTPL	6.46	7.89
Fair value of derivative designated as Hedge (FVOCI)		
- Forward contracts	33.04	-
- Options	3.98	-
Fair value of derivative not designated as Hedge (FVTPL)		-
- Options	1.64	-
- Currency swap	101.65	30.81
- Forward Contract	40.10	-
	220.40	**102.39**

Notes to the Consolidated Financial Statements

Note 25: Provisions

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Non-current		
Provision for employee benefits (refer note 45)	157.56	148.69
	157.56	**148.69**
Current		
Provision for employee benefits (refer note 45)	534.59	498.84
Provision for Claims - DPCO (refer note below and note 44A)	171.99	156.37
Provision for anticipated claims on pricing	9.96	9.88
Provision for right of return/refund liabilities/discounts and others (refer note below)	1,529.80	1,043.98
Provision for amount payable to partner	12.81	7.54
	2,259.15	**1,716.61**

Provision is made for right of return/refund liabilities/discount and others in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

Movement of provisions for Claims - DPCO, Provision for anticipated claims on pricing and provision for right of return/refund liabilities/discounts and others:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Claims – DPCO (refer note 44A)		
Balance at the beginning of the year	**156.37**	**145.73**
Provided during the year	15.62	10.64
Balance at the end of the year	**171.99**	**156.37**
Provision for anticipated claims on pricing		
Balance at the beginning of the year	**9.88**	**20.75**
Provided during the year	0.08	0.59
Utilised/reversed/payout during the year	-	(11.46)
Balance at the end of the year	**9.96**	**9.88**

Note 25: Provisions (Contd..)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for right of return/refund liabilities/discounts and others		
Balance at the beginning of the year	**1,043.98**	**947.56**
Additions through business combinations (refer note 54)	-	0.81
Provided during the year	2,190.82	1,396.26
Utilised/reversed/payout during the year	(1,771.13)	(1,313.50)
Foreign currency translation	66.13	12.85
Balance at the end of the year	**1,529.80**	**1,043.98**

Note 26: Other non-current liabilities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred government grant	2.05	2.53
Deferred revenue	46.71	53.06
Deferred lease income	0.21	1.16
	48.97	**56.75**

Note 27: Trade payables

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Total outstanding dues of micro enterprises and small enterprises	215.18	278.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,014.72	2,558.89
	3,229.90	**2,837.49**

- The above amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-90 days of recognition based on the credit terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements

Note 27: Trade payables (Contd..)

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
A. (i) Principal amount remaining unpaid (refer note 28)	259.05	278.60
(ii) Interest amount remaining unpaid	-	-
B. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
C. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
D. Interest accrued and remaining unpaid	-	-
E. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

- This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties are identified on the basis of information available with the Group and intimation received from vendors.

Note 27: Trade payables (Contd..)

Trade Payables Ageing Schedule

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2026 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
a. Undisputed trade payables							
- Micro enterprises and small enterprises	0.12	213.56	1.50	-	-	-	215.18
- Others	38.57	1,989.57	858.45	28.92	8.40	78.57	3,002.48
b. Disputed trade payables							
- Micro enterprises and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	12.24	12.24
	38.69	**2,203.13**	**859.95**	**28.92**	**8.40**	**90.81**	**3229.90**

Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2025 as follows:

₹ in Crores

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
a. Undisputed trade payables							
- Micro enterprises and small enterprises	0.23	274.58	3.79	-	-	-	278.60
- Others	20.54	1,638.33	782.24	21.16	1.90	83.66	2,547.83
b. Disputed trade payables							
- Micro enterprises and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	11.06	11.06
	20.77	**1,912.91**	**786.03**	**21.16**	**1.90**	**94.72**	**2,837.49**

Notes to the Consolidated Financial Statements

Note 28: Other financial liabilities - current

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
(Carried at amortised cost, except otherwise stated)		
Unclaimed dividend *	7.91	14.29
Security deposits	2.65	2.79
Capital creditors**	211.90	139.29
Employee dues	164.96	135.99
Fair value of derivative designated as hedge - carried at FVOCI (refer note 42)		
Forward contracts	116.51	-
Options	16.16	0.16
Fair value of derivative not designated as hedge - carried at FVTPL (refer note 42)		
Forward contracts	188.75	28.69
Options	23.96	0.44
Book overdraft	-	1.24
Import advance licences	5.38	23.48
Deferred consideration - carried at FVTPL (refer note 16)	129.30	19.65
Payable on account of employee stock options appreciation rights (refer note 46)	96.11	-
Liability for unspent CSR obligation (refer note 48)	16.51	4.75
Other payables	6.67	3.77
	986.77	**374.54**

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2026 and 31st March, 2025.

** Capital Creditors include amount payable to micro and small enterprise of ₹ 43.87 Cr as on 31st March 2026.

Note 29: Other current liabilities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue received in advance	40.29	16.38
Other payables:		
Statutory dues	246.55	252.76
Deferred revenue	12.76	11.51
Advance received for assets held for sale (refer note 2.3)	-	11.09
Others	0.90	1.11
	300.50	**292.85**

Note 30: Revenue from sale of products

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products	27,711.69	27,145.40
	27,711.69	**27,145.40**

Note 30: Revenue from sale of products (Contd..)

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(i) Disaggregation of revenue

The Group's revenue disaggregated by business unit is as follows:

₹ in Crores

Nature of revenue	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Sale of products (Products transferred at a point in time)		
(1) India - Trade and Branded Generics	12,679.44	11,610.06
(2) North America (USA)	6,862.12	7,893.01
(3) South Africa, Sub-Saharan Africa and Cipla Global Access, North Africa (One-Africa)	4,285.43	3,826.48
(4) Emerging Markets (EM)	2,062.07	1,878.20
(5) Europe	1,493.18	1,414.54
(6) Active Pharmaceutical Ingredient (API) and Others	329.45	523.11
	27,711.69	**27,145.40**

(ii) Reconciliation of revenue from sale of products with the contracted price

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Contracted price	38,560.62	36,636.64
Less: trade discounts, chargeback, sales and expiry return, Medicaid, Co-pay, etc.	(10,848.93)	(9,491.24)
Sale of products	**27,711.69**	**27,145.40**

(iii) Contract assets

The Group recognises an asset, i.e., right to the returned saleable goods (included in inventories) for the products expected to be returned in saleable condition. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of returned goods. The Group updates the measurement of the asset recorded for any revision to its expected level of returns, as well as any additional decrease in value of the returned products.

As on 31st March, 2026, the Group has ₹ 21.62 crores (31st March, 2025: ₹ 24.81 crores) as contract asset.

(iv) Contract liabilities from contracts with customers

The Group records a contract liability when payments are received or amount is due in advance of its performance.

Notes to the Consolidated Financial Statements

Note 30: Revenue from sale of products (Contd..)

Contract liabilities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Revenue received in advance	40.29	16.38
Deferred revenue	59.47	64.57

Deferred revenue

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	**64.57**	**69.15**
Revenue recognised during the year	(17.56)	(14.08)
Milestone payment received during the year (net)	11.43	9.25
Exchange gain/(loss)	1.03	0.25
Balance at the end of the year	**59.47**	**64.57**
Current	12.76	11.51
Non-Current	46.71	53.06

In respect to Deferred revenue, the Group expects revenue to be recognised over the period of next 10 years (31st March, 2025 9 years) from reporting date.

Revenue received in advance

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Balance at the beginning of the year	**16.38**	**13.57**
Revenue recognised/other adjustments (net) during the year	(15.48)	(38.15)
Advance received during the year	39.78	41.30
Advance returned during the year	(0.49)	(0.34)
Acquisition during the period (refer note 54)	0.10	-
Balance at the end of the year	**40.29**	**16.38**

In respect to advance from customers, the Group expects revenue to be recognised over the period of next 1 year from reporting date.

(v) Information about major customer

No single external customer represents 10% or more of the Group's total revenue for the years ended 31st March, 2026 and 31st March, 2025, respectively.

Note 31: Other operating revenue

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Rendering of services	9.82	6.25
Export incentives	75.01	93.50
Technical know-how and licensing fees	20.59	14.50
Scrap sales	44.42	44.03
Goods and service tax area-based incentive	20.49	36.18
Production linked incentive (PLI)	251.00	199.97
Sale of marketing and product license	18.84	-
Miscellaneous income*	10.73	7.79
	450.90	**402.22**

* Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

Note 32: Other income

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest income:		
Bank deposit	174.81	237.47
Income tax refund	0.66	9.98
On settlement of disputes related to land at SEZ with GIDC (refer note 2.1(b))	21.63	-
Others	31.47	16.95
Other non-operating income:		
Government grants$	0.77	0.83
Net gain/(loss) on foreign currency transaction and translation	52.49	(9.13)
Net gain on sale of current investment carried at FVTPL	344.81	174.27
Fair value gain on financial instruments carried at FVTPL	128.14	234.55
Net gain/(loss) on disposal of property, plant and equipments	31.81	(5.06)
Insurance claim	5.38	15.38
Rent income	6.91	14.54
Sundry balances written back	3.45	10.94
Litigation settlement income@	35.60	121.10
Miscellaneous income #	44.08	40.05
	882.01	**861.87**

$ Government grants pertain to subsidy of property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

Income below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

@Litigation settlement income for the year ended 31st March, 2026, includes ₹ 35.60 Crores (31st March, 2025: ₹ 109.74 Crores) from a one-time settlement agreements of a legal disputes entered with a customer/innovator respectively.

Notes to the Consolidated Financial Statements

Note 33: Cost of materials consumed

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Cost of materials consumed	5,841.62	5,409.60
	5,841.62	**5,409.60**

Note 34: Purchases of stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Purchases of stock-in-trade	4,451.37	3,851.49
	4,451.37	**3,851.49**

Note 35: Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening Stock		
Work-in-progress	853.44	815.90
Finished goods	1,664.75	1,491.00
Stock-in-trade	1,258.54	1,137.73
	3,776.73	**3,444.63**
Less: Closing Stock (refer note 12)		
Work-in-progress	948.38	853.44
Finished goods	1,851.16	1,664.75
Stock-in-trade	1,721.07	1,258.54
	4,520.61	**3,776.73**
Increase in inventory	**(743.88)**	**(332.10)**

Note 36: Employee benefits expense

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Salaries and wages	4,744.72	4,306.26
Contribution to provident and other funds (refer note 45)	243.42	196.76
Share based payments expense (refer note 46)	59.05	47.34
Staff welfare expenses	319.14	282.47
	5,366.33	**4,832.83**

Note 37: Finance costs

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Interest expense on long-term and short-term borrowings	7.60	10.73
Interest on lease liabilities (refer note 2.2)	28.31	23.02
Interest on discounting of trade receivables	-	0.55
Interest on provision for claims - DPCO	12.32	7.68
Interest on put option liability	-	2.04
Other finance cost (including interest on taxes)	6.16	17.99
	54.39	**62.01**

Note 38 (a): Depreciation, impairment and amortisation expense

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Depreciation on property, plant and equipment (refer note 2.1 {a})	651.80	636.30
Impairment of property, plant and equipment (refer note 2.1 {a})	2.32	3.68
Impairment of capital work-in-progress (refer note 2.1 {b})	2.16	10.92
Depreciation on right-of-use assets (refer note 2.2)	110.45	90.63
Impairment on asset held for sale (refer note 2.3)	0.35	3.33
Depreciation on investment properties (refer note 3)	1.02	2.07
Amortisation of intangible assets (refer note 5)	320.35	266.45
Impairment of intangibles (refer note 5)	44.96	49.34
Impairment of intangible assets under development (refer note 5)	77.57	44.23
	1,210.98	**1,106.95**

Note 38 (b): Impairment of investment in associates

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Impairment charge (refer note below*)	42.02	-
	42.02	**-**

*During the current year, the Group has recorded an impairment of ₹ 42.02 Crores in respect of its associates. This impairment has been recognised on account of changes in certain business conditions and market dynamics impacting the recoverable value of these investments.

Notes to the Consolidated Financial Statements

Note 39(a): Other expenses

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Processing, laboratory, and other manufacturing expenses	733.03	667.72
Stores and spares	169.95	166.03
Repairs and maintenance:		
Buildings	33.17	37.31
Plant and equipment	227.82	209.00
Insurance	94.37	88.85
Rent (refer note 2.2)	129.21	111.84
Rates and taxes	118.81	107.60
Power and fuel	416.79	397.18
Travelling and conveyance	468.23	432.99
Sales promotion expenses	1,279.46	1,162.06
Commission on sales	172.36	163.77
Freight and forwarding	482.42	509.03
Allowance for credit loss (net) (refer note 42)	8.36	8.93
Contractual services	488.99	437.90
Courier and telephone expenses	49.64	44.76
Legal and professional fees[i]	1,007.98	986.55
Corporate social responsibility (CSR) expenditure (refer note 48)	103.30	84.18
Donations	14.60	8.54
Research - clinical trials, samples and grants	521.12	376.16
Miscellaneous expenses [ii]	802.62	657.50
	7,322.23	**6,657.90**

[i] Includes payment to auditors aggregating to ₹ 7.64 Crores (31st March, 2025: ₹ 8.30 Crores)

[ii] Expense below 1% of revenue from operation is aggregated in accordance with Schedule III to the Companies Act, 2013.

[iii] Revenue expenditure aggregating to ₹ 1,915.85 Crores (31st March, 2025: ₹ 1,481.47 Crores) on research and development activities to the in-house research of new products has been charged through natural heads of accounts.

Note 39(b): Exceptional item

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Impact of New Labour Code[#]	275.91	-
	275.91	**-**

[#] Effective 21st November, 2025, The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. The Group has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost and increase in leave liability by ₹ 275.91 Crores primarily arising due to change in the definition of "wages" for employees and contract labours. Considering the materiality and non-recurring nature of this impact, the Group has presented such incremental impact under "Exceptional item" for the year ended 31st March, 2026. Refer note 45(e).

Note 40: Other comprehensive income

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. (1) Items that will not be reclassified to profit or loss		
(i) Re-measurements of post-employment benefit obligation (attributable to owners of the company) [refer note 45 (d)]	(20.13)	(22.77)
(ii) Re-measurements of post-employment benefit obligation (Non-controlling interest) [refer note 45 (d)]	0.03	(0.61)
(iii) Changes in fair value of FVTOCI financial instruments	(168.83)	(42.73)
	(188.93)	**(66.11)**
(2) Income tax relating to items that will not be reclassified to profit or loss		
(i) Income tax relating to re-measurements of post-employment benefit obligation	5.02	5.74
(ii) Income tax relating to changes in fair value of FVTOCI financial instruments	(2.95)	4.20
	2.07	**9.94**
	(186.86)	**(56.17)**
B. (1) Items that will be reclassified to profit or loss		
(i) Exchange difference on translation of foreign operations (attributable to owners of the company)	1,013.62	268.82
(ii) Exchange difference on translation of foreign operations (Non-controlling interest)	(0.98)	2.17
(iii) Cash flow hedge (refer note 42)	(184.50)	5.17
	828.14	**276.16**
(2) Income tax relating to Items that will be reclassified to profit or loss		
(i) Income tax relating to cash flow hedge	46.46	(1.33)
	46.46	**(1.33)**
	874.60	**274.83**
	687.74	**218.66**

Notes to the Consolidated Financial Statements

Note 41: Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares which includes all stock options granted to employees. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

Dilutive potential equity shares are deemed to have been converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Disclosure as required by Indian Accounting Standard (Ind AS) 33 - Earnings per share:

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Basic Earnings per share		
Profit after tax attributable to equity shareholders as per profit or loss (₹ in Crores)	3,879.23	5,272.52
Basic weighted average number of equity shares outstanding	80,77,41,636	80,75,52,253
Basic earnings per share of par value ₹ 2/- per share	**48.03**	**65.29**
Dilutive Earnings per share		
Weighted average number of equity shares outstanding	80,77,41,636	80,75,52,253
Add: Dilutive impact of employee stock options/ESAR	5,05,791	6,42,705
Diluted weighted average number of equity shares outstanding	**80,82,47,427**	**80,81,94,958**
Diluted earnings per share of par value ₹ 2/- per share	**48.00**	**65.24**

Note 42: Financial Instrument

A. Accounting classification and fair value measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amount of trade receivable, trade payable, lease liability, loans, cash and cash equivalents, other bank balances, fixed deposits and other receivables as at 31st March, 2026 and 31st March, 2025 are considered to be the same as their fair values, due to their short term nature.

Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of following:

Level 1 - category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quoted price (unadjusted) in an active market.

Level 2 - category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Group's own valuation models whereby the material assumptions are market observable. The majority of Group's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3 - category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The carrying value and fair value of financial instruments by categories as of 31st March, 2026 were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI		Amortised cost	Total	Level 1	Level 2	Level 3	Total
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition						
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	7	0.00	-	356.55	-	**356.55**	-	-	356.55	**356.55**
- Investment in limited liability partnership firm	7	-	-	45.62	-	**45.62**	-	-	45.62	**45.62**
- Investment in Venture Funds	7	-	-	30.07	-	**30.07**	-	-	30.07	**30.07**
- Investment in National saving certificates	7	-	-	-	0.00	**0.00**	-	-	-	**-**
Non-Current Loans	8	-	-	-	2.76	**2.76**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	9	-	-	-	89.37	**89.37**	-	-	-	**-**
- Fixed Deposit	9	-	-	-	1,077.43	**1,077.43**	-	-	-	**-**
- Others	9	-	-	-	27.30	**27.30**	-	-	-	**-**
Investments in mutual funds*	13	7,679.42	-	-	-	**7,679.42**	7,679.42	-	-	**7,679.42**
Trade receivables	14	-	-	-	5,620.05	**5,620.05**	-	-	-	**-**
Cash and Cash Equivalents	15	-	-	-	1,018.22	**1,018.22**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	16	-	-	-	289.20	**289.20**	-	-	-	**-**
Current Loans	17	-	-	-	23.12	**23.12**	-	-	-	**-**
Other Current Financial Assets				-						
- Security Deposit	18	-	-	-	17.28	**17.28**	-	-	-	**-**
- Derivative instruments	18	-	1.58	-	-	**1.58**	-	1.58	-	**1.58**
- Fixed Deposit	18	-	-	-	1,075.16	**1,075.16**	-	-	-	**-**
- Others	18	-	-	-	366.21	**366.21**	-	-	-	**-**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	264.48	**264.48**	-	-	-	**-**
Non Current Borrowings	23	-	-	-	117.47	**117.47**	-	-	-	**-**
Other Non-Current Financial Liabilities										
- Security Deposit	24	-	-	-	33.53	**33.53**	-	-	-	**-**
- Derivative instruments	24	143.39	37.02	-	-	**180.41**	-	180.41	-	**180.41**
- Deferred consideration	24	6.46	-	-	-	**6.46**	-	-	6.46	**6.46**
Current Borrowings	23	-	-	-	140.50	**140.50**	-	-	-	**-**
Lease Liability (Current)	2.2	-	-	-	91.32	**91.32**	-	-	-	**-**
Trade Payables	27	-	-	-	3,229.90	**3,229.90**	-	-	-	**-**
Other Current Financial Liabilities				-						
- Security Deposit	28	-	-	-	2.65	**2.65**	-	-	-	**-**
- Derivative instruments	28	212.71	132.67	-	-	**345.38**	-	345.38	-	**345.38**
- Deferred consideration	28	129.30	-	-	-	**129.30**	-	-	129.30	**129.30**
- Payable on account of employee stock options appreciation rights	28	96.11	-	-	-	**96.11**	-	-	96.11	**96.11**
- Others	28	-	-	-	413.33	**413.33**	-	-	-	**-**

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The carrying value and fair value of financial instruments by categories as of 31st March, 2025 were as follows:

₹ in Crores

Particulars	Note	Carrying value					Fair Value			
		FVTPL	FVOCI		Amortised cost	Total	Level 1	Level 2	Level 3	Total
		Mandatory Designation	Mandatory Designation	Designated upon initial recognition						
Financial assets:										
Non-Current Investments										
- Investments in equity instrument	7	0.00	-	444.74	-	**444.74**	-	-	444.74	**444.74**
- Investment in limited liability partnership firm	7	-	-	40.41	-	**40.41**	-	-	40.41	**40.41**
- Investment in Venture Funds	7	-	-	13.92	-	**13.92**	-	-	13.92	**13.92**
- Investment in National saving certificates	7	-	-	-	0.00	**0.00**	-	-	-	**-**
Non- Current Loans	8	-	-	-	32.54	**32.54**	-	-	-	**-**
Other Non-Current Financial Assets										
- Security Deposit	9	-	-	-	85.63	**85.63**	-	-	-	**-**
- Derivative Instruments	9	1.00	10.76	-	-	**11.76**	-	11.76	-	**11.76**
- Fixed Deposit	9	-	-	-	171.33	**171.33**	-	-	-	**-**
- Others	9	-	-	-	14.74	**14.74**	-	-	-	**-**
Investments in mutual funds*	13	7,293.23	-	-	-	**7,293.23**	7,293.23	-	-	**7,293.23**
Trade receivables	14	-	-	-	5,506.37	**5506.37**	-	-	-	**-**
Cash and Cash Equivalents	15	-	-	-	588.69	**588.69**	-	-	-	**-**
Other Bank Balances including earmarked balances with banks	16	-	-	-	211.15	**211.15**	-	-	-	**-**
Current Loans	17	-	-	-	15.64	**15.64**	-	-	-	**-**
Other Current Financial Assets				-						
- Security Deposit	18	-	-	-	14.93	**14.93**	-	-	-	**-**
- Derivative instruments	18	3.35	6.20	-	-	**9.55**	-	9.55	-	**9.55**
- Fixed Deposit	18	-	-	-	2,548.62	**2,548.62**	-	-	-	**-**
- Others	18	-	-	-	363.80	**363.80**	-	-	-	**-**
Financial liabilities:										
Lease Liability (Non Current)	2.2	-	-	-	240.49	**240.49**	-	-	-	**-**
Non Current Borrowings	23	-	-	-	11.98	**11.98**	-	-	-	**-**
Other Non-Current Financial Liabilities										
- Security Deposit	24	-	-	-	63.69	**63.69**	-	-	-	**-**
- Derivative Instruments	24	30.81	-	-	-	**30.81**	-	30.81	-	**30.81**
- Deferred consideration	24	7.89	-	-	-	**7.89**	-	-	7.89	**7.89**
Current Borrowings	23	-	-	-	80.12	**80.12**	-	-	-	**-**
Lease Liability (Current)	2.2	-	-	-	105.60	**105.60**	-	-	-	**-**
Trade Payables	27	-	-	-	2,837.49	**2,837.49**	-	-	-	**-**
Other Current Financial Liabilities				-						
- Security Deposit	28	-	-	-	2.79	**2.79**	-	-	-	**-**
- Derivative Instrument	28	29.13	0.16	-	-	**29.29**	-	29.29	-	**29.29**
- Deferred consideration	28	19.65	-	-	-	**19.65**	-	-	19.65	**19.65**
- Others	28	-	-	-	322.81	**322.81**	-	-	-	**-**

*Mutual funds for which NAVs are published on daily basis are considered as quoted securities.

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

(i) There have been no transfer between Level 1 and Level 2 for the years ended 31st March, 2026 and 31st March, 2025.

(ii) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values

₹ in Crores

Particulars	Equity Instruments	Other investments	Deferred consideration	Put option liability	ESAR
Balance at 1st April, 2024	**476.16**	**36.00**	**127.15**	**42.02**	**-**
Addition during the year	-	17.83	9.96	-	-
Net change in fair value (unrealised)	(43.23)	0.50	-	2.04	-
Transfer out from Level 3	-	-	(115.44)	(43.14)	-
Foreign exchange gain/loss	11.81	-	5.87	(0.92)	-
Balance at 31st March, 2025	**444.74**	**54.33**	**27.54**	**0.00**	**-**
Addition during the year	37.40	15.88	117.54	-	96.11
Net change in fair value (unrealised)	(174.31)	5.48	-	-	-
Transfer out from Level 3	-	-	(18.55)	-	-
Foreign exchange gain/loss	48.72	-	9.23	-	-
Balance at 31st March, 2026	**356.55**	**75.69**	**135.76**	**-**	**96.11**

(iii) Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the consolidated balance sheet as well as the significant unobservable inputs used in measuring Level 3 fair value for financial instruments. There is no change in valuation technique as compared to previous year.

Particulars	Valuation technique	Significant unobservable inputs
Deferred consideration	Discounted cash flow method	Expected cash flows and Risk-adjusted discount rate
Investment (unquoted) (other than associates)	Discounted cash flow method and Market comparison technique based on market multiples derived from quoted prices of companies comparable to the investee	Expected cash flows, estimated EBITDA of the investee
Fair value of derivatives	The fair value is determined using quoted forward exchange rates at the reporting date	Not Applicable
Put option liability	Discounted cash flow method using risk adjusted discount rate.	Expected cash flows and Risk-adjusted discount rate
Employee stock options appreciation rights	Discounted cash flow method and Market comparison technique based on market multiples derived from quoted prices of companies comparable to the investee	Expected cash flows and Risk-adjusted discount rate

B. Financial risk management objectives and policies

The Group's activities expose to a various financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The Group's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and financial assets includes trade receivables, security deposit, loan and advances etc., arises from its operation.

The Group has constituted a Risk Management Committee consisting of a majority of directors and senior managerial personnel. The Group has implemented a robust Business Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Group's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Group level.

The Audit Committee of the Board periodically reviews the risk management framework.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- other price risk; and
- interest rate risk

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

(a) Currency risk:

The Group operates internationally and a major portion of the business is transacted in multiple currencies and consequently the Group is exposed to foreign exchange risk to the extent that there is mismatch between the currencies in which its sales and services and purchases from overseas suppliers in various foreign currencies. The Group also holds derivative financial instruments such as foreign exchange forward and currency option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian Rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the Rupee (INR) fluctuate against US Dollar (USD), Euro (EUR), South African Rand (ZAR), New Zealand Dollar (NZD), Australian Dollar (AUD) and other currencies.

Foreign exchange risk

(i) Foreign exchange derivatives and exposures outstanding at the year end:

₹ in Crores

Nature of Instrument	Currency	Cross currency	As at 31st March, 2026	As at 31st March, 2025
Forward contracts - Sold	USD	INR	4,870.81	4,790.33
Foreign exchange currency option contracts - sold and bought	USD	INR	825.06	359.00
Forward contracts - Currency Swap Sold	ZAR	INR	552.25	470.75
Forward contracts - Sold	ZAR	INR	594.22	638.29
Forward contracts - Sold	AUD	INR	175.48	104.77
Forward contracts - Sold	NZD	INR	10.49	-
Forward contracts - Bought	USD	ZAR	169.62	236.61
Forward contracts - Bought	EUR	ZAR	92.85	85.25
Unhedged foreign exchange exposures:				
- Trade and other receivables			590.37	926.94
- Cash and cash equivalents			202.87	22.54
- Trade and other payables			(746.15)	(602.16)
- Borrowings			-	(39.26)

Note: The Group uses foreign exchange forward and currency option contracts for hedging purposes.

(ii) Foreign currency risk from financial instruments:

₹ in Crores

Particulars	As at 31st March, 2026					
	US dollars	Euro	GBP	ZAR	Others	Total
Trade and other receivables	149.22	62.85	139.36	161.32	77.62	590.37
Cash and cash equivalents	163.81	0.85	2.74	25.91	9.56	202.87
Trade and other payables	(478.44)	(188.67)	(53.93)	(0.05)	(25.06)	(746.15)
Borrowings	-	-	-	-	-	-
Net assets/(liabilities)	**(165.41)**	**(124.97)**	**88.17**	**187.18**	**62.12**	**47.09**

₹ in Crores

Particulars	As at 31st March, 2025					
	US dollars	Euro	GBP	ZAR	Others	Total
Trade and other receivables	566.06	74.73	129.90	68.98	87.27	926.94
Cash and cash equivalents	12.71	0.51	0.29	-	9.03	22.54
Trade and other payables	(405.02)	(142.33)	(33.29)	-	(21.52)	(602.16)
Borrowings	-	-	(39.26)	-	-	(39.26)
Net assets/(liabilities)	**173.75**	**(67.09)**	**57.64**	**68.98**	**74.78**	**308.06**

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

(iii) Sensitivity analysis

For the years ended 31st March, 2026 and 31st March, 2025, 5% strengthening of the Indian rupee (INR) against foreign currencies for the above mentioned financial assets/liabilities would (decrease)/increase the equity and profit or loss by the amounts shown below. A 5% weakening of the Indian rupee (INR) and the respective currencies would lead to an equal but opposite effect. This analysis assumes that all other variables remain constant.

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Movement in exchange rate (Strengthening of INR)		
USD - INR	5%	5%
EUR - INR	5%	5%
GBP - INR	5%	5%
ZAR - INR	5%	5%
Other currency	5%	5%
Impact on profit/loss		
USD - INR	8.27	8.69
EUR - INR	6.25	3.35
GBP - INR	4.41	2.88
ZAR - INR	9.36	3.45
Other currency	3.11	3.74

(b) Other price risk

The Group is mainly exposed to the other price risk due to its investment in mutual funds. The other price risk arises due to uncertainties about the future market values of these investments. At 31st March, 2026, the investments in mutual funds amounts to ₹ 7,679.42 Crores (31st March, 2025: ₹ 7,293.23 Crores). These are exposed to price risk. The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase/(decrease) in prices would increase/(decrease) the equity and profit or loss by the amounts shown below.

The Group is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2026 is ₹ 432.24 Crores (31st March, 2025: ₹ 499.07 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

Note 42: Financial Instrument (Contd..)

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Impact on profit/loss		
Increase by 1%	76.79	72.93
Decrease by 1%	(76.79)	(72.93)
Impact on other comprehensive income/loss		
Increase by 1%	4.32	4.99
Decrease by 1%	(4.32)	(4.99)

(c) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Group's interest rate risk mainly arises from borrowings with variable rates and investments in short term deposits. Considering the short term nature, there is no significant interest rate risk pertaining to short term deposit.

The Group also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Group has invested, such price risk is not significant.

Exposure to interest rate risk

The borrowings profile of the Group's interest-bearing financial instruments is as follows:

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Variable rate instruments		
Financial liabilities	247.37	92.10
Fixed rate instruments		
Financial liabilities	10.60	-

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

₹ in Crores

Particulars	As at 31st March, 2026			As at 31st March, 2025		
	Weighted average interest cost	Balance	% of total loans	Weighted average interest cost	Balance	% of total loans
Borrowings (Net exposure to cash flow interest rate risk)	6.71%	247.37	100%	7.48%	92.10	100%

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Impact on profit/loss		
Increase	(1.24)	(0.46)
Decrease	1.24	0.46

The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the year.

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables, cash and cash equivalents and investments.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 6,529.57 Crores and ₹ 6,508.78 Crores, as at 31st March, 2026 and 31st March, 2025 respectively, being the total carrying value of trade receivables, investments in debt securities, loans, derivative assets and other financial assets.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Cash and cash equivalents and investments:

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Details of financial assets – not due, past due and impaired

None of the Group's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31st March, 2026.

For ageing analysis of the receivable (gross of provision) - Refer note 14

Expected credit loss:

In accordance with Ind AS 109 - Financial Instruments, the Group uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of 'Ind AS 115 - Revenue from Contracts with Customers'. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The default in collection as a percentage to total receivable is low and overall expected credit loss is not material to these financial statements.

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

The details of changes in allowance for credit losses during the year ended 31st March, 2026 and 31st March, 2025 for trade and other receivables are as follows:

₹ in Crores

Particulars	Other Receivables		Trade Receivables	
	For the year ended 31st March, 2026	For the year ended 31st March, 2025	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Opening Balance	**1.89**	**3.65**	**101.49**	**139.29**
Provided during the year	0.23	0.61	18.28	27.15
Reversal of provision during the year	-	-	(9.92)	(18.22)
Written off/back during the year	(0.65)	(2.37)	(9.78)	(42.34)
Effects of changes in foreign exchange rate	-	-	5.95	(4.87)
Addition through business combination	-	-	-	0.48
Closing Balance	**1.47**	**1.89**	**106.02**	**101.49**

Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March, 2026 and 31st March, 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2026:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non-derivative :				
Current borrowings	140.50	-	-	140.50
Non-current borrowings	-	117.47	-	117.47
Trade payables	3,229.90	-	-	3,229.90
Other financial liabilities	641.39	39.99	-	681.38
Lease liabilities (on undiscounted basis)	106.43	292.11	65.76	464.30
Derivative:				
Derivative designated as hedge	132.67	37.02	-	169.69
Derivative not designated as hedge	212.71	143.39	-	356.10
	4,463.60	**629.98**	**65.76**	**5,159.34**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31st March, 2025:

₹ in Crores

Particulars	Less than 1 year	1-5 years	Above 5 years	Total
Non-derivative :				
Current borrowings	80.12	-	-	80.12
Non-current borrowings	-	11.98	-	11.98
Trade payables	2,837.49	-	-	2,837.49
Other financial liabilities	345.25	71.58	-	416.83
Lease liabilities (on undiscounted basis)	116.06	267.79	75.55	459.40
Derivative:				-
Derivative designated as hedge	0.16	-	-	0.16
Derivative not designated as hedge	29.13	30.81	-	59.94
	3,408.21	**382.16**	**75.55**	**3,865.92**

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

Impact of hedging

The Group uses foreign exchange forward/options contracts to hedge against the foreign currency risk of highly probable USD, AUD, EUR and ZAR sales. Such derivative financial instruments are governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

a) Disclosure of effects of hedge accounting in Group's balance sheet

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2026						
Cash flow hedge						
Foreign exchange risk						
Foreign exchange forward contracts (refer note 18)	262.47	1.58	-	April 2026 - March 2027	1:1	USD 1 = ZAR 17.01 EUR 1 = ZAR 19.87
Foreign exchange forward contracts (refer note 24 & 28)	4,224.18	-	302.26	April 2026- September 2027	1:1	AUD 1 = ₹ 59.05 USD 1 = ₹ 90.39 ZAR 1 = ₹ 4.92
Foreign exchange currency options contracts - Sold (refer note 24 & 28)	825.06	-	49.45	April 2026- March 2028	1:1	USD 1 = ₹ 91.72
Foreign exchange currency options contracts - Bought (refer note 24 & 28)	825.06	3.71	-	April 2026- March 2028	1:1	USD 1 = ₹ 91.13
Fair value hedge						
Foreign exchange risk						
Foreign exchange currency swap contracts (refer note 24 & 28)	552.25	-	101.65	March 2029- October 2029	1:1	ZAR 1 = ₹ 4.43
Foreign exchange forward contracts (refer note 24 & 28)	1,426.82	-	76.14	April 2026- March 2028	1:1	USD 1 = ₹ 91.93 ZAR 1 = ₹ 5.58 NZD 1 = ₹ 52.61

₹ in Crores

Type of hedge and risks	Carrying amount			Maturity date	Hedge ratio*	Weighted average strike price/rate
	Nominal amount	Assets	Liabilities			
31st March, 2025						
Cash flow hedge						
Foreign exchange risk						
Foreign exchange forward contracts (refer note 9 & 18)	321.86	3.41	-	April 2025 - March 2026	1:1	USD 1 = ZAR 18.41 EUR 1 = ZAR 20.09
Foreign exchange forward contracts (refer note 24 & 28)	3,960.31	-	17.91	April 2025- September 2026	1:1	AUD 1 = ₹ 56.77 USD 1 = ₹ 86.55 ZAR 1 = ₹ 4.51
Foreign exchange currency options contracts - Sold (refer note 24 & 28)	359.00	-	3.17	May 2025- July 2026	1:1	USD 1 = ₹ 87.92
Foreign exchange currency options contracts - Bought (refer note 9 & 18)	359.00	5.33	-	May 2025- July 2026	1:1	USD 1 = ₹ 86.72
Fair value hedge						
Foreign exchange risk						
Foreign exchange currency swap contracts (refer note 24 & 28)	470.75	-	30.81	March 2029- October 2029	1:1	ZAR 1= ₹ 4.43
Foreign exchange forward contracts (refer note 9 & 18)	1,573.09	4.35	-	April 2025- March 2028	1:1	USD 1 = ₹ 87.67 ZAR 1 = ₹ 4.35 AUD 1 = ₹ 54.96

* The foreign currency forward contracts and currency option contracts are denominated in the same currency as the highly probable future sales, therefore hedge ratio of 1:1

Notes to the Consolidated Financial Statements

Note 42: Financial Instrument (Contd..)

b) Disclosure of effects of hedge accounting in Group's profit or loss and other comprehensive income

₹ in Crores

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit and loss
31st March, 2026			
Cash flow hedge			
i) Foreign exchange risk contracts (refer note 40)	(361.29)	-	176.79
31st March, 2025			
Cash flow hedge			
i) Foreign exchange risk contracts (refer note 40)	(49.78)	-	54.95

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationships exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instrument.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

c) Movement in cash flow hedge reserve and cost of hedge reserve

₹ in Crores

Derivative Instruments	Foreign exchange forward/currency options contracts	
	As at 31st March, 2026	As at 31st March, 2025
Cash flow hedging reserve		
Opening balance	**9.69**	**5.85**
Add: Changes in fair value	(361.29)	(49.78)
Less: Amount reclassified to profit or loss	176.79	54.95
Less: Deferred tax relating to above (net)	46.46	(1.33)
Closing balance	**(128.35)**	**9.69**

Note 43: Capital Management

(A) Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in Industry, the Group monitors capital on the basis of the following gearing ratio: (net debt divided by total 'equity').

Net debt = Total borrowings (including lease liabilities) less (Cash and cash equivalents + Bank balance other than cash and cash equivalents (excluding balance earmarked for unclaimed dividend) + Current investments + Fixed deposit).

Note 43: Capital Management (Contd..)

Total 'equity' as shown in the balance sheet, including non-controlling interest.

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total debt	613.77	438.19
Less: Cash and cash equivalents including mutual fund and bank deposit	11,139.80	10,806.69
Net debt (A)	**(10,526.03)**	**(10,368.50)**
Total equity (B)	34,520.24	31,289.25
Net debt to equity ratio (A/B)	**(0.30)**	**(0.33)**

Notes to the Consolidated Financial Statements

Note 43: Capital Management (Contd..)

(B) Loan covenants

The Group has complied with all the financial covenants throughout the reporting periods.

(C) Dividend on equity share

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
(a) Dividend on equity shares paid during the year		
Final dividend for the year [FY 2024-25: ₹ 16 (FY 2023-24: ₹ 13) per equity share of ₹ 2.00 each]	1,292.40	1,049.83
	1,292.40	**1,049.83**
(b) Proposed dividend on equity share not recognised as liability	**1,050.12**	**1,292.19**

The Board of Directors of the Company at its meeting held on 13th May, 2026 has recommended a final dividend of ₹ 13/- per equity share for the financial year ended 31st March, 2026 (face value ₹ 2 each). The dividend is subject to approval of the shareholders at the ensuing annual general meeting of the Company and hence it is not recognised as liability.

Note 44: Contingent liabilities and commitments (to the extent not provided for)

A. Details of contingent liabilities

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Claims against the Group not acknowledged as debt[i]	139.04	134.03
Income tax on account of disallowances/additions[v]	211.69	152.17
Excise duty/service tax/GST on account of valuation or cenvat credit	387.46	372.96
Sales tax on account of credit/ classification	1.56	1.57
	739.75	**660.73**

The National Pharmaceutical Pricing Authority ("NPPA") issued several demand notices to the Company commencing from the year 1998 seeking recovery of alleged overcharge regarding scheduled drugs under the Drugs (Prices Control) Orders-1995 ("DPCO").

Note 44: Contingent liabilities and commitments (to the extent not provided for) (Contd..)

In 1999 and 2000, the Company filed writ petitions before the Hon'ble Bombay High Court ("Bombay HC") challenging inclusion of certain drugs under DPCO and challenging the demand notices issued by NPPA demanding payment of alleged overcharged amounts. On 31st August, 2001, by way of its common judgment, the Bombay HC decided the writ petitions in favor of the Company, thereby holding that these drugs do not fall within the purview of DPCO and also quashed the demand notices raised by NPPA. The NPPA appealed the order to the Hon'ble Supreme Court ("SC"). On 1st August, 2003, SC set aside the Bombay HC judgment and remanded the matter to the Bombay HC for being considered afresh by it. Further, the SC stayed recovery of 50% of the alleged overcharged amounts subject to payment of the remaining 50% of the alleged overcharged amounts pending fresh determination by the Bombay HC. Accordingly, in terms of SC's Judgment the Company deposited an amount of ₹ 175.08 Crores with NPPA, representing 50% of the alleged overcharged amounts in respect of demand notices raised till 2003.

Post 2003, the Company continued to receive demands ("Subsequent demands") alleging overcharging. These demands included several duplicate demands. In 2019, the Company applied to the Bombay HC to amend its pleadings to include: (i) subsequent demands (ii) take on record the NPPA/ Government of India's RTI response on unavailability of any records pertinent to and what should have been the basis for inclusion of these drugs under the DPCO (iii) deduction of trade margin of 16% from outstanding demands (as having not accrued to the Company, as manufacturer) basis the Allahabad HC's TC Healthcare judgment (iv) re-calculation of interest from the due date of demand notice and (v) duplication of several demands.

The Bombay HC vide order dated 23rd February, 2024 allowed the amendment conditional upon the Company depositing 50% of the subsequent demands raised. The Company appealed the Bombay HC order in a special leave petition before the SC. On 19th April, 2024, the SC was pleased to issue notice and the matter is pending to be heard further. Without prejudice to the Company's position of no amount being due towards the alleged overcharge (principal) or consequential interest, on 15th July, 2025 the Company has voluntarily deposited with the NPPA an additional amount of ₹ 27.07 Crores towards the principal against certain demand notices.

The Company has reviewed all the notices/communications received which are attributable to the Company and are under litigation. After removing duplications as indicated above, the amount covered by the notices/communications aggregates to ₹ 2,011 Crores with the principal of ₹ 863 Crores and interest of ₹ 1,148 Crores.

Notes to the Consolidated Financial Statements

Note 44: Contingent liabilities and commitments (to the extent not provided for) (Contd..)

The above demand notices do not include certain demand notices, jointly addressed to Okasa Pharma Private Limited or Okasa Limited (related parties and promoter group companies, collectively "Okasa"), and the Company. These pertain to products manufactured by Okasa and marketed by Cipla. The Company responded to these demand notices (amounting to ₹ 9.96 Crores), stating that it is not the manufacturer and therefore not liable. These demand notices are also subject matter under Business Transfer Agreement between Okasa and Cipla's subsidiary which excludes the DPCO liability as part of the business transferred by Okasa to the subsidiary. Further, Okasa has independently challenged these demand notices before the Hon'ble Bombay HC.

The Company has been legally advised that it expects a favourable outcome in respect of these matters and therefore no provision is considered necessary in respect of the aforementioned demand notices received till date including demand notices addressed singly/ jointly w.r.t transactions with Okasa.

Note:

(i) Claims against the Group not acknowledged as debt include claims related to pricing, commission, etc.

(ii) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of our pending resolution of the respective proceedings as it is determined only on receipt of judgements/decisions pending with various authorities.

(iii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

Note 44: Contingent liabilities and commitments (to the extent not provided for) (Contd..)

(iv) The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on the financial statements.

(v) The contingent liabilities related to income tax include disputed disallowances based on orders from the Income Tax Department. The majority of these contingent liabilities are related to the re-assessment orders for the assessment years 2015-16 to 2019-20 and the assessment orders for the years 2020-21 to 2023-24, being the years under Survey and Search action conducted under Section 132 of the Income Tax Act, 1961 on the Company in February 2023.

B. Details of commitments

₹ in Crores

Particulars	As at 31st March, 2026	As at 31st March, 2025
Estimated amount of contracts unexecuted on capital account	2,523.42	2,712.24
Uncalled liability on committed investments	35.26	48.87
Guarantees against contractual obligations (other than financial guarantees)	181.35	209.97
Letters of credit	66.27	65.34

Notes to the Consolidated Financial Statements

Note 45: Employee Benefits

Employee benefit expense of the Group includes various short term employee expenses, defined benefits expenses, expenses toward defined contribution on plans and other long-term employee benefits. Total employee benefits expenses, including Share based payments, incurred during the years ended 31st March, 2026 and 31st March, 2025 amounted to ₹ 5,366.33 Crores and ₹ 4,832.83 Crores respectively.

Disclosure in respect of contributions to provident and other funds as follows-

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Defined contribution plans		
Employees' pension scheme	44.31	42.37
Provident fund	31.51	23.70
Contribution for 401(k) fund*	26.41	21.19
Others - ESIS, Labour welfare fund, etc.	21.38	11.89
	123.61	**99.15**
Defined benefit plans		
Gratuity (refer table 1 below)	55.18	41.78
Provident fund (refer table 2 below)	64.63	55.83
	119.81	**97.61**
Total contribution to provident fund and other fund	**243.42**	**196.76**

*The Group maintains a 401(k) plan, pursuant to which employees may make contributions which are not to exceed statutory limits. Employer matching contribution are equal to 100% of employee contribution.

Disclosure in respect of defined benefit plan :

a. Description of the plans:

Retirement benefit plans of the Group include gratuity for the Holding Company, certain Indian subsidiaries and provident fund for the Holding Company which are funded. Also, in respect

Note 45: Employee Benefits (Contd..)

of certain Indian subsidiaries, the gratuity liability is unfunded. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Holding Company and certain Indian subsidiaries make contributions to the Gratuity Fund. Provident Fund is managed by the Holding Company through trust Employees Provident Fund (the "Provident Fund").

b. Governance of the plan:

The Holding Company and certain Indian subsidiaries has set up an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. They are tasked with periodic reviews of the solvency of the fund and play a role in the long-term investment, risk management and funding strategy.

Further, since these funds are income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act, 1961 and Rules.

c. Investment strategy:

The Holding Company and certain Indian subsidiaries' investment strategy in respect of their funded plans is implemented within the framework of the applicable statutory requirements. The plans expose these companies to a number of actuarial risks such as investment risk, interest rate risk, longevity risk and inflation risk. The companies have developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to these companies of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Note 45: Employee Benefits (Contd..)

d. Table 1: Disclosures for defined benefit plans based on actuarial reports

₹ in Crores

Particulars	Year ended 31st March, 2026			Year ended 31st March, 2025		
	Gratuity (Funded)	Gratuity (Unfunded)	Total	Gratuity (Funded)	Gratuity (Unfunded)	Total
i. Change in defined benefit obligation						
Opening defined benefit obligation	388.29	4.03	392.32	328.41	1.30	329.71
Addition through business combination	1.07	-	1.07	-	-	-
Liability - transferred in/(out)	0.23	(0.20)	0.03	0.15	(0.03)	0.12
Interest cost	29.59	0.28	29.87	22.39	0.09	22.48

Notes to the Consolidated Financial Statements

Note 45: Employee Benefits (Contd..)

₹ in Crores

Particulars	Year ended 31st March, 2026			Year ended 31st March, 2025		
	Gratuity (Funded)	Gratuity (Unfunded)	Total	Gratuity (Funded)	Gratuity (Unfunded)	Total
Current service cost	48.63	0.53	49.16	35.22	0.23	35.45
Past service cost	267.15	1.19	268.34	-	-	-
Actuarial changes arising from changes in demographic assumptions	(0.85)	-	(0.85)	(0.60)	-	(0.60)
Actuarial changes arising from changes in financial assumptions	(17.13)	(0.05)	(17.18)	16.40	0.63	17.03
Actuarial changes arising from changes in experience assumptions	16.27	(0.04)	16.23	15.22	1.96	17.18
Benefits paid	(26.82)	(0.10)	(26.92)	(28.90)	(0.15)	(29.05)
Liability at the end of the year	**706.43**	**5.64**	**712.07**	**388.29**	**4.03**	**392.32**
ii. Change in fair value of assets						
Opening fair value of plan assets	356.49	-	356.49	226.21	-	226.21
Addition through business combination	0.24	-	0.24	-	-	-
Assets transferred out/divestments	0.03	-	0.03	(0.01)	-	(0.01)
Expected return on plan assets	23.85	-	23.85	16.16	-	16.16
Return on plan assets excluding interest income	(10.49)	-	(10.49)	10.23	-	10.23
Contributions by employer	332.87	-	332.87	132.21	-	132.21
Benefits paid	(26.82)	-	(26.82)	(28.31)	-	(28.31)
Closing fair value of plan assets	**676.17**	**-**	**676.17**	**356.49**	**-**	**356.49**
iii. Amount recognised in balance sheet						
Present value of obligations as at year end	(706.43)	(5.64)	(712.07)	(388.29)	(4.03)	(392.32)
Fair value of plan assets as at year end	676.17	-	676.17	356.49	-	356.49
Net liability recognised	**(30.26)**	**(5.64)**	**(35.90)**	**(31.80)**	**(4.03)**	**(35.83)**
iv. Expenses recognised in profit or loss						
Current service cost	48.63	0.53	49.16	35.22	0.23	35.45
Past service cost (refer note 39(b))	267.15	1.19	268.34	-	-	-
Interest on defined benefit obligation	29.59	0.28	29.87	22.39	0.09	22.48
Expected return on plan assets (interest income only)	(23.85)	-	(23.85)	(16.15)	-	(16.15)
Total expense recognised in profit or loss	**321.52**	**2.00**	**323.52**	**41.46**	**0.32**	**41.78**
v. Expenses recognised in other comprehensive income						
Actuarial changes arising from changes in demographic assumptions	(0.85)	-	(0.85)	(0.60)	-	(0.60)
Actuarial changes arising from changes in financial assumptions	(17.13)	(0.05)	(17.18)	16.40	0.63	17.03
Actuarial changes arising from changes in experience assumptions	16.27	(0.04)	16.23	15.22	1.96	17.18
Actuarial (gain)/loss return on plan assets, excluding interest income	10.49	-	10.49	(10.23)	-	(10.23)
Net (income)/expense for the period recognised in OCI	**8.78**	**(0.09)**	**8.69**	**20.79**	**2.59**	**23.38**
vi. Actual return on plan assets						
Expected return on plan assets	23.85	-	23.85	16.15	-	16.15
Actuarial gain/(loss) on plan assets	(10.49)	-	(10.49)	10.23	-	10.23
Actual return on plan assets	**13.36**	**-**	**13.36**	**26.38**	**-**	**26.38**
vii. Asset information						
Insurer managed funds	100%	-	-	100%	-	-
viii. Expected employer's contribution for the next year	**63.93**	**0.10**	**64.03**	**41.74**	**0.10**	**41.84**

Notes to the Consolidated Financial Statements

Note 45: Employee Benefits (Contd..)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences [refer note 45(g)] are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense:

Principal actuarial assumptions used	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Financial assumptions:		
Discounted rate (per annum)	6.64% to 7.71%	6.65% to 6.78%
Expected rate of return on plan assets	6.64% to 7.71%	6.65% to 6.78%
Expected rate of future salary increase		
- For the next 1 year	7% to 10%	7% to 9%
- Thereafter starting from the 2nd/3rd year	5% to 10%	5% to 9%
Demographic assumptions:		
Mortality rate (Holding Company)	Indian assured lives Mortality (2012-14) Urban	Indian assured lives Mortality (2012-14) Urban
Mortality rate (Indian Domestic Subsidiaries)	Indian assured lives Mortality (2006-08) Ultimate / Urban	Indian assured lives Mortality (2006-08) Ultimate / Urban
Retirement age	60 years	60 years
Attrition rate		
- For Service 2 years and below	19% to 25%	20%-25%
- For Service 3 years to 4 years	13% to 20%	13%-20%
- For Service 5 years and above	5% to 10%	5%-10%

Note 45: Employee Benefits (Contd..)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market. Discount rate and expected rate of return are determined by reference to market yields at the end of the reporting period on government bonds.

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Discount rate (1% movement increase)	(56.66)	(26.76)
Discount rate (1% movement decrease)	60.86	33.28
Future salary growth (1% movement increase)	64.07	34.41
Future salary growth (1% movement decrease)	(58.87)	(27.58)
Attrition rate (1% movement increase)	(13.27)	3.29
Attrition rate (1% movement decrease)	10.99	(3.69)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund:

₹ in Crores

Projected benefits payable in future years from the date of reporting	As at 31st March, 2026	As at 31st March, 2025
1st following year	77.44	37.71
2nd following year	67.67	38.17
3rd following year	64.62	36.29
4th following year	66.10	35.80
5th following year	65.68	35.45
Sum of years 6th to 10th	313.21	165.01
Sum of years 11 and above	702.40	381.56

The weighted average duration of the defined plan obligation at the end of the reporting period is 6.0 to 13.2 years (31st March, 2025: 7.38 to 12 years)

Notes to the Consolidated Financial Statements

Note 45: Employee Benefits (Contd..)

e. Table 2: The details of the Group's defined benefit plans in respect of the owned provident fund trust for the Holding Company based on actuarial report

₹ in Crores

Particulars	31st March, 2026 Provident Fund (Funded Plan)	31st March, 2025 Provident Fund (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	1,593.89	1,437.35
Interest cost	134.55	119.92
Current service cost	64.63	55.83
Employee contribution	144.45	130.35
Liability transferred in	46.99	39.13
Benefits paid	(182.08)	(192.89)
Actuarial changes arising from changes in experience assumptions	(61.96)	4.20
Liability at the end of the year	**1,740.47**	**1,593.89**
ii. Change in fair value of assets		
Opening fair value of plan assets	1,598.36	1,441.33
Expected return on plan assets	134.55	119.92
Actuarial Gain/(Loss) on plan assets, excluding interest income	(73.37)	4.20
Contributions by employer/employee	209.07	186.18
Transfer of plan assets	46.99	39.13
Benefits paid	(182.08)	(192.89)
Other adjustments	(4.46)	0.49
Closing fair value of plan assets	**1,729.06**	**1,598.36**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(1,740.47)	(1,593.89)
Fair value of plan assets as at year end	1,729.06	1,598.36
Funded status	-	(4.47)
Net asset/(liability) recognised	**(11.41)**	**-**
iv. Expenses recognised in profit or loss		
Current service cost	64.63	55.83
Interest cost	134.55	119.92
Expected return on plan assets	(134.55)	(119.92)
Total expense recognised in profit or loss	**64.63**	**55.83**
v. Expense recognised in Other Comprehensive Income (OCI)		
Actuarial changes arising from changes in experience assumptions	(61.96)	-
Actuarial gain return on plan assets, excluding interest income	73.37	-
Net expense for the period recognised in OCI	**11.41**	**-**
vi. Actual return on plan assets		
Expected return on plan assets	134.55	119.92
Actuarial gain on plan assets	(73.37)	4.20
Actual return on plan assets	**61.18**	**124.12**
vii. Asset information		
a. Quoted investments		
Investment in PSU bonds	798.39	635.14
Investment in government securities	626.63	695.58
Equity/insurer managed funds/ mutual funds	224.19	202.13
b. Unquoted investments		
Bank special deposit	15.58	15.58
Investment in other securities	64.27	49.93
Total assets at the end of the year	**1,729.06**	**1,598.36**
viii. Expected employer's contribution for the next year	**69.15**	**59.74**
ix. Principal actuarial assumptions used		
Discounted rate (per annum)	7.02%	6.69%
Expected rate of return on plan assets (per annum)	8.25%	8.25%
Expected rate of future salary increase (per annum)	9.00%	9.00%
Demographic assumptions:		
Mortality rate	Indian assured lives Mortality (2012-14) Ultimate	Indian assured lives Mortality (2012-14) Ultimate
Retirement age	60 Years	60 Years
Attrition rate		
- For Service 2 years and below	25.00%	25.00%
- For Service 3 years to 4 years	20.00%	20.00%
- For Service 5 years and above	10.00%	10.00%

Note 45: Employee Benefits (Contd..)

Sensitivity Analysis

₹ in Crores

	31st March, 2026		31st March, 2025	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	(22.29)	57.40	(53.42)	87.21
Interest rate guarantee	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	54.52	(22.29)	81.27	(52.57)

Notes to the Consolidated Financial Statements

Note 45: Employee Benefits (Contd..)

The sensitivity analysis above has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity analysis of the benefit payments from the fund

₹ in Crores

Projected benefits payable in futrure years from the date of reporting	As at 31st March, 2026	As at 31st March, 2025
1st following year	128.86	113.81
2nd following year	119.73	105.40
3rd following year	115.44	101.30
4th following year	117.69	102.97
5th following year	128.50	112.11
Sum of years 6th to 10th	660.71	571.78

f. There are no amounts included in the Fair Value of Plan Assets (Gratuity and Provident fund) for the following:

- Company's own financial instrument
- Property occupied by or other assets used by the Company

g. Compensated absences note:

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Group's policy. The Group records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Group towards this obligation was ₹ 198.46 Crores and ₹ 186.24 Crores as at 31st March, 2026 and 31st March, 2025, respectively.

h. Cash settled share based payment (other than Subsidiary's ESAR):

Certain employees of the Group are eligible for share based payment awards that are settled in cash. These awards entitle the employees to a cash payment, on the exercise date, subject to vesting upon satisfaction of certain service conditions which range from one to four years. The amount of cash payment is determined based on the price of the Company's share price at the time of vesting. As of 31st March, 2026, there was ₹ 4.06 Crores (31st March, 2025: ₹ 5.89 Crores) of total unrecognised compensation cost related to unvested awards. This cost is expected to be recognised over a weighted-average period of 1 year.

This scheme does not involve dealing in or subscribing to or purchasing securities of the Company, directly or indirectly.

Note 46: Share based payments

1. Parent Company

Cipla Limited

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Expense arising from equity settled share based payment transactions (ESOS and ESAR)	25.35	27.43

A. Employee stock option scheme ('ESOS')

The Company has implemented Employee Stock Option Scheme 2013-A ('ESOS 2013 - A') as approved by the shareholders on 22nd August, 2013. The ESOS 2013-A Scheme covers the permanent employees of the Company and its subsidiaries and directors (excluding promoter directors) [collectively 'eligible employees']. The nomination and remuneration committee of the Board of Cipla Limited administers the ESOS 2013-A Scheme and grants stock options to eligible employees.

Details of the options granted during the year ended 31st March, 2026 and 31st March, 2025 under the Scheme are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year	Within same calendar year of vesting
ESOS 2013 - A	10th May, 2024	16,584	2.00	1 Year, 11 months	Within same calendar year of vesting

Notes to the Consolidated Financial Statements

Note 46: Share based payments (Contd..)

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOS 2013 - A	10th May, 2024	89,110	2.00	2 Years	5 Years from vesting date
ESOS 2013 - A	13th May, 2025	98,815	2.00	2 Years	5 Years from vesting date
ESOS 2013 - A	25th July, 2025	5,264	2.00	2 Years	5 Years from vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹ 2 each.

Weighted average share price for options exercised during the year 31st March, 2026:

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,481.49

Weighted average share price for options exercised during the year 31st March, 2025:

Particulars	ESOS - 2013 - A
Weighted average share price (₹)	1,464.32

Stock option activity under the scheme(s) for the year ended 31st March, 2026 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**3,81,837**	**2.00**	**2.00**	**4.02**
Granted during the year	1,04,079	2.00	2.00	-
Forfeited/cancelled during the year	(21,855)	2.00	2.00	-
Exercised during the year	(1,20,472)	2.00	2.00	-
Outstanding at the end of the year	**3,43,589**	**2.00**	**2.00**	**4.12**
Exercisable at the end of the year	1,76,418	2.00	2.00	2.65

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESOS 2013 - A

Particulars	No. of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**4,21,584**	**2.00**	**2.00**	**4.32**
Granted during the year	1,22,278	2.00	2.00	-
Forfeited/cancelled during the year	(19,169)	2.00	2.00	-
Exercised during the year	(1,42,856)	2.00	2.00	-
Outstanding at the end of the year	**3,81,837**	**2.00**	**2.00**	**4.02**
Exercisable at the end of the year	1,64,824	2.00	2.00	2.85

Notes to the Consolidated Financial Statements

Note 46: Share based payments (Contd..)

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

ESOS 2013 - A	31st March, 2026	31st March, 2025
Expected dividend yield (%)	0.86%	0.63%
Expected volatility	23.65%	26.28%
Risk-free interest rate	6.06%	6.99%
Weighted average share price (₹)	1,510.40	1,358.80
Exercise price (₹)	2.00	2.00
Expected life of options granted in years	4.50	3.77
Weighted average fair value of options (₹)	1,349.93	1,325.44

B. Employee Stock Appreciation Rights ("ESAR") Scheme

The Company has implemented "Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR 2021/the Scheme')" as approved by the shareholders by postal ballot on 25th March, 2021. The Scheme covers the employees who are in permanent employment, including director(s) other than independent directors of the Company and its subsidiaries [collectively "eligible employees"]. The nomination and remuneration committee of the Board of Cipla Limited will administer this scheme and grant ESAR to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights (ESAR) that may be granted under the Scheme shall not exceed 1,75,00,000 and the maximum number of equity shares that may be issued towards appreciation of the ESAR to be granted under the Scheme shall not exceed 33,00,000 shares of ₹ 2 each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR will be settled by the issue of shares and hence been accounted as equity settled.

Details of the ESAR granted during the years ended 31st March, 2026 and 31st March, 2025 under the Scheme are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Fair value at grant date	Exercise period
ESAR 2021	10th May, 2024	2,93,393	2.00	3 Years graded vesting	435.45	5 Years from vesting date
ESAR 2021	10th May, 2024	63,746	2.00	1 Year	352.97	5 Years from vesting date
ESAR 2021	10th May, 2024	50,659	2.00	1 Year, 11 months	444.15	5 Years from vesting date
ESAR 2021	13th May, 2025	3,36,340	2.00	3 Years graded vesting	443.80	5 Years from vesting date
ESAR 2021	25th July, 2025	18,178	2.00	3 Years graded vesting	430.24	5 Years from vesting date

Weighted average share price for ESAR exercised during the year 31st March, 2026:

Particulars	ESAR 2021
Weighted average share price (₹)	1,520.60

Weighted average share price for ESAR exercised during the year 31st March, 2025:

Particulars	ESAR 2021
Weighted average share price (₹)	1,496.51

Stock option activity under the scheme(s) for the year ended 31st March, 2026 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**8,36,586**	**1,154.41**	**913.38 - 1,139.34**	**5.32**
Granted during the year	3,54,518	1,517.74	1,491.77 - 1,519.14	-
Forfeited/cancelled during the year	(62,107)	1,337.92	918.77 - 1,519.14	-
Lapsed during the year	(344)	1,390.90	1,390.90	-

Notes to the Consolidated Financial Statements

Note 46: Share based payments (Contd..)

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Exercised during the year*	(1,16,881)	988.90	913.38 - 1,390.90	-
Outstanding at the end of the year	**10,11,772**	**1,289.49**	**913.38-1,519.14**	**4.97**
Exercisable at the end of the year	4,38,562	1,143.40	913.38 - 1,390.90	3.86

*Number of shares are issued against option exercised based formula as defined in ESAR scheme 2021

Stock option activity under the scheme(s) for the year ended 31st March, 2025 is set out below:

ESAR 2021

Particulars	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**7,49,785**	**941.11**	**913.38-1,139.34**	**5.58**
Granted during the year	4,07,798	1,390.90	1,390.90	-
Forfeited/cancelled during the year	(60,595)	1,058.73	913.38 - 1,390.90	-
Lapsed during the year	-	-	-	-
Exercised during the year*	(2,60,402)	932.87	913.38 - 984.67	-
Outstanding at the end of the year	**8,36,586**	**1,154.41**	**913.38-1,390.90**	**5.32**
Exercisable at the end of the year	1,90,074	959.82	913.38-1,139.34	3.83

* Number of shares are issued against options exercised based on formula as defined in ESAR scheme 2021.

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

Particulars	31st March, 2026	31st March, 2025
Expected dividend yield (%)	0.86%	0.63%
Expected volatility	24.77%	25.98%
Risk-free interest rate	6.07%	7.02%
Weighted average share price (₹)	1,510.38	1,358.80
Exercise price (₹)	1,516.52	1,390.90
Expected life of options granted in years	4.5	4.33
Weighted average fair value of options (₹)	443.11	423.64

2. Subsidiary Company

Cipla Health Limited

The expense recognised for employee services received during the year is shown in the following table:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Expense arising from share based payment transactions (ESAR)	33.70	19.91

Employee Stock Appreciation Rights ('ESAR') Scheme

The Subsidiary Company has implemented "Cipla Employee Stock Appreciation Rights Scheme 2021 ('ESAR Scheme 2021/ the Scheme')" as approved by the shareholders on 1st September, 2021. The Scheme covers all the employees who are in permanent employment, including director(s) other than independent directors of the Company and employee who is a Promoter or a person who belongs to the Promoter Group [collectively "eligible employees"]. The Nomination and Remuneration Committee of the Board ('NRC') administers this scheme and grants ESAR to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights ('ESAR') that may be granted under the Scheme shall not exceed 1,02,800 and the maximum number of equity shares that may be issued towards appreciation of the ESAR to be granted under the Scheme shall not exceed 60,700 of ₹ 10 each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR can be settled by the issue of shares or through cash. Based on management estimate these have been accounted as equity settled. NRC is entitled to determine the vesting schedule for ESAR as the NRC deems fit. ESAR that are not exercised within the applicable exercise period will automatically lapse.

On the recommendation of the NRC dated 3rd June, 2024, the Board of Directors of the Subsidiary Company has approved to extend exercise period of the ESAR granted under the scheme by one year i.e. till 31st March, 2026 and the Scheme Benefit can be settled by way of issue of shares or through cash as per the fair market value

Notes to the Consolidated Financial Statements

Note 46: Share based payments (Contd..)

based on the financial statements of financial year 2025-2026 considering other terms as mentioned in amended scheme. The impact of such a change in the incremental fair valuation of the ESAR option amounting to ₹ 0.63 Crores have been accounted as ESAR expense in the previous year.

During the current year, on the liquidity date, the NRC approved settlement of all options granted under the ESAR Scheme 2021 through cash settlement based on fair valuation determined as per audited financial of Cipla Health Limited for the year ended 31st March, 2026. Accordingly, in accordance with Ind AS 102 – Share-based Payment, the liability in respect of such options has been re-measured at fair value, resulting in recognition of an incremental expense of ₹ 16.62 Crores, which is net off reversals on account of non-vesting of certain grants during the year. Further, the amounts of ₹ 96.11 Crores owing to cash settlement is reclassified to "other current financial liabilities" from "Share Option Outstanding Account (ESOS/ESAR)".

During the year ended 31st March, 2026 and 31st March, 2025 no ESAR were granted by the Subsidiary Company.

Particulars	As at 31st March, 2026			
	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**71,047**	**20,192.48**	**20,192.48**	**0.91**
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	(8,795)	-	-	-
Outstanding at the end of the year	**62,252**	**20,192.48**	**20,192.48**	**-**
Exercisable at the end of the year	62,252	20,192.48	20,192.48	-

Particulars	As at 31st March, 2025			
	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	**71,047**	**20,192.48**	**20,192.48**	**1.79**
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	-	-	-	-
Exercised during the year (settled in cash)	-	-	-	-
Outstanding at the end of the year	**71,047**	**20,192.48**	**20,192.48**	**0.91**
Exercisable at the end of the year	24,139	20,192.48	20,192.48	-

The following table lists the inputs to the models used for the years in which the ESAR was granted:

Particulars	As at 31st March, 2026	As at 31st March, 2025
Expected dividend yield (%)	N.A.*	0%
Expected volatility (%)		24.30% - 25.34%
Risk free investment rate (%)		6.87%
Exercise price at date of grant		₹ 16,316 to ₹ 22,101
Share price at date of grant		₹ 16,316 to ₹ 22,101
Vesting period		1 -4 years
Exercise period		At the time of liquidity event
Model used		Black Scholes

* Since there were no further ESAR granted during the year, the assumptions are not applicable

Notes to the Consolidated Financial Statements

Note 46: Share based payments (Contd..)

The effect of share based payment transactions on the entity's profit for the period and earnings per share is presented below:

Particulars	31st March, 2026	31st March, 2025
Profit after tax as reported (₹ in Crores)	3,879.23	5,272.52
Share based payment expense (₹ in Crores)	59.05	47.34
Earnings per share adjusted		
Basic (₹)	48.76	65.88
Diluted (₹)	48.73	65.82

Note 47: Related party disclosures

Information on related party transactions as required by Ind AS 24 - Related Party Disclosures for the year ended 31st March, 2026

A. Associates

AMPIN Power Systems Private Limited (formerly known as AMP Solar Power Systems Private Limited)

GoApptiv Private Limited

AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)

Clean Max Auriga Power LLP

Achira Labs Private Limited

Stempeutics Research Private Limited

Brandmed (Pty) Limited

Iconphygital Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)

Pactiv Healthcare Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)

MKC Biotherapeutics Inc

AMPIN Energy C&I Eighteen Private Limited (formerly known as AMP Energy C&I Eighteen Private Limited)

iCaltech Innovations Private Limited (w.e.f. 26th August 2025)

B. Key Management Personnel (KMP)

Umang Vohra - Managing Director and Global Chief Executive Officer (cease to be w.e.f. 31st March, 2026)

Ashish Adukia - Global Chief Financial Officer

Achin Gupta - Managing Director and Global Chief Executive Officer (w.e.f. 1st April, 2026)

C. Non-executive Chairman and Non-executive Vice Chairman

Dr Y K Hamied, Chairman

M K Hamied, Vice Chairman (Resigned w.e.f. close of business hours of 29th October, 2024)

P R Ramesh, Vice Chairman (w.e.f. 1st April, 2026)

Note 47: Related party disclosures (Contd..)

D. Non executive Directors

Kamil Hamied (w.e.f 1st November, 2024)

Ashok Sinha (Retired w.e.f. 3rd September, 2024)

Adil Zainulbhai

Punita Lal (Retired w.e.f. 13th November, 2024)

S Radhakrishnan (Retired w.e.f. conclusion of AGM held on 20th August, 2024)

Robert Stewart (Retired w.e.f. 13th May, 2026)

P R Ramesh

Dr Mandar Vaidya

Samina Hamied (w.e.f. 1st April, 2024 till close of business hours of 29th October, 2024)

Dr Balram Bhargava (w.e.f. 1st April, 2024)

Maya Hari (w.e.f 1st November, 2024)

Sharmila Paranjpe (w.e.f 1st September, 2024)

Abhijit Joshi (w.e.f 3rd September, 2024)

E. Entities over which the Company is able to exercise significant influence/control

Cipla Employees Stock Option Trust (De-registered)

Cipla Health Employees Stock Option Trust

The Cipla Empowerment Trust

The Cipla Foundation (SA)

F. Entities over which the KMP or their relatives is able to exercise significant influence/control

Chest Research Foundation (formerly known as Hamied Foundation)

Cipla Foundation

Cipla Cancer & AIDS Foundation

Postcard media (upto 20th August, 2024)

G. Post-employment benefit trusts

Cipla Limited Employees Provident Fund

Cipla Limited Employees Gratuity Fund

Cipla Pharma and Life Sciences Limited Employees Gratuity Fund

Goldencross Pharma Private Limited Employees Group Gratuity Fund

Meditab Specialities Limited Employees Comprehensive Gratuity Scheme

Medispray Laboratories Private Limited Employees Comprehensive Gratuity Scheme

Sitec Labs Private Limited Employees Group Gratuity Scheme

Notes to the Consolidated Financial Statements

Note 47: Related party disclosures (Contd..)

Cipla Health Limited Employees Gratuity Scheme

Jay Precision Pharmaceuticals Employees Group Gratuity Trust

Cipla Digital Health Limited Gratuity Trust

Disclosure in respect of related parties

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A. Investment in equity shares of Associates		
Stempeutics Research Private Limited (refer note 6)	-	10.31
MKC Biotherapeutics Inc. (refer note 6)	9.16	14.32
	9.16	**24.63**
B. Investment in Optionally Convertible (Redeemable) Preference Shares of Associates		
Achira Labs Private Limited (refer note 6)	-	6.00
	-	**6.00**
C. Remuneration to Key Management Personnel and Directors		
Short-term employee benefits	66.88	41.84
Post-employment benefits	2.28	0.64
Other long-term benefits	-	-
Employee share based payments	5.44	7.53
	74.60	**50.01**

(i) Includes remuneration (sitting fee, commission etc) to Non-executive directors amounting to ₹ 16.98 Crores (31st March, 2025: ₹ 19.04 Crores)

(ii) Expenses towards gratuity, compensated absences and premium paid for Group health insurance has not been considered in above information as a separate actuarial valuation/premium paid are not available.

(iii) Remuneration reported pertains to the amount paid during the period including variable pay of previous year, ESOS/ESAR exercised during the year ended 31st March, 2026 but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102 and cash settled ESAR liability which will be paid subsequent to year end.

Note 47: Related party disclosures (Contd..)

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
D. Contribution to provident fund and other fund (net)		
Cipla Health Limited Employees Gratuity Scheme	3.50	3.00
Cipla Limited Employees Gratuity Fund	258.65	102.45
Cipla Limited Employees Provident Fund (to the extent of employer contribution)	64.63	55.83
Sitec Labs Private Limited Employees Group Gratuity Scheme	7.96	(0.59)
Cipla Pharma and Life Sciences Limited Employees Gratuity Fund	4.54	(0.11)
Goldencross Pharma Ltd Employees Group Gratuity Fund	7.27	(0.35)
Jay Precision Pharmaceuticals Group Gratuity Fund	-	0.24
Medispray Laboratories Private Limited Employees Comprehensive Gratuity Scheme	20.33	(0.50)
Meditab Specialities Limited Employees Comprehensive Gratuity Scheme	4.52	(0.02)
Cipla Digital Health Limited Gratuity Trust	0.50	-
	371.90	**159.95**
E. Service Charges and reimbursement paid		
GoApptiv Private Limited	31.57	33.22
Stempeutics Research Private Limited	0.87	0.65
Icaltech Innovations Private Limited	0.08	-
	32.52	**33.87**
F. Donations given*		
Cipla Foundation	105.55	72.08
The Cipla Foundation (SA)	5.32	7.11
	110.87	**79.19**
*Including CSR & Corporate Environmental Responsibility		
G. Rent Received		
Dr Y K Hamied (₹ 20,040/- in both the years)	0.00	0.00
	0.00	**0.00**
H. Interest Income		
Brandmed (Pty) Limited	1.95	1.84
	1.95	**1.84**
I. Electricity charges paid		
AMPIN Power Systems Private Limited (formerly known as AMP SOLAR Power Systems Private Limited)	16.75	16.12
AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	10.85	8.28
Clean Max Auriga Power LLP	9.20	8.12
AMPIN Energy C&I Eighteen Private Limited	1.48	-
	38.28	**32.52**

Notes to the Consolidated Financial Statements

Note 47: Related party disclosures (Contd..)

₹ in Crores

	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
J.	**Payable to Key Management Personnel and Directors***	**11.95**	**17.36**
	*Excluding cash settled ESAR liability which will be paid subsequent to year end.		
K.	**Dividend Paid to Key Management Personnel and Directors**	**258.84**	**244.13**
L.	**Contribution payable to provident/gratuity fund**		
	Cipla Limited Employees Provident fund	28.99	15.64
	Cipla Health Limited Employees Gratuity Scheme	2.60	(0.08)
	Cipla Pharma and Life Sciences Limited Employees Gratuity Fund	(0.51)	1.72
	Jay Precision Pharmaceuticals Group Gratuity Fund	0.43	0.08
	Meditab Specialities Limited Employees Comprehensive Gratuity Scheme	0.24	2.07
	Cipla Limited Employees Gratuity fund	19.00	9.82
	Sitec Labs Private Limited Employees Group Gratuity Scheme	6.36	5.79
	Goldencross Pharma Private Limited Employees Group Gratuity Fund	0.16	2.99
	Medispray Laboratories Private Limited Employees Comprehensive Gratuity Scheme	1.23	9.39
	Cipla Digital Health Limited Gratuity Trust	(0.05)	-
		58.45	**47.42**
M.	**Payable to associates and others**		
	GoApptiv Private Limited	1.46	7.89
	Stempeutics Research Private Limited	0.23	1.15
	Clean Max Auriga Power LLP	0.61	0.11
	AMPIN Power Systems Private Limited (formerly known as AMP SOLAR Power Systems Private Limited)	2.84	0.17
	AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	2.77	1.72
		7.91	**11.04**
N.	**Purchase of goods**		
	Postcard media	-	0.04
	Stempeutics Research Private Limited	6.63	5.61
	GoApptiv Private Limited	0.11	-
	Icaltech Innovations Private Limited	0.04	-
		6.78	**5.65**
O.	**Outstanding receivables**		
	Cipla Foundation	5.09	0.33
	The Cipla Foundation (SA)	-	0.64
	Icaltech Innovations Private Limited	0.13	-
	Achira Labs Private Limited	0.03	0.03
	GoApptiv Private Limited	-	0.12
	Cipla Empowerment Trust	0.08	-
		5.33	**1.12**
P.	**Purchase of Fixed Assets**		
	Stempeutics Research Private Limited	-	6.00
		-	**6.00**
Q.	**Reimbursement charges received**		
	The Cipla Foundation (SA)	-	0.44
		-	**0.44**
R.	**Sale of goods or services**		
	GoApptiv Private Limited	0.08	0.11
	Icaltech Innovations Private Limited	0.08	-
		0.16	**0.11**
S.	**Distribution**		
	The Cipla Foundation (SA)	-	0.23
		-	**0.23**
T.	**Loan receivable from Associate**		
	Brandmed (Pty) Limited	25.75	20.16
		25.75	**20.16**

Note:

1. Amount mentioned as "0.00" denotes value less than ₹ 1 lakh.
2. All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured, trued up for foreign currency translations and settlement occurs in cash.
3. Equity (or equity like) investments by the Group are not considered for related party disclosure under balances as these are not considered “outstanding” exposures. Refer note 6 and 7 for the same.
4. Names of related party and related party relationships, are disclosed where transactions have taken place during the reporting period / balances are outstanding as at such date, and for all parties in the case of relationship of control and significant influence.
5. Initial investment amount has not been considered as related party transaction.

Notes to the Consolidated Financial Statements

Note 48: Corporate social responsibility (CSR) expenditure

The Holding Company meets the criteria specified under Section 135 of the Companies Act, 2013 and has formed a Corporate Social Responsibility (CSR) Committee to monitor the CSR activities implemented as per the CSR Policy of the Holding Company. The Holding Company and some of its Indian Subsidiaries spends in each financial year at least 2% of its average net profit for the immediately preceding three financial years as per provisions of Section 135 of the Act and in compliance of its CSR policy. The funds allocated are utilized throughout the year on the activities which are specified in Schedule VII of the Act. Key focus areas for CSR activities include Health, Education, Skilling, Environmental Sustainability, Disaster Response, Rural development projects, Research and Development and any other activity permissible under Schedule VII of the Act.

₹ in Crores

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
A) Amount required to be spent by the Group during the year#	104.38	84.65
B) Amount of expenditure incurred on construction/acquisition of assets	4.34	5.53
C) Amount of expenditure incurred/ unspent amount deposited to separate bank account on purposes other than (B) above#&**	99.43	79.14
D) Shortfall at the end of the year	-	-
E) Details of related party transactions*	103.30	72.08
F) Balance carry forward:		
Opening balance	0.71	0.69
Addition during the year	103.77	84.67
Utilised during the year (including excess spend of previous year)	(104.38)	(84.65)
Closing balance	**0.10**	**0.71**

*This includes contribution to Cipla Foundation, which is a trust, with focus on Health, Education, Skilling, Environmental Sustainability etc.
#Includes interest of ₹ 0.47 crores (31st March, 2025: ₹ 0.49 crores) arising out of the CSR projects.

The Group will be setting off the excess spend of ₹ 0.10 crores (31st March, 2025 ₹ 0.71 crores) during the year 2025-26 against the next year's CSR obligation.

**Addition during the year includes CSR amount of ₹ 15.04 Crores (31st March, 2025: ₹ 4.75 Crores) towards an ongoing projects which has been deposited in a special account designated as "Unspent Corporate Social Responsibility" Account. There are ongoing project as at 31st March, 2026 and as at 31st March, 2025.

Total unspent CSR obligation of ₹ 16.51 Crores as on 31st March, 2026, includes ₹ 1.47 Crores of Financial Year 2024-25 and ₹ 15.04 Crores of Financial Year 2025-26.

Note 49: Reclassification note

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable. The impact of such reclassifications/regroupings is not material to the consolidated financial statements.

Note 50: Subsequent events

There are no other subsequent events that occurred after the reporting date, other than those already mentioned in the financial statements.

Note 51: Unforeseeable losses

The Group has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has made provision on all long term contracts including derivative contracts for which there were any material foreseeable losses. Refer note 24.

Note 52: Additional disclosure with respect to amendment to Schedule III

a. The entities included in group, covered under the Act, do not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

b. The entities included in group, covered under the Act, do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

c. The entities included in group, covered under the Act, has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

d. The entities included in group, covered under the Act, do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

e. The entities included in group, covered under the Act, have not traded or invested in crypto currency or virtual currency during the financial year.

f. The entities included in group, covered under the Act, has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

   (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Notes to the Consolidated Financial Statements

Note 52: Additional disclosure with respect to amendment to Schedule III

g. The entities included in group, covered under the Act, have not entered into any scheme of arrangement which has been approved by Competent authority under section 230 to 237 of Companies Act 2013, having accounting impact on the current or previous financial year.

h. The entities included in group, covered under the Act, have complied with the number of layers prescribed under the Companies Act, 2013.

i. The entities included in group, covered under the Act, does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 as of and for the year ended 31st March, 2026 and 31st March 2025.

j. The entities included in group, covered under the Act, has not invested or advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 53: Segment Information

Operating Segments

Operating segment information is presented in a manner consistent with the internal reporting reviewed by the Group's Chief Operating Decision Maker ("CODM") for the purpose of allocating resources and assessing performance. The CODM of the Group is the Chief Executive Officer, who is responsible for making strategic decisions.

During the current year, the Group reassessed its operating segments consequent to a change in the CODM. Based on this reassessment, the Group has determined that it operates as a single operating segment, namely Pharmaceutical and related products (previously disclosed as Pharmaceuticals and New ventures). Accordingly, the comparative information for the previous year has been restated, wherever necessary, to reflect the Group as operating under a single reportable segment, in accordance with Ind AS 108 – Operating Segments.

Geographical Segments

The Management also evaluates the Group's revenue performance based on geographical segments. The Group's geographical segments are as follows:

1 India

2 United States of America

3 One Africa

4 Rest of the world

The geographical segments derives their revenues from the sale of pharmaceuticals and related products. The Management reviews revenue as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

Note 53: Segment Information (Contd..)

Analysis of Revenue from operations (including other operating revenue) (by customer's location)

₹ in Crores

Year	India	United States of America	One Africa	Rest of the World	Total
2026	12,680.26	6,871.50	4,285.45	4,325.38	28,162.59
2025	11,614.67	7,899.01	3,826.48	4,207.46	27,547.62

Analysis of non-current assets (excluding investment in associates, income tax and deferred tax assets, loans and financial assets) (by assets location)

₹ in Crores

Year	India	United States of America	One Africa	Rest of the World	Total
2026	8,108.36	4,043.52	2,462.60	519.32	15,133.80
2025	5,969.27	3,481.89	2,164.87	394.22	12,010.25

Information about major customer

No single external customer represents 10% or more of the Group's total revenue for the years ended 31st March, 2026 and 31st March, 2025, respectively.

Notes to the Consolidated Financial Statements

Note 54: Acquisition of subsidiary/business undertaking

(i) Acquisition of Inzpera Healthsciences Limited

On 3rd November, 2025, the Company has entered into definitive agreement to acquire 100% stake in Inzpera Heathscience Limited ("Inzpera") for a purchase consideration of ₹ 110.65 Crores for acquisition of equity shares and non-convertible redeemable preference shares. The transaction has been completed on 4th December, 2025, upon fulfilment of all closing conditions.

The acquisition is a strategic move aimed at combining Inzpera's extensive portfolio of paediatric pharmaceutical and wellness products with the Company's strong distribution network and operational capabilities to drive growth and scalability.

A. Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ in Crores
Amount settled in cash	110.65
Fair value of consideration transferred	**110.65**

B. Recognised amounts of identifiable net assets

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	₹ in Crores
Property, plant and equipment	0.05
Right of use asset	0.16
Brands	56.24
Distribution Network	8.64
Non - Compete	5.45
Other Non Current Financial Assets	0.13
Inventories	1.12
Trade and other receivables	5.42
Total assets	**77.21**
Borrowings	(8.98)
Provisions	(1.15)
Deferred Tax liability	(17.70)
Lease Liabilities	(0.22)
Trade and other payables	(5.21)
Total liabilities	**(33.26)**
Net identifiable assets acquired	**43.95**

C. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	₹ in Crores
Purchase consideration	110.65
Less: Net identifiable assets acquired	(43.95)
Goodwill	**66.70**

Note 54: Acquisition of subsidiary/business undertaking (Contd..)

D. Consideration transferred (net)

Particulars	₹ in Crores
Cash paid	110.65
Less: cash and cash equivalents balance acquired	0.00
Net cash outflow on acquisition	**110.65**

Impact of acquisition on the results of the Group:

From the date of acquisition, Inzpera Healthsciences Limited has contributed ₹ 18.92 Crores to revenue from operations and a profit of ₹ 4.28 Crores to profit before tax.

Had the acquisition been effected at 1st April, 2025, the revenue of the Company would have been higher by ₹ 19.60 Crores and profit before tax would be lower by ₹ 4.84 Crores for the year ended 31st March 2026.

(ii) Acquisition of Business undertaking ("Astaberry")

On 15th April, 2024, Cipla Health Limited, a wholly owned subsidiary of the Company has signed a business transfer agreement for purchase of the distribution and marketing business undertaking of cosmetics and personal care business from Ivia Beaute Private Limited, through a slump sale arrangement on a going concern basis for an upfront purchase consideration of ₹ 130 Crores and a deferred consideration upto a maximum of ₹ 110 Crores payable in next 3 years based on certain milestone achievement.

The primary reason for such an acquisition by the Company is to expand it's product portfolio and further strengthen it's position in the market.

A. Consideration transferred

The following table summaries the acquisition date fair value of consideration transferred:

Particulars	₹ in Crores
Amount settled in cash	130.00
Fair value of contingent consideration	0.93
Total purchase consideration	**130.93**

B. Recognised amounts of identifiable net assets

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Particulars	₹ in Crores
Property Plant and Equipment	0.03
Astaberry Brand	74.50
Distribution Network	9.01
Technical know-how	9.70
Non-compete	9.19

Notes to the Consolidated Financial Statements

Note 54: Acquisition of subsidiary/business undertaking (Contd..)

Particulars	₹ in Crores
Trade and other receivables (net)	3.56
Inventories	1.54
Total assets	**107.53**
Long Term Provisions	(0.13)
Other current liabilities	(0.09)
Total liabilities	**(0.22)**
Net identifiable assets acquired	**107.31**

C. Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	₹ in Crores
Purchase consideration	130.93
Less: Net identifiable assets acquired	(107.31)
Goodwill	**23.62**

Note 54: Acquisition of subsidiary/business undertaking (Contd..)

D. Consideration transferred (net)

Particulars	₹ in Crores
Cash paid	130.00
Less: cash and cash equivalents balance acquired	0.00
Net cash outflow on acquisition	**130.00**

Impact of acquisition on the results of the Group in the previous year:

From the date of acquisition, Astaberry has contributed ₹ 60.96 Crores to revenue from operations and a loss of ₹ (5.15) Crores to profit before tax.

Had the acquisition been effected at 1st April, 2024, the revenue of the Company would have been higher by ₹ 6.90 Crores and profit before tax would be higher by ₹ 0.60 Crores for the previous year ended 31st March 2025.

Note 55: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates

For the year ended 31st March, 2026

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Cipla Limited	99.08%	34,201.11	90.62%	3,515.18	(21.24%)	(146.30)	73.75%	3,368.88
Subsidiaries								
Indian								
Goldencross Pharma Limited	0.53%	182.11	0.45%	17.42	(0.00%)	(0.02)	0.38%	17.40
Meditab Specialities Limited	1.54%	532.38	0.69%	26.72	0.00%	-	0.58%	26.72
Jay Precision Pharmaceuticals Private Limited	0.59%	204.53	1.00%	38.64	0.01%	0.09	0.85%	38.73
Medispray Laboratories Private Limited	0.93%	319.46	1.73%	66.92	(0.03%)	(0.20)	1.46%	66.72
Sitec Labs Limited	0.68%	235.41	0.51%	19.60	(0.01%)	(0.09)	0.43%	19.51
Cipla Pharma and Life Sciences Limited	2.05%	708.98	11.37%	441.06	0.08%	0.54	9.67%	441.60
Cipla Health Limited	1.54%	532.82	4.79%	185.70	(0.20%)	(1.39)	4.03%	184.31
Cipla Digital Health Limited	0.06%	19.10	0.19%	7.40	0.00%	0.03	0.16%	7.43
Cipla Pharmaceuticals Limited	1.07%	370.64	0.00%	0.13	(0.03%)	(0.20)	(0.00%)	(0.07)
Inzpera Healthsciences Limited	0.02%	5.39	0.11%	4.28	(0.04%)	(0.30)	0.09%	3.98
Foreign								
Cipla Medpro South Africa (Pty) Ltd	2.85%	984.20	0.10%	3.95	(0.17%)	(1.16)	0.06%	2.79
Cipla Kenya Limited	(0.00%)	(1.28)	(0.08%)	(3.17)	0.00%	-	(0.07%)	(3.17)
Cipla-Medpro Proprietary Limited	0.24%	83.18	0.13%	5.20	0.00%	-	0.11%	5.20
Cipla-Medpro Distribution Centre Proprietary Limited	(0.01%)	(4.02)	(0.01%)	(0.25)	0.00%	-	(0.01%)	(0.25)
Cipla Medpro Botswana Proprietary Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cipla Select (Pty) Limited	(0.03%)	(11.36)	0.39%	15.23	0.00%	-	0.33%	15.23
Medpro Pharmaceutica Proprietary Limited	2.17%	750.65	0.82%	31.86	0.00%	-	0.70%	31.86
Mirren (Pty) Ltd	0.10%	32.83	0.09%	3.34	0.00%	-	0.07%	3.34

Notes to the Consolidated Financial Statements

Note 55: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates (Contd..)

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Cipla Medpro Manufacturing (Pty) Limited	0.80%	274.80	0.84%	32.52	0.00%	-	0.71%	32.52
Actor Pharma (Pty) Limited	0.13%	43.92	(0.02%)	(0.66)	0.00%	-	(0.01%)	(0.66)
Cipla Holding BV	0.36%	122.71	0.07%	2.60	0.00%	-	0.06%	2.60
Cipla (EU) Limited	21.69%	7,488.42	(4.42%)	(171.56)	0.00%	-	(3.76%)	(171.56)
Cipla Australia Pty Ltd	0.24%	82.71	0.09%	3.30	0.00%	-	0.07%	3.30
Meditab Holdings Limited	1.11%	382.68	(0.02%)	(0.95)	2.06%	14.19	0.29%	13.24
Cipla USA Inc.	0.99%	341.38	6.26%	242.74	0.00%	-	5.31%	242.74
Aspergen Inc	(0.09%)	(29.51)	(2.86%)	(110.83)	0.00%	-	(2.43%)	(110.83)
Cipla Malaysia Sdn. Bhd.	0.02%	6.83	0.01%	0.42	0.00%	-	0.01%	0.42
Cipla Europe NV	0.08%	27.31	(0.28%)	(10.92)	0.00%	-	(0.24%)	(10.92)
Breathe Free Lanka (Pvt) Ltd	0.08%	27.55	0.14%	5.42	0.00%	-	0.12%	5.42
Cipla Gulf FZ-LLC	0.13%	43.42	0.05%	1.85	0.00%	-	0.04%	1.85
Cipla Brasil Importadora e Distribuidora de Medicamentos Ltda.	0.14%	49.86	0.09%	3.41	0.00%	-	0.07%	3.41
Cipla Maroc SA	0.33%	114.73	1.18%	45.81	0.00%	-	1.00%	45.81
Invagen Pharmaceuticals Inc.	11.10%	3,831.59	9.09%	352.45	0.00%	-	7.72%	352.45
Cipla Algérie	(0.00%)	(0.01)	0.00%	-	0.00%	-	0.00%	-
Cipla Colombia SAS	0.02%	6.43	(0.08%)	(3.21)	0.00%	-	(0.07%)	(3.21)
Cipla (Jiangsu) Pharmaceutical Co., Ltd	0.75%	258.91	(0.30%)	(11.83)	0.00%	-	(0.26%)	(11.83)
Cipla (China) Pharmaceutical Co., Ltd	0.04%	13.97	0.01%	0.55	0.00%	-	0.01%	0.55
Exelan Pharmaceuticals Inc.	1.34%	462.46	0.74%	28.52	0.00%	-	0.62%	28.52
Cipla Therapeutics Inc.	0.03%	11.17	(0.03%)	(1.10)	0.00%	-	(0.02%)	(1.10)
Mexicip S.A. de C.V.	0.01%	4.69	0.01%	0.40	0.00%	-	0.01%	0.40
Cipla RNA GmbH	0.03%	9.47	0.02%	0.77	0.00%	-	0.02%	0.77
Cipla Middle East Company	0.01%	3.79	0.00%	-	0.00%	-	0.00%	-
Cipla Health Employees Stock Option Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Cipla Empowerment Trust	(0.01%)	(3.70)	(0.04%)	(1.66)	0.00%	-	(0.04%)	(1.66)
Subtotal		**52,721.71**		**4,787.25**		**(134.81)**		**4,652.44**
Inter-company Elimination and Consolidation Adjustments	(52.79%)	(18,224.93)	(23.65%)	(917.46)	119.44%	822.55	(2.08%)	(94.91)
Non-controlling Interest in Subsidiaries	(0.26%)	(88.29)	0.45%	17.49	0.14%	0.95	0.40%	18.44
Associates								
AMPIN Power Systems Private Limited (formerly known as AMPSOLAR Power Systems Private Limited)	0.00%	1.25	0.00%	-	0.00%	-	0.00%	-
Brandmed (Pty) Limited	0.02%	7.78	(0.00%)	(0.08)	0.00%	-	(0.00%)	(0.08)
GoApptiv Private Limited	0.23%	79.61	0.01%	0.57	0.00%	-	0.01%	0.57
AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	0.00%	0.93	0.00%	-	0.00%	-	0.00%	-
Achira Labs Private Limited	0.00%	-	(0.02%)	(0.67)	0.00%	-	(0.01%)	(0.67)
Clean Max Auriga Power LLP	0.02%	5.60	0.00%	-	0.00%	-	0.00%	-
MKC Biotherapeutics Inc.	0.03%	10.23	(0.20%)	(7.75)	0.00%	-	(0.17%)	(7.75)
ICaltech Innovations Private Limited	0.01%	4.89	(0.00%)	(0.12)	0.00%	-	(0.00%)	(0.12)
AMPIN Energy C&I Eighteen Private Limited	0.00%	1.46	0.00%	-	0.00%	-	0.00%	-
Stempeutics Research Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Grand Total		**34,520.24**		**3,879.23**		**688.69**		**4,567.92**

Note: Net assets and share in profit or loss for the parent company, subsidiaries, associates and other consolidating entities are as per the standalone financial statements of the respective entities.

Notes to the Consolidated Financial Statements

Note 55: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates (Contd..)

For the year ended 31st March, 2025

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
Cipla Limited	102.90%	32,099.24	97.82%	5,157.65	(4.60%)	(9.98)	93.77%	5,147.67
Subsidiaries								
Indian								
Goldencross Pharma Limited	0.53%	164.72	0.36%	18.74	(0.08%)	(0.17)	0.34%	18.57
Meditab Specialities Limited	1.23%	383.68	0.17%	8.94	(0.35%)	(0.76)	0.15%	8.18
Jay Precision Pharmaceuticals Private Limited	0.58%	181.84	0.72%	38.17	(0.53%)	(1.14)	0.67%	37.03
Medispray Laboratories Private Limited	0.63%	195.73	1.02%	53.53	(0.26%)	(0.57)	0.96%	52.96
Sitec Labs Limited	0.48%	150.93	0.29%	15.26	(0.06%)	(0.13)	0.28%	15.13
Cipla Pharma and Life Sciences Limited	1.50%	467.39	6.30%	332.32	(0.48%)	(1.04)	6.03%	331.28
Cipla Health Limited	1.32%	410.90	2.25%	118.56	0.04%	0.09	2.16%	118.65
Cipla Digital Health Limited	0.04%	11.67	(0.04%)	(2.13)	(0.01%)	(0.03)	(0.04%)	(2.16)
Cipla Pharmaceuticals Limited	1.19%	370.72	(0.04%)	(1.93)	(0.43%)	(0.93)	(0.05%)	(2.86)
Foreign								-
Cipla Medpro South Africa (Pty) Limited	2.90%	903.11	(1.04%)	(54.78)	0.57%	1.23	(0.98%)	(53.55)
Cipla Kenya Limited	0.01%	1.82	(0.01%)	(0.76)	0.00%	-	(0.01%)	(0.76)
Cipla-Medpro (Pty) Limited	0.23%	71.84	0.07%	3.89	0.00%	-	0.07%	3.89
Cipla-Medpro Distribution Centre (Pty) Limited	(0.01%)	(3.47)	(0.01%)	(0.47)	0.00%	-	(0.01%)	(0.47)
Cipla Medpro Botswana (Pty) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Cipla Select (Pty) Limited	0.07%	22.58	0.46%	24.22	0.00%	-	0.44%	24.22
Medpro Pharmaceutica (Pty) Limited	2.42%	756.37	0.59%	30.91	0.00%	-	0.56%	30.91
Mirren (Pty) Limited	0.09%	27.17	0.03%	1.48	0.00%	-	0.03%	1.48
Cipla Medpro Manufacturing (Pty) Limited	0.72%	225.36	0.46%	24.20	0.00%	-	0.44%	24.20
Actor Pharma (Pty) Ltd	0.13%	41.07	(0.03%)	(1.78)	0.00%	-	(0.03%)	(1.78)
Cipla Holding BV	0.33%	101.61	0.03%	1.79	0.00%	-	0.03%	1.79
Cipla (EU) Limited	21.58%	6,730.80	0.97%	51.19	0.00%	-	0.93%	51.19
Cipla Australia Pty Ltd	0.21%	65.34	0.07%	3.73	0.00%	-	0.07%	3.73
Meditab Holdings Limited	1.06%	331.58	0.02%	0.95	(17.94%)	(38.91)	(0.69%)	(37.96)
Cipla USA Inc.	2.73%	850.94	8.88%	468.45	0.00%	-	8.53%	468.45
Aspergen Inc	0.08%	25.84	(1.35%)	(71.06)	0.00%	-	(1.29%)	(71.06)
Cipla Malaysia Sdn. Bhd.	0.02%	5.21	0.00%	0.26	0.00%	-	0.00%	0.26
Cipla Europe NV	0.10%	32.19	(0.22%)	(11.69)	0.00%	-	(0.21%)	(11.69)
Breathe Free Lanka (Private) Limited	0.07%	21.75	0.01%	0.71	0.00%	-	0.01%	0.71
Cipla Gulf FZ-LLC	0.12%	37.45	0.04%	2.21	0.00%	-	0.04%	2.21
Cipla Brasil Importadora e Distribuidora de Medicamentos Ltda.	0.05%	16.00	(0.00%)	(0.13)	0.00%	-	(0.00%)	(0.13)
Cipla Maroc SA	0.23%	72.84	0.76%	39.92	0.00%	-	0.73%	39.92
InvaGen Pharmaceuticals Inc.	9.99%	3,115.97	0.89%	46.80	0.00%	-	0.85%	46.80
Cipla Algérie	(0.00%)	(0.01)	0.00%	-	0.00%	-	0.00%	-
Cipla Colombia SAS	0.03%	8.42	0.05%	2.48	0.00%	-	0.05%	2.48
Cipla (Jiangsu) Pharmaceutical Co., Ltd	0.75%	233.23	0.17%	8.96	0.00%	-	0.16%	8.96
Cipla (China) Pharmaceutical Co., Ltd	0.04%	11.61	(0.05%)	(2.53)	0.00%	-	(0.05%)	(2.53)
Exelan Pharmaceuticals Inc.	1.37%	426.52	0.83%	43.55	0.00%	-	0.79%	43.55
Cipla Therapeutics Inc.	0.04%	11.04	(0.99%)	(52.42)	0.00%	-	(0.95%)	(52.42)
Mexicip S.A. de C.V	0.01%	3.59	0.00%	0.11	0.00%	-	0.00%	0.11
Cipla Health Employees Stock Option Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Cipla Empowerment Trust	(0.02%)	(5.24)	(0.04%)	(2.14)	0.00%	-	(0.04%)	(2.14)
Subtotal		**48,579.35**		**6,297.16**		**(52.34)**		**6,244.82**

Notes to the Consolidated Financial Statements

Note 55: Additional information as required, pursuant to Para 2 under Schedule III of the Companies Act, 2013 of the enterprises consolidated as Subsidiaries/Associates (Contd..)

Name of the entity	Net Assets (Total Assets less Total Liabilities)		Owners' share in profit or loss		Owners' share in other comprehensive income		Owners' share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Inter-company Elimination and Consolidation Adjustments	(55.88%)	(17,430.57)	(19.08%)	(1,006.11)	124.92%	271.00	(13.39%)	(735.11)
Non-controlling Interest in Subsidiaries	(0.31%)	(95.80)	0.06%	3.32	(0.79%)	(1.72)	0.03%	1.60
Associates								
AMPSolar Power Systems Private Limited	0.00%	1.12	0.00%	-	0.00%	-	0.00%	-
Brandmed (Pty) Limited	0.06%	20.20	(0.02%)	(1.15)	0.00%	-	(0.02%)	(1.15)
GoApptiv Private Limited	0.25%	79.12	(0.02%)	(0.83)	0.00%	-	(0.02%)	(0.83)
AMP Energy Green Eleven Private Limited	0.00%	0.84	0.00%	-	0.00%	-	0.00%	-
Achira Labs Private Limited	0.09%	26.73	(0.03%)	(1.63)	0.00%	-	(0.03%)	(1.63)
Clean Max Auriga Power LLP	0.02%	5.86	0.00%	-	0.00%	-	0.00%	-
MKC Biotherapeutics Inc.	0.02%	6.60	(0.15%)	(7.93)	0.00%	-	(0.14%)	(7.93)
Stempeutics Research Private Limited	0.00%	-	(0.20%)	(10.31)	0.00%	-	(0.19%)	(10.31)
Grand Total		**31,193.45**		**5,272.52**		**216.94**		**5,489.46**

Note: Net assets and share in profit or loss for the parent company, subsidiaries, associates and other consolidating entities are as per the standalone financial statements of the respective entities.

Note 56: Scheme of amalgamation

The Board in its meeting held on 19th March 2026, has approved the scheme of amalgamation between Cipla Limited ("Transferee Company") and its wholly owned subsidiary company Inzpera Healthsciences Limited ("Transferor Company"). The Scheme of Amalgamation is subject to necessary approvals required under the Companies Act, 2013, including approval of the Hon'ble National Company Law Tribunal, Mumbai. The Company is in the process of filing the Scheme with the authorities.

Note 57: Authorisation of financial statements

The Consolidated financial statements for the year ended 31st March, 2026 were approved by the Board of Directors on **13th May, 2026.**

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Reg. No. 001076N/N500013

Adi P. Sethna
Partner
Membership No. 108840

Mumbai, 13th May, 2026

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive
Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Salient Features of Financial Statements of Subsidiaries and Associates

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 in form AOC-1 related to Subsidiaries and Associate Companies

Part (A) : Information on Subsidiaries

Sr. No.	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting currency	Reporting period	Exchange rate as on 31st March 2026	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment other than Investment in subsidiary	Turnover *	Profit before Taxation *	Provision for Taxation *	Profit after Taxation *	Proposed Dividend	% of Share Holding	Country of Incorporation
1	Jay Precision Pharmaceuticals Private Limited	26th February, 2015	INR	April - March	1.0000	4.01	200.52	223.85	19.32	21.60	153.19	51.93	13.28	38.64	-	60%	India
2	Meditab Specialities Limited	01st October, 2010	INR	April - March	1.0000	0.81	531.57	540.38	8.00	46.18	40.49	28.85	2.13	26.72	-	100%	India
3	Medispray Laboratories Private Limited	01st October, 2010	INR	April - March	1.0000	0.06	319.39	407.33	87.87	83.22	479.27	90.02	23.10	66.92	-	100%	India
4	Goldencross Pharma Limited	14th May, 2010	INR	April - March	1.0000	0.05	182.06	219.10	37.00	32.97	209.25	21.85	4.43	17.42	-	100%	India
5	Sitec Labs Limited	01st October, 2010	INR	April - March	1.0000	0.02	235.39	304.08	68.67	34.44	156.08	26.74	7.14	19.60	-	100%	India
6	Cipla Health Limited	27th August, 2015	INR	April - March	1.0000	2.33	530.49	917.61	384.79	326.47	1,385.33	249.11	63.41	185.70	-	100%	India
7	Cipla Pharma and Life Sciences Limited	24th July, 2014	INR	April - March	1.0000	258.71	450.27	1,068.82	359.84	331.31	1,785.28	589.24	148.18	441.06	-	100%	India
8	Cipla Pharmaceuticals Limited	19th November, 2019	INR	April - March	1.0000	170.00	240.64	491.45	120.80	5.97	26.60	0.50	0.37	0.13	-	100%	India
9	Cipla Digital Health Limited	25th February, 2022	INR	April - March	1.0000	38.00	(18.90)	27.47	8.37	9.98	19.77	1.32	(6.08)	7.40	-	100%	India
10	Inzpera Healthsciences Limited	4th December, 2025	INR	April - March	1.0000	34.86	(29.48)	24.49	19.10	18.84	18.92	4.28	-	4.28	-	100%	India
11	Cipla Medpro South Africa (Pty) Ltd	15th July, 2013	ZAR	April - March	5.5225	0.23	983.95	1,888.86	904.68	-	171.63	(3.69)	(7.64)	3.95	-	100%	South Africa
12	Meditab Holdings Limited	01st October, 2010	USD	April - March	94.8350	137.82	244.86	384.43	1.75	356.50	-	(0.84)	0.11	(0.95)	-	100%	Mauritius
13	Cipla Algérie	06th June, 2016	DZD	January - December	0.6999	0.06	(0.07)	0.07	0.09	-	-	(0.00)	0.00	(0.00)	-	40%	Algeria
14	Cipla Europe NV	30th September, 2013	EUR	April - March	108.9950	47.70	(20.40)	664.23	636.92	-	325.44	(9.80)	1.12	(10.92)	-	100%	Belgium
15	Cipla Holding B.V.	28th August, 2013	EUR	April - March	108.9950	49.52	73.19	129.69	6.98	-	33.99	3.27	0.68	2.60	-	100%	Netherlands
16	Cipla Gulf FZ-LLC	10th October, 2018	USD	April - March	94.8350	57.55	(14.13)	66.82	23.39	-	103.68	2.18	0.32	1.85	-	100%	UAE
17	Cipla Malaysia Sdn. Bhd.	20th March, 2013	MYR	April - March	23.5450	0.98	5.85	7.37	0.54	-	11.06	0.53	0.11	0.42	-	100%	Malaysia
18	Breathe Free Lanka (Private) Limited	16th June, 2014	LKR	April - March	0.2962	6.07	21.48	125.94	98.39	-	252.08	7.80	2.38	5.42	-	100%	Sri Lanka
19	Cipla Maroc SA	08th May, 2015	MAD	April - March	9.3327	100.82	13.92	223.26	108.53	-	270.11	60.69	14.88	45.81	-	75.10%	Morocco
20	Cipla Australia Pty Ltd	04th March, 2011	AUD	April - March	65.0225	128.57	(45.86)	137.47	54.76	-	204.65	4.96	1.66	3.30	-	100%	Australia
21	Cipla Brasil Importadora E Distribuidora de Medicamentos Ltda.	11th May, 2015	BRL	January - December	18.0346	52.65	(2.79)	154.25	104.39	-	47.12	1.82	(1.58)	3.41	-	100%	Brazil
22	Cipla (EU) Limited	27th January, 2011	USD	April - March	94.8350	6,441.56	1,046.86	7,712.36	223.94	-	330.25	18.65	0.14	18.51	-	100%	United Kingdom
23	Cipla Colombia SAS	25th April, 2019	COP	January - December	0.0254	13.56	(7.13)	46.23	39.81	-	56.82	2.20	5.41	(3.21)	-	100%	Colombia
24	Cipla (Jiangsu) Pharmaceutical Co., Ltd	08th August, 2019	CNY	January - December	13.7125	336.48	(77.57)	644.89	385.98	-	152.52	(11.83)	-	(11.83)	-	100%	China
25	Cipla (China) Pharmaceutical Co., Ltd	20th May, 2019	CNY	January - December	13.7125	11.26	2.70	16.20	2.24	-	8.23	0.55	0.00	0.55	-	100%	China

Sr. No.	Name of the subsidiary company	Date since when subsidiary was acquired	Reporting currency	Reporting period	Exchange rate as on 31st March 2026	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investment other than Investment in subsidiary	Turnover *	Profit before Taxation *	Provision for Taxation *	Profit after Taxation *	Proposed Dividend	% of Share Holding	Country of Incorporation
26	Cipla USA Inc.	12th September, 2012	USD	April - March	94.8350	15.87	325.51	3,059.04	2,717.66	-	5,067.75	314.17	71.43	242.74	-	100%	USA
27	Invagen Pharmaceuticals Inc.	17th February, 2016	USD	April - March	94.8350	4,389.78	(558.19)	4,189.29	357.70	-	777.29	197.24	(155.20)	352.45	-	100%	USA
28	Exelan Pharmaceuticals Inc.	17th February, 2016	USD	April - March	94.8350	3.31	459.15	1,118.96	656.50	-	1,524.55	45.36	16.84	28.52	-	100%	USA
29	Cipla Kenya Limited	08th October, 2012	KES	April - March	0.7304	0.01	(1.29)	74.15	75.43	-	60.52	(1.36)	1.81	(3.17)	-	100%	Kenya
30	Cipla Therapeutics Inc.	15th May, 2020	USD	April - March	94.8350	151.10	(139.94)	12.92	1.75	-	-	(0.19)	0.91	(1.10)	-	100%	USA
31	Cipla Medpro Manufacturing (Pty) Limited	15th July, 2013	ZAR	April - March	5.5225	0.00	274.80	915.83	641.04	-	1,020.81	44.91	12.39	32.52	-	100%	South Africa
32	Cipla-Medpro (Pty) Limited	15th July, 2013	ZAR	April - March	5.5225	0.00	83.18	83.73	0.55	-	26.37	6.82	1.62	5.20	-	100%	South Africa
33	Cipla-Medpro Distribution Centre (Pty) Limited	15th July, 2013	ZAR	April - March	5.5225	0.00	(4.02)	75.68	79.70	-	87.42	-	0.25	(0.25)	-	100%	South Africa
34	Cipla Medpro Botswana (Pty) Limited	15th July, 2013	ZAR	April - March	5.5225	0.00	-	0.00	-	-	-	-	-	-	-	100%	Botswana
35	Cipla Select (Pty) Limited	15th July, 2013	ZAR	April - March	5.5225	0.00	(11.36)	122.75	134.11	-	219.13	20.86	5.63	15.23	-	100%	South Africa
36	Medpro Pharmaceutica (Pty) Limited	15th July, 2013	ZAR	April - March	5.5225	423.68	290.79	2,299.18	1,584.71	-	2,223.24	43.76	11.90	31.86	-	100%	South Africa
37	Mirren (Pty) Limited	22nd October, 2018	ZAR	April - March	5.5225	0.00	32.83	103.81	70.98	-	115.39	3.63	0.29	3.34	-	100%	South Africa
38	Actor Pharma (Pty) Limited	07th February, 2024	ZAR	April - March	5.5225	0.00	43.92	49.13	5.21	-	44.45	0.28	0.94	(0.66)	-	100%	South Africa
39	Aspergen Inc.	30th August, 2022	USD	April - March	94.8350	260.81	(290.33)	68.98	98.49	-	-	(110.81)	0.01	(110.83)	-	60%	USA
40	Mexicip S.A. de C.V.	22nd January, 2024	MXN	January - December	5.2056	3.66	1.03	9.83	5.13	-	-	0.52	0.11	0.40	-	100%	Mexico
41	Cipla Health Employees Stock Option Trust	14th March, 2016	INR	April - March	1.0000	-	-	-	-	-	-	-	-	-	-	100%	India
42	The Cipla Empowerment Trust	30th June, 2022	ZAR	April - March	5.5225	-	(3.70)	0.00	3.70	-	-	(1.66)	-	(1.66)	-	100%	South Africa
43	CiplaRna GmbH	28th May, 2025	EUR	April - March	108.9950	0.27	9.20	27.52	18.05	-	14.14	1.09	0.32	0.77	-	100%	Germany
44	Cipla Middle East Company	1st March, 2026	SAR	April - March	25.2700	3.79	0.00	3.79	(0.00)	-	-	0.00	-	0.00	-	100%	Kingdom of Saudi Arabia

* Converted using average rate

Subsidiaries which are yet to commence operations:

Cipla Medpro Botswana (Pty) Limited

Aspergen Inc.

Mexicip S.A. de C.V. (Wholly owned subsidiaries incorporated w.e.f. 22nd January, 2024)

Subsidiaries which have been liquidated or sold during the year:

No subsidiaries were liquidated or sold during the year

Salient Features of Financial Statements of Subsidiaries and Associates

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 in form AOC-1 related to Subsidiaries and Associate Companies

Part (B) : Associates

Sr No.	Name of the associate	Shares of Associate held by the Company on 31st March, 2026						Profit/Loss for the year ended 31st March, 2026			
		Latest Audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	No. of shares	Amount of Investment in Associate (In Crore)	Extent of Holding %	Net worth attributable to Shareholding (In Crore)	Considered in Consolidation (In Crore)	Not Considered in Consolidation (In Crore)	Description of how there is significant influence	Reason why the associate is not considered
1	Stempeutics Research Private Limited	31st March, 2026	1st October, 2010	2,18,58,803	80.28	34.36%	-	-	(3.46)	-	-
2	Brandmed (Pty) Limited	31st March, 2026	24th April, 2019	375	31.62	30.00%	7.78	(0.08)	-	-	-
3	AMPIN Power Systems Private Limited (formerly known as AMPSOLAR Power Systems Private Limited)	31st March, 2026	12th June, 2019	1,01,800	9.00	26.00%	1.26	-	-	-	-
4	GoApptiv Private Limited#	31st March, 2026	27th July, 2020	60,570	76.90	22.99%	79.61	0.57	-	-	-
5	AMPIN Energy Green Eleven Private Limited (formerly known as AMP Energy Green Eleven Private Limited)	31st March, 2026	08th February, 2022	7,50,000	7.50	32.49%	0.93	-	-	-	-
6	Clean Max Auriga Power LLP$	31st March, 2026	14th December, 2021	NA	6.75	33.00%	5.60	-	-	-	-
7	Achira Labs Pvt Ltd*	31st March, 2026	17th August, 2022	71,37,023	31.00	21.05%	0.00	(0.67)	-	-	-
8	MKC Biotherapeutics Inc.	31st March, 2026	27th February, 2024	352	23.52	34.40%	10.22	(7.75)	-	-	-
9	AMPIN Energy C&I Eighteen Private Limited	31st March, 2026	28th May, 2025	14,64,000	1.46	26.00%	1.46	-	-	-	-
10	iCaltech Innovations (Private) Limited~	31st March, 2026	26th August, 2025	1,50,821	5.01	20.00%	4.89	(0.12)	-	-	-

The figures of GoApptiv Private Limited is after consolidating its subsidiary - Iconphygital Private Limited and Pactiv Healthcare Private Limited.No. of shares include 47,121 Compulsory Convertible Preference Shares and 13,449 equity shares.

$ There are no shares as the entity is a LLP

* No. of shares include 10,32,949 Compulsory Convertible Preference Shares, 60,00,000 Optionally Convertible Preference Shares and 1,04,074 equity shares.

~No. of shares include 1,50,820 Compulsory Convertible Preference Shares and 1 equity share.

Note: For details on date of acquisition of associates, refer annexure A to note 1 'Material accounting policies and key accounting estimates and judgements' of consolidated financials statements.

For and on behalf of the **Board of Directors**

Achin Gupta
Managing Director and
Global Chief Executive Officer
DIN: 09491674

Kamil Hamied
Non-Executive Director
DIN: 00024292

Ashish Adukia
Global Chief Financial Officer

Rajendra Chopra
Company Secretary

Mumbai, 13th May, 2026

Independent Assurance Statement

to the Management of Cipla Limited

Cipla Limited (Corporate Identity Number L24239MH1935PLC002380, hereafter mention as 'Cipla' or 'the Company') has commissioned DNV Business Assurance India Private Limited ("DNV", "us" or "we") to conduct an independent limited of level assurance for the sustainability related non-financial disclosures in its 'Integrated Report FY 2025-26' (hereafter referred as 'Report') for the period FY 2025-26.

Scope of Work and Boundary

While the agreed scope of work comprised a limited level of assurance on the GRI disclosures in the Report, including a review of the double materiality assessment, a reasonable level of assurance was performed for selected indicators under the BRSR Core framework, as detailed below:

GRI 302: Energy 2016 – 302-1, 302-3

GRI 303: Water and Effluents 2018 – 303-3, 303-4, 303-5

GRI 305: Emissions 2016 – 305-1, 305-2

GRI 306: Waste 2020 – 306-3; 306-4; 306-5 and

GRI 418: Customer Privacy 2016 – 418-1

The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering the Company's operations as brought out in the section 'About this Report' of the report.

Based on the agreed scope with the Company, the boundary of limited level of assurance covers the operations of Cipla across all global locations.

Reporting Criteria and Standards

The disclosures have been prepared by Cipla:

- "in accordance" to requirements of Global Reporting Initiative (GRI) standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council ("IIRC")
- United Nations Sustainable Development Goals ("SDGs")
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
- European Financial Reporting Advisory Group's ("EFRAG") Guidance for Double Materiality Assessment

Our competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e., FY 2025-26, DNV, to the best of its knowledge, was not involved in any non-audit / non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Assurance Methodology / Standard

DNV carried out the assurance engagement in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements to evaluate disclosures w.r.t Greenhouse gases respectively.

Basis of our conclusion

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance ("ESG") information against the agreed criteria. Throughout the engagement, we exercised rigorous professional judgment and maintained a high level of professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Cipla. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and any other key metrics specified under the reporting framework.
- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for the management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility for monitoring, data collation, and reporting the selected ESG disclosures.
- DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting as defined in the reporting criteria and assurance methodology.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for limited level of assurance for the disclosure.

Our Conclusion:

On the basis of the assessment undertaken and agreed scope of work, nothing has come to our attention to suggest that the disclosures (as mentioned in Annexure I of this statement) are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

Principles as per DNV VeriSustain™ Protocol (V6.0):

1. **Materiality**

   The process of determining the issues that are most relevant to an organization and its stakeholders.

   The Report explains the double materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and input from peers and the industry, as well as issues of relevance in terms of impact for Cipla's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.

   Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. **Stakeholder inclusiveness**

   The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

   The Report brings out the stakeholders who have been identified as significant to Cipla, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group, which have been identified through these channels of engagement, are further brought out in the Report.

   Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

3. **Responsiveness**

   The extent to which an organization responds to stakeholder issues.

   The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

5. Accuracy

The extent to which the Report provides correct and sufficiently detailed information to allow an assessment of the organization's impacts.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The Report presents both qualitative and quantitative information in a manner that is consistent with available evidence and other reported disclosures. It clearly distinguishes between measured and estimated data, provides adequate descriptions of measurement methodologies, and outlines assumptions and limitations where applicable. The disclosures are sufficiently detailed to enable stakeholders to assess the Company's impact with confidence, and the margin of error in reported data does not materially affect the conclusions drawn.

Nothing has come to our attention to believe that the Report does not meet the principle of Accuracy.

6. Reliability

The extent to which the Report presents information that can be consistently and dependably verified and used for decision-making.

The Report provides disclosures that are supported by documented evidence, validated data sources, and established internal controls. It outlines the processes used to collect, compile, and review information, ensuring that the data presented is dependable and reproducible. The inclusion of third-party assurance further enhances the reliability of the disclosures and supports informed decision-making by stakeholders.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

7. Neutrality/Balance

The extent to which a report provides a balanced account of an organisation's performance, delivered in a neutral tone.

The Report brings out the disclosures related to Cipla's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

8. Sustainability Context

This addresses the requirement related to the presentation of the organisation's performance in its own sustainability and general business context, i.e., a local, regional and international context.

The Report outlines how the Company monitors and evaluates its impact across local, regional, and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context

Responsibility of the Company

Cipla has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. Cipla is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion, has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Cipla and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which is intended, not to any third party in respect of this assurance statement.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in the evaluation or assessment of any financial data/performance of the company. DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

For DNV Business Assurance India Private Limited,

Jas Sahib Singh Chadha	**Anjana Sharma**
Lead Verifier	Assurance Reviewer

Assurance Team: Ankita Parab, Goutam Banik, Himanshu Babbar, Tapan Kumar Panda, Varsha Bohiya

30/05/2026, Bengaluru, India.

Annexure I

Disclosures assured for Reasonable level of assurance as a part of the BRSR assessment:

- GRI 302: Energy 2016 – 302-1*, 302-3
- GRI 303: Water and Effluents 2018 – 303-3, 303-4, 303-5
- GRI 305: Emissions 2016** – 305-1, 305-2
- GRI 306: Waste 2020 – 306-3; 306-4; 306-5
- GRI 418: Customer Privacy 2016 – 418-1

Disclosures assured for Limited level of assurance:

- GRI 2: General Disclosures 2021
- GRI 3: Material Topics 2021– 3-1, 3-2, 3-3
- GRI 204: Procurement Practices 2016- 204-1
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3
- GRI 206: Anti-competitive Behavior 2016 – 206-1
- GRI 301: Materials 2016 – 301-2, 301-3
- GRI 302: Energy 2016 – 302-4, 302-5
- GRI 303: Water and Effluents 2018 – 303-1, 303-2
- GRI 304: Biodiversity 2016 – 304-1, 304-2, 304-4
- GRI 305: Emissions 2016 –305-3***, 305-4, 305-5, 305-6, 305-7
- GRI 306: Waste 2020 – 306-1, 306-2
- GRI 308: Supplier Environmental Assessment 2016 – 308-2
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3
- GRI 402: Labor/Management Relations 2016 – 402-1
- GRI 403: Occupational Health & Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2
- GRI 406: Non-discrimination 2016 – 406-1
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1
- GRI 408: Child Labor 2016 - 408-1
- GRI 409: Forced or Compulsory Labor 2016 – 409-1
- GRI 410: Security Practices 2016 – 410-1
- GRI 413: Local Communities 2016 – 413-1, 413-2
- GRI 414: Supplier Social Assessment 2016 - 414-1, 414-2
- GRI 416: Customer Health and Safety 2016 – 416-1, 416-2
- GRI 417: Marketing and Labeling 2016 – 417-1, 417-2, 417-3

* Energy consumption data is reported as per the BRSR core Industry Standard requirements. Additionally, Cipla has purchased I-RECs equivalent to 1,68,056 MWh to convert their non-renewable power to renewable as per US EPA and RE100 guidelines. DNV's assurance boundary is limited to the data reported as per the requirements outlined in the Industry Standard on Reporting of BRSR Core (for BRSR), GRI Standard 2021 and Greenhouse Gas Protocol.

** Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report. Scope 2 GHG emissions for Indian operations are calculated based on the emission factor for Grid Electricity in Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, version 21. Scope 2 GHG emissions for rest of the countries (other than India) operations are calculated based on emission factors in US EPA Emission Factors for Greenhouse Gas Inventories, June 2024; Harmonized IFI Default Grid Factors 2021, UNFCC, version 3.2. Scope 2 emission data has been calculated by market-based approach.

*** Scope 3 GHG emissions are calculated for Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 as per GHG Protocol. Scope 3 emissions are calculated as based on IPCC Cross Sector tool (AR6), US EPA Emission Factors for Greenhouse Gas Inventories, Ecoinvent database, U.S. Environmentally-Extended Input-Output model (USEEIO) database, USEPA. DEFRA 2025, GHG Protocol 2024 and IEA 2022.

Annexure II

Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Mumbai, Maharashtra
2.	India Sites (onsite)	Goa 1, Goa 2 & 3, Indore, Baddi, Patalganga
3.	India Sites (remote audit)	Sikkim (Unit-2), Warehouse - Bhiwandi, Maharashtra
4.	India Sites (desktop audit)	Vikhroli (IPD), Kurkumbh, Bommasandra, Virgonagar, Sikkim (Unit-1), Goldencross Pharma Limited, Medispray Laboratories Private Limited and Meditab Specialities Limited, Cipla Health Limited, Sitec Labs Limited, Jay Precision Pharmaceuticals Private Limited, Warehouses and Offices
5.	International (remote audit)	Mirren, South Africa
6.	International (desktop audit)	Fall River and Long Island (USA); Qi Dong (China); Durban, CDG Warehouse and Corporate Office (South Africa); Morocco and Offices.

Independent Assurance Statement

to the Management of Cipla Limited

Cipla Limited (Corporate Identity Number L24239MH1935PLC002380, hereafter referred to as 'Cipla' or 'the Company') commissioned DNV Business Assurance India Private Limited ('DNV', 'us' or 'we') to undertake an independent assurance of the Company's disclosures in the Business Responsibility and Sustainability Report (hereafter referred as 'BRSR') for the Financial Year (FY) 2025-26. The disclosures include the BRSR Core indicators as per Annexure 17A and the rest non-financial disclosures as per Annexure 16 of SEBI's Master Circular for BRSR (Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026, dated January 30, 2026).

Our Conclusion:

Reasonable level of Assurance- BRSR Core

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the BRSR Core Key Performance Indicators (KPIs) under the 9 ESG attributes (as listed in Annexure I of this statement) for FY 2025-26 are reported in accordance with reporting requirements outlined in Industry Standard on Reporting of BRSR Core.

Limited Level of Assurance- BRSR Disclosures

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the non-core, non-financial disclosures in BRSR (as listed in Annexure I of this statement) do not properly adhere to the reporting requirements as per BRSR reporting guidelines in Annexure 16 of SEBI's Master Circular.

Scope of Work and Boundary

The scope of our engagement includes a reasonable level of assurance for the '9 BRSR Core Attributes' and a limited level of assurance for the rest non-financial disclosures in BRSR for the period FY 2025-26 (as listed in Annexure I of this statement).

Boundary for the engagement covers the performance of Cipla's operations that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of reasonable & limited level of assurance covers the operations of Cipla across all global locations.

Reporting Criteria and Standards

The disclosures have been prepared by Cipla in reference to:

- Industry Standard on Reporting of BRSR Core, Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated Dec 20, 2024.
- BRSR Core (Annexure 17A) and BRSR reporting guidelines (Annexure 16) as per Master Circular No. HO/49/14/14(7)2025-CFD POD2/I/3762/2026, "Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities", dated January 30, 2026.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Assurance Methodology/Standard and Level of Assurance

This engagement for reasonable & limited level of assurance has been carried out in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustain™ Protocol, V6.0 has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements to evaluate disclosures w.r.t. Greenhouse gases.

Our competence, and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment – General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2025-26, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

Basis of our conclusion

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised rigorous professional judgment and maintained a high level of professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Cipla. We carried out the following activities:

BRSR Core Indicators – Reasonable level of Assurance	Rest non-financial disclosures in BRSR – Limited Level of Assurance
Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The Industry Standard on Reporting of BRSR Core used a basis of reasonable level of assurance.	Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries.	Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in BRSR. Understand and test, on a sample basis to evaluate adherence to the reporting principles.
Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.	Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annexure II.	DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.

In both the cases, DNV teams conducted the:

- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for both reasonable level and limited level of assurance for the disclosures.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient and authentic and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (for total revenue from operations; Principle 3, Question 1(c) of Essential Indicators for Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company; Principle 8, Question 4 of Essential Indicators, Principle 1, Question 8 of Essential Indicators and Principle 1, Question 9 of Essential Indicators) and other relevant non-core BRSR indicators relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

Responsibility of the Company

Cipla has the sole responsibility for the preparation of the BRSR and is responsible for all information disclosed in the BRSR Core and BRSR. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Cipla is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion, has been prepared solely for the exclusive use and benefit of management of the company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than company for DNV's work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and Cipla. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,

Jas Sahib Singh Chadha
Lead Verifier

Anjana Sharma
Assurance Reviewer

Assurance Team: Ankita Parab, Goutam Banik, Himanshu Babbar, Tapan Kumar Panda, Varsha Bohiya

30/05/2026, Bengaluru, India.

Annexure I

1. BRSR Core Verified Data - Reasonable level of Assurance

- Section C: Principle Wise Performance Disclosure-
  - Principle 1- Essential Indicator 8, 9
  - Principle 3- Essential Indicator 1-c, 11
  - Principle 5- Essential Indicator 3-b, 7
  - Principle 6- Essential Indicator 1*, 3, 4, 7**, 9
  - Principle 8- Essential Indicator 4, 5
  - Principle 9- Essential Indicator 7

2. BRSR Disclosures - Limited level of Assurance

- Section A: General Disclosures- 20-a, b, 21, 22, 25
- Section C: Principle Wise Performance Disclosure-
  - Principle 1: Essential Indicator 1, Leadership Indicator 1
  - Principle 2: Leadership Indicator 4, 5
  - Principle 3: Essential Indicator 1-a, b, 2, 5, 7, 8, 9, 13, 14; Leadership Indicator 3, 5
  - Principle 5: Essential Indicator 1, 2, 6, 10; Leadership Indicator 4
  - Principle 6: Essential Indicator 6; Leadership Indicator 1, 2**, 7
  - Principle 8: Leadership Indicator 2, 6
  - Principle 9: Essential Indicator 2, 3, 4

* Energy consumption data is reported as per the BRSR core Industry Standard requirements. Additionally, Cipla has purchased I-RECs equivalent to 1,68,056 MWh to convert their non-renewable power to renewable as per US EPA and RE100 guidelines. DNV's assurance boundary is limited to the data reported as per the requirements outlined in the Industry Standard on Reporting of BRSR Core (for BRSR), GRI Standard 2021 and Greenhouse Gas Protocol.

** Scope 1 GHG emissions are calculated based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report. Scope 2 GHG emissions for Indian operations are calculated based on the emission factor for Grid Electricity in Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, version 21. Scope 2 GHG emissions for rest of the countries (other than India) operations are calculated based on emission factors in US EPA Emission Factors for Greenhouse Gas Inventories, June 2024; Harmonized IFI Default Grid Factors 2021, UNFCC, version 3.2. Scope 2 emission data has been calculated by market-based approach.

*** Scope 3 GHG emissions are calculated for Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15 as per GHG Protocol. Scope 3 emissions are calculated as based on IPCC Cross Sector tool (AR6), US EPA Emission Factors for Greenhouse Gas Inventories, Ecoinvent database, U.S. Environmentally Extended Input-Output model (USEEIO) database, USEPA, DEFRA 2025, GHG Protocol 2024 and IEA 2022.

Annexure II

Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Mumbai, Maharashtra
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3.	India Sites (remote audit)	Sikkim (Unit-2), Warehouse - Bhiwandi, Maharashtra
4.	India Sites (desktop audit)	Vikhroli (IPD), Kurkumbh, Bommasandra, Virgonagar, Sikkim (Unit-1), Goldencross Pharma Limited, Medispray Laboratories Private Limited and Meditab Specialities Limited, Cipla Health Limited, Sitec Labs Limited, Jay Precision Pharmaceuticals Private Limited, Warehouses and Offices.
5.	International (remote audit)	Mirren, South Africa
6.	International (desktop audit)	Fall River and Long Island (USA); Qi Dong (China); Durban, CDG Warehouse and Corporate Office (South Africa); Morocco and Offices.

GRI Content Index

Statement of use	Cipla Limited has reported in accordance to the GRI Standards for the period 1st April, 2025 to 31st March, 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	About Cipla (Page no. 3) Global Reach (Page no. 6) Corporate Information (Page no. 11) BRSR (Page no. 167 and 168)
	2-2 Entities included in the organization's sustainability reporting	About this Report (Page no. 2)
	2-3 Reporting period, frequency and contact point	About this Report (Page no. 2)
	2-4 Restatements of information	Natural Capital (Page no. 117) BRSR (Page no. 190)
	2-5 External assurance	About this Report (Page no. 2) Assurance Statement (Page no. 424)
	2-6 Activities, value chain and other business relationships	About Cipla (Page no. 3) Global Reach (Page no. 6) Value Creation Model (Page no. 22) Manufactured Capital (Page no. 57) Relationship Capital (Page no. 96 and 99) BRSR (Page no. 167 and 168)
	2-7 Employees	Human Capital (Page no. 74 and 75)
	2-8 Workers who are not employees	Human Capital (Page no. 74)
	2-9 Governance structure and composition	Board of Directors (Page no. 8) Corporate Governance Report (Page no. 197 and 198)
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report (Page no. 200)
	2-11 Chair of the highest governance body	Corporate Governance Report (Page no. 197)
	2-12 Role of the highest governance body in overseeing the management of impacts	Advancing our Sustainability Vision (Page no. 33) Corporate Governance Report (Page no. 197 and 201) BRSR (Page no. 172 and 182)
	2-13 Delegation of responsibility for managing impacts	Advancing our Sustainability Vision (Page no. 33) Corporate Governance Report (Page no. 197 and 198) Management Council (Page no. 9)
	2-14 Role of the highest governance body in sustainability reporting	Advancing our Sustainability Vision (Page no. 33) Double Materiality Assessment (Page no. 42) About this Report (Page no. 2)
	2-15 Conflicts of interest	BRSR (Page no. 176) Corporate Governance Report (Page no. 198)

GRI Standard	Disclosure	Location
	2-16 Communication of critical concerns	Corporate Governance Report (Page no. 217) Stakeholder Engagement (Page no. 36)
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report (Page no. 199) BRSR (Page no. 174)
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report (Page no. 201)
	2-19 Remuneration policies	Corporate Governance Report (Page no. 204) Nomination, Remuneration and Board Diversity (https://www.cipla.com/sites/default/files/2026-02/Nomination-Remuneration-and-Board-Diversity-Policy_1.pdf)
	2-20 Process to determine remuneration	Corporate Governance Report (Page no. 204) Nomination, Remuneration and Board Diversity Policy (https://www.cipla.com/sites/default/files/2026-02/Nomination-Remuneration-and-Board-Diversity-Policy_1.pdf)
	2-21 Annual total compensation ratio	Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees – 209.2 Ratio of the percentage increase in annual total compensation for the organisation's highest paid individual to the median percentage increase in annual total compensation for all employees – 32.1
	2-22 Statement on sustainable development strategy	MD & Global CEO's Message (Page no. 14)
	2-23 Policy commitments	Corporate Governance Report (Page no. 216) BRSR (Page no. 171 and 184)
	2-24 Embedding policy commitments	Human Capital (Page no. 83 and 86) Corporate Governance Report (Page no. 219) BRSR (Page no. 169, 171, 174 and 176)
	2-25 Processes to remediate negative impacts	Stakeholder Engagement (Page no. 36) Code of Conduct (https://www.cipla.com/about-us/code-conduct) Corporate Governance Report (Page no. 219) BRSR (Page no. 169, 183, 184 and 193)

GRI Standard	Disclosure	Location
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance Report (Page no. 217) Stakeholder Engagement (Page no. 36) Code of Conduct (https://www.cipla.com/about-us/code-conduct) BRSR (Page no. 169)
	2-27 Compliance with laws and regulations	Natural Capital (Page no. 112) BRSR (Page no. 174)
	2-28 Membership associations	Relationship Capital (Page no. 97) BRSR (Page no. 191)
	2-29 Approach to stakeholder engagement	Stakeholder Engagement (Page no. 36)
	2-30 Collective bargaining agreements	Human Capital (Page no. 87)

GRI 3: Material Topics 2021

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment (Page no. 42)
	3-2 List of material topics	Double Materiality Assessment (Page no. 42 and 43)

Access and Affordability of Medicines

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Relationship Capital (Page no. 93 and 94) Social Capital (Page no. 103)

Product Quality and Safety

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital (Page no. 57 and 61)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Manufactured Capital (Page no. 62) Relationship Capital (Page no. 96)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Manufactured Capital (Page no. 62) Relationship Capital (Page no. 96)
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Relationship Capital (Page no. 96) BRSR (Page no. 195 and 196)
	417-2 Incidents of non-compliance concerning product and service information and labeling	Relationship Capital (Page no. 96)
	417-3 Incidents of non-compliance concerning marketing communications	Relationship Capital (Page no. 96)

Innovation and Research & Development

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Intellectual Capital (Page no. 65, 66 and 71)

Sustainable Supply Chain

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management (Page no. 48) Relationship Capital (Page no. 99)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Relationship Capital (Page no. 99)
GRI 301: Materials 2016	301-2 Recycled input materials used	BRSR (Page no. 178)
	301-3 Reclaimed products and their packaging materials	BRSR (Page no. 178)
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Relationship Capital (Page no. 100)
	308-2 Negative environmental impacts in the supply chain and actions taken	Relationship Capital (Page no. 100) BRSR (Page no. 190)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital (Page no. 87) Relationship Capital (Page no. 100) BRSR (Page no. 184)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital (Page no. 87) Relationship Capital (Page no. 100) BRSR (Page no. 184)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital (Page no. 87) Relationship Capital (Page no. 100) BRSR (Page no. 184)
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Relationship Capital (Page no. 100)
	414-2 Negative social impacts in the supply chain and actions taken	Relationship Capital (Page no. 100) BRSR (Page no. 181 and 184)

Corporate Governance and Business Ethics

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management (Page no. 48) Financial Capital (Page no. 127 and 131) BRSR (Page no. 190) Corporate Governance Report (Page no. 197)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital (Page no. 126)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	BRSR (Page no. 175)
	205-2 Communication and training about anti-corruption policies and procedures	BRSR (Page no. 175)
	205-3 Confirmed incidents of corruption and actions taken	BRSR (Page no. 175)
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Relationship Capital (Page no. 96)

Occupational Health and Safety

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management (Page no. 48) Human Capital (Page no. 73 and 87)
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital (Page no. 88) BRSR (Page no. 180)
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital (Page no. 86 and 88)
	403-3 Occupational health services	Human Capital (Page no. 91)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital (Page no. 90)
	403-5 Worker training on occupational health and safety	Human Capital (Page no. 89)
	403-6 Promotion of worker health	Human Capital (Page no. 90)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (Page no. 90) Relationship Capital (Page no. 99)
	403-8 Workers covered by an occupational health and safety management system	Human Capital (Page no. 90)
	403-9 Work-related injuries	Human Capital (Page no. 91)
	403-10 Work-related ill health	Human Capital (Page no. 91)

Human Resource Development

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital (Page no. 73)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital (Page no. 82 and 84)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital (Page no. 79, 80 and 81)
	401-3 Parental leave	Human Capital (Page no. 79)
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital (Page no. 87)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital (Page no. 83)
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital (Page no. 82)
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital (Page no. 84)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital (Page no. 74)
	405-2 Ratio of basic salary and remuneration of women to men	The ratio of basic salary and remuneration of women to men stands at 1.74. This ratio is calculated based on the FTE's of Cipla across the globe.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital (Page no. 86) BRSR (Page no. 183)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital (Page no. 87) Relationship Capital (Page no. 100) BRSR (Page no. 184)
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital (Page no. 87) Relationship Capital (Page no. 100) BRSR (Page no. 184)
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital (Page no. 87) Relationship Capital (Page no. 100) BRSR (Page no. 184)
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Human Capital (Page no. 86)

Climate Action and Resource Management

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management (Page no. 48) Natural Capital (Page no. 111)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Enterprise Risk Management (Page no. 54) Natural Capital (Page no. 118)
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital (Page no. 113) BRSR (Page no. 185)
	302-3 Energy intensity	Natural Capital (Page no. 113) BRSR (Page no. 185)
	302-4 Reduction of energy consumption	Natural Capital (Page no. 113)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital (Page no. 118)
	303-2 Management of water discharge-related impacts	Natural Capital (Page no. 119)
	303-3 Water withdrawal	Natural Capital (Page no. 118) BRSR (Page no. 185 and 189)
	303-4 Water discharge	Natural Capital (Page no. 118 and 119) BRSR (Page no. 186 and 189)
	303-5 Water consumption	Natural Capital (Page no. 118)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	BRSR (Page no. 188)
	304-2 Significant impacts of activities, products, and services on biodiversity	BRSR (Page no. 190)
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Natural Capital (Page no. 124)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital (Page no. 116) BRSR (Page no. 187)
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital (Page no. 116) BRSR (Page no. 187)
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital (Page no. 117) BRSR (Page no. 190)
	305-4 GHG emissions intensity	Natural Capital (Page no. 116 and 117) BRSR (Page no. 187)
	305-5 Reduction of GHG emissions	Natural Capital (Page no. 113)
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital (Page no. 117)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	BRSR (Page no. 186)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital (Page no. 121)
	306-2 Management of significant waste-related impacts	Natural Capital (Page no. 121)
	306-3 Waste generated	Natural Capital (Page no. 121) BRSR (Page no. 187)
	306-4 Waste diverted from disposal	Natural Capital (Page no. 123)
	306-5 Waste directed to disposal	Natural Capital (Page no. 122) BRSR (Page no. 178)

Technology and Digitilisation

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management (Page no. 48) Manufactured Capital (Page no. 60) Relationship Capital (Page no. 94 and 101)

Other Topics Covered

Data Privacy and Cyber Security

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Enterprise Risk Management (Page no. 48) Manufactured Capital (Page no. 57 and 63)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Manufactured Capital (Page no. 63) BRSR (Page no. 196)

Community Wellbeing

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-3 Management of material topics	Social Capital (Page no. 103)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social Capital (Page no. 103) Annual Report on CSR (Page no. 152)
	413-2 Operations with significant actual and potential negative impacts on local communities	BRSR (Page no. 193)

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Disclaimer

Statements in this Integrated Annual Report and the subsequent discussions may constitute 'forward-looking statements, which involve risks and uncertainties. The success of these forward-looking statements depends upon our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, fluctuation in earnings, foreign exchange rates, our ability to manage international operations and exports, our exposure to market risks, as well as other risks that could cause actual results to differ materially from those expressed or implied in such forward-looking statements.

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Cipla

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Sub: Notice of the 90th Annual General Meeting (“AGM”) and the Integrated Annual Report for FY 2025-26

Dear Member,

We are pleased to invite you to attend the 90th AGM of Cipla Limited, to be held on Thursday, 25th June, 2025 at 2:00 p.m. IST through Video Conferencing (“VC”).

The Notice of the 90th AGM (“AGM Notice”) and the Integrated Annual Report for FY 2025-26 are being sent through email to all the members whose email address is registered with the Company / Registrar and Share Transfer Agent (“RTA”) or the Depositories.

Since your email address is not registered with the Company / RTA or the Depositories, in compliance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sharing the QR code, web-link and the path to access (i) the AGM Notice setting out the business(es) to be transacted at the AGM; and (ii) the Integrated Annual Report for FY 2025-26, as given below.

AGM Notice	**Integrated Annual Report**
Weblink: https://www.cipla.com/sites/default/files/Cipla-Notice-of-90th-AGM.pdf Path: **www.cipla.com** > Investors > Annual Reports > Year 2025-2026 > Annual Report 2025-26 QR Code:	Weblink: https://www.cipla.com/sites/default/files/Cipla-Annual-Report-FY2025-26.pdf Path: **www.cipla.com** > Investors > Annual Reports > Year 2025-2026 > Annual Report 2025-26 QR Code:

Thank you

For **Cipla Limited**

Sd/-
Rajendra Chopra
Company Secretary
ICSI Membership No: A12011

Date: 1st June, 2026
Place: Mumbai