Cipla

28th August 2015

(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 EQ

(3) SOCIETE DE LA BOURSE DE LUXEMBERG
Societe Anonyme
11, av de la Porte-Neuve,
L-2227 Luxemberg

Dear Sirs,

Please find enclosed copy of Chairman's speech delivered at the 79th Annual General Meeting of the Company held on Thursday, 27th August 2015 at 3.00 p.m. at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021.

Thank you,

Yours faithfully,
For Cipla Limited

M A Sanghvi

Mital Sanghvi
Company Secretary

Cipla

Seventy-Ninth Annual General Meeting

Thursday, 27th August, 2015

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

Ladies and Gentlemen,

I welcome you all to the 79th Annual General Meeting of your Company. 17th August, 2015 marked another milestone in Cipla's history, completing 80 years of dedicated service in healthcare, not only in India, but worldwide. I would like to offer a quiet prayer to those who are no longer with us for their contribution to the success of our Company and the leading position that Cipla occupies today in the pharma industry. Apart from this, I would like to extend warm greetings to all of you on behalf of my fellow Directors and myself. It is always a pleasure to meet many of our shareholders at this Annual function. With your permission, I take it that you have read the audited financial statements and the Directors' report for the year ended 31st March 2015. This year also marks my completing over 55 years of active association in Cipla. As long as I can add positive value to the Company, whether scientific or business related, I will continue to do so and be with you.

Since last year, the Directors' report continues to be far more comprehensive and gives an in-depth and detailed analysis of your company's working, its aims and objectives and the hurdles and opportunities that we face. I will therefore only endeavor to present to you briefly a few relevant and major issues that are before us.

Firstly, I would like to congratulate one and all in the Company and those associated with us on crossing a turnover of Rs. 11,000 crores during the year ended March, 2015. This figure is more than double what we achieved 5 years ago. Our growth has been significant. The Company's net profit has marginally declined due to statutory price reductions of a number of drug formulations in the domestic market and major diverse long term investments undertaken in building our portfolio, our pipeline of newer products and capabilities. The overall figures are however encouraging as they clearly demonstrate that your Company's management is striving for future growth and progress. Cipla's first quarter results for 2015-16 have shown an exceptional growth both in turnover and overall profitability. We are optimistic that in the current year, our revenues will grow by 20% and our profitability will be commensurate with this.

This year we have been fortunate with a one-off earning coming as a result of the Company being first to market in the USA with a major partner for a leading product. I would like to reiterate that Cipla continues to remain among the leading generic pharmaceutical companies worldwide. We have an enviable reputation and are respected everywhere for our quality, reliability, integrity, sustainable production and above all for our humanitarian approach to healthcare.

Over the past eight decades, your Company has grown from very humble beginnings to being among the leaders in the domestic pharma industry. Until 1972, it was a major struggle for us. In that year, the existing Indian Patent Bill was amended and the salient feature was essentially no monopoly in healthcare, food and agriculture. This change lead to a flourishing period for the indigenous pharma industry. India is now regarded as the pharmacy capital of the world. However, in 2005, under immense International pressure, India reverted to the pre-1972 position and reintroduced product patents, giving a monopoly of 20 years to all new drugs thereby leading to their high prices and non-availability. India is a potential leader among the developing countries and what we do today is eagerly watched worldwide. All of us require access to vital, life-saving medication at affordable prices. India must decide for itself what is best for the country and should therefore promote a pragmatic system of in-licensing with an automatic license of right for all essential life-saving monopoly and patented drugs and reimburse the inventor with a suitable royalty. This type of obligatory licensing is in agreement with WTO and TRIPS and should be implemented for the good of millions of people, not only in India, but throughout the developing world. What happens in India with regard to its patent laws, the use of TRIPS flexibilities, developments in the drug industry, and access to medicines in India, has tremendous implications for all developing countries and the world as India today is a major producer and supplier of affordable drugs worldwide. The world now relies on medicines from India and our government must not, under any circumstances, dilute our patent related laws, but instead work towards a situation where there is no monopoly in healthcare.

Apart from this, there is still no positive drug policy in our country. The drug pricing system also requires a fresh reasonable approach. Time and again we have suggested that only high priced monopoly drugs should be under price control and drugs that are marketed by more than a few companies should be independent of this. The only way prices can come down is by free competition. Cipla stands ready to partner with the government to improve the health of our fellow countrymen. The government should start a constructive dialogue on how to address the issues mentioned for the benefit of patients. National companies like Cipla can play a major advisory role.

Some of the highlights for the financial year 2014-15 that I would like to comment upon are our excellent performance under difficult market conditions in both India and South Africa. Since January 2015, Cipla has become more active in the USA. We have had a reasonable growth in Europe. Apart from this, Cipla has signed a number of agreements with various companies in many countries which will certainly add to our growth momentum. Your Company has also de-risked its business in certain markets. We have successfully incorporated a Cipla subsidiary in Sri Lanka and Morocco and integrated our business in Myanmar, Uganda and Yemen. One major feature has been the approval of some of our respiratory products in Europe. Until August 2015, we were the only supplier of generic Esomeprazole in the USA. The Company also obtained a new drug approval, in the USA under the PEPFAR program for a pediatric HIV/AIDS drug.

Cipla's global access program is now well established as a strategic business which involves anti-retroviral drugs, drugs for malaria and neglected diseases. We have collaborations with Medicines for Malaria Venture (MMV) for development of newer antimalarial drugs and with Drugs for Neglected Diseases initiative (DNDi) and Medical Research Council (MRC), UK for newer ARV's. Cipla's New Venture division has had an active year and of special mention is that our partner company Stempeutics got its novel pool technology patent granted in the USA, and advanced therapy medicinal product classification in Europe for its lead product Stempeucel as an orphan drug. We have also announced divestment of our Consumer Healthcare business to a wholly owned subsidiary and our first product Nicotex has been doing reasonably well. We continue to expand our partnership with Serum Institute of India with the launch of Nasovac, the only nasally administered flu vaccine in India.

Overall, our last year was an interesting period for Cipla. Many important, significant and strategic changes were made particularly on the human resources front. Currently, both myself and Mr. M. K. Hamied are non-executive chairman and vice-chairman respectively of the company. Our Board of Directors has been expanded and includes persons of outstanding merit. This certainly bodes well for the future. A special thanks to all our Directors who have resigned in the past year for their support and guidance during their tenure with Cipla. We now have in place a restructured senior management team headed by our MD and Global CEO, Subhanu Saxena. Ms. Samina Vaziralli has been recently appointed as an Executive Director. She will continue to be part of our core management team. Our biggest asset today are the people in our Company at all levels. This is without doubt the main thrust area if we are to prosper and grow in the future. Your Company's current approach is certainly global and the new management team has been incorporated with this in mind. We now have a direct presence in a number of countries, which includes both manufacturing and distribution. Already our revenues are higher overseas than in the domestic market and we are aiming that this will be between 65-70% in due course as we expand our geographic presence.

There is little doubt that the future for some Indian pharma companies continues to be bright in the area of generic formulations and API's. Indian companies have made significant progress globally in the last two decades. Currently, over 30% of all the generic drugs consumed in the USA are made in India. In terms of overall volume, India ranks as the third largest producer of pharmaceuticals in the world.

The indigenous companies have now developed expertise and capabilities in many complex areas such as biotechnology, drug delivery systems, devices, etc. The overall healthcare cost saving in the USA and Europe by the transition to generic drugs from India has been significant. Within India itself I would like to mention again that market forces have been instrumental in bringing down the prices of medicines to amongst the lowest in the world. The pharma industry here has generated considerable direct and indirect employment and led to the development of many ancillary industries.They are also a major net foreign exchange earner for the country. The access to affordable drugs has led to a wider coverage of patients, thereby improving the quality of life worldwide. Despite this, healthcare in India continues to be

in a state of crisis. Disease profile in the country is frightening. The availability of drugs is only one segment of the total healthcare landscape. In this specific area, we need encouragement from the government, not only to formulate better policies in healthcare, but also to support capital investment, encourage R&D, create a favourable tax environment, discourage frivolous and multiple patenting and create a pragmatic in-licensing policy for monopoly drugs. We have to focus on affordable medication in healthcare. We have to overcome barriers that are created by monopoly. In addition to this we believe the government needs to take more proactive steps with respect to strengthening our medical education, primary care, hospital infrastructure and overall healthcare policy.

As regards Cipla, we are expanding our horizon to incorporate greater globalization, using India as the major manufacturing base. We were the first Indian Company to get US FDA approval in 1984. We now have a presence in over 150 countries and the Cipla name continues to be a symbol synonymous with the highest level of integrity and respectability. We have some of the finest manufacturing units for both API's and drug formulations that one could find anywhere in the world. Within India, we have manufacturing facilities in Patalganga and Kurkumbh, both in Maharashtra, Bengaluru, Goa, Baddi in H.P., Indore and Sikkim. Most of these factories have been inspected and approved by many International regulatory agencies.

We manufacture drugs in over 50 dosage forms and have a portfolio in excess of 1500 products. Cipla has made valuable contributions, not only in India but also worldwide in the area of respiratory medicines and devices and also in the manufacture of anti-retroviral drugs, anti-malarial drugs and cancer drugs. Innovation has been an integral part of Cipla's success. In the financial year 2014-15 we spent in excess of Rs. 800 crores in R&D expenses and our efforts are directed towards accountable research projects. We owe our success to Indian intellect, Indian endeavor and Indian resilience. My personal thanks to the trade and medical profession for their continued support. We recognize our obligations to our shareholders and to society in general. You, our shareholders, are our partners in providing vital and life-saving medicines at affordable prices, both domestically and globally. I look forward to your continuing support.

Thank you.