

Tax Transparency Report
2023-24

Cipla



Caring For Life

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1. Message from the Global CFO



Ashish Adukia
Global Chief Financial Officer

I am pleased to present Cipla's fourth Tax Transparency Report.

Being a responsible taxpayer, we understand the vital role that taxes play in supporting the functioning of governments and societies. Taxes are the bedrock upon which essential public services and infrastructure are built, from education and healthcare to transportation and security. As such, we recognize the importance of contributing our fair share and strive to do so with the utmost integrity.

By disclosing our tax practices, we strive to build trust with our stakeholders, including customers, investors, employees and the communities where we operate.

Through our Tax Transparency Report, we seek to demonstrate our commitment to responsible corporate citizenship by disclosing our tax contributions and engaging in constructive dialogue with stakeholders on tax-related matters 2023-24.

FY 2023-24 at a glance

27

countries where we operate

40000+

Employees (including contractual employees) worldwide

Total tax contribution

₹5066 Crores

comprises the taxes we paid and collected on our global operations.

Total taxes paid

₹1897 Crores

includes corporate taxes on profits, as well as other direct and indirect taxes levied on our activities.

Total taxes collected

₹3169 Crores

includes amounts that we collected on behalf of others – for example our customers, suppliers and employees – and paid to governments.

Total tax contribution

20 per cent of Turnover

We continuously endeavour to improve our disclosures so that the stakeholders can easily understand our tax contributions.

Ashish Adukia

Global Chief Financial Officer

2. About Cipla¹

Established in 1935, Cipla is a global pharmaceutical company with a strong commitment to make medicines accessible to those in need.

We are the third-largest pharmaceutical company in India² and ranked first in the pharma prescription market of South Africa². We are also amongst the second largest Indian exporter to emerging markets, the sixth largest Indian exporter to Europe² and the fourth largest by prescription in the US Gx inhalation products³. Our 46 manufacturing sites around the world produce 50+ dosage forms and 1,500+ products using cutting-edge technology platforms to cater to 78 markets.⁴

Our product portfolio spans complex generics as well as drugs in the respiratory, anti-retroviral, urology, cardiology, anti-infective, CNS and various other key therapeutic segments. We continue to focus on moving up the innovation curve by leveraging data science and digital technology in R&D. With a rich portfolio, we are deepening our presence in the home markets of India, as well as South Africa, North America and other key regulated and emerging markets.

Making a difference for patients has been the driving force behind Cipla's work for more than eight decades. Our paradigm changing offer of a triple anti-retroviral therapy in HIV/AIDS at less than a dollar a day in Africa in 2001 is widely acknowledged as having contributed to bringing inclusiveness, affordability and accessibility to the centre of the HIV movement.

Our strategy to use resources efficiently, our efforts to make medicines more available and our robust financial performance provide a strong foundation to help build a responsible business that is committed to sustainable growth. As a responsible corporate citizen and a partner of choice for global health organisations, peers and all stakeholders, we believe in a humanitarian approach to healthcare that is driven by the objective of 'Caring for Life' through deep rooted community ties.

For more details, please visit

www.cipla.com or click on

  Facebook and  LinkedIn channels.

¹ GRI 2-1, GRI 2-6

² IQVIA MAT February 2024

³ EXIM IntelliMax data for Emerging Markets (ex-SAGA, CIS, China) for FY 2023-24

⁴ Represent countries/markets where sales are more than USD 0.5 million

3. Approach to Tax

Cipla seeks to adhere with all applicable tax laws and regulations in jurisdiction in which we operate. We recognize the importance of taxes and are committed to ensure collection and payment of fair and just taxes. We strive for accuracy in all tax reporting, timely filing of all tax returns and payment of right amount of tax. All material positions taken in the tax compliance process must be supportable in terms of documentation and legal interpretation. Where a tax law or its interpretation is unclear, opinions of expert tax professionals and tax consultants having subject matter expertise is sought to determine the appropriate tax treatment. Where practical, we will engage with tax authorities in a proactive manner to seek clarification.

Accountability and governance

Tax decisions are made in adherence to the principles set out in the Code of Conduct.¹ Our multi-step process ensures that tax decisions are made at appropriate levels and supported by documentation.

Compliance

We comply with the letter and the spirit of the law of the countries in which we operate and pay the right amount of tax at the right time, in the countries where we create value.

Relationships with authorities

We seek, wherever possible, to develop constructive and cooperative relationships with tax authorities, based on mutual respect, transparency and trust.

Seeking and accepting tax incentives

Where we claim tax incentives offered by government authorities, we seek to ensure that they are legitimate and consistent with statutory or regulatory frameworks.

Tax Haven

We do not make investments in or via countries considered to be tax havens or low-tax jurisdictions without any valid business or commercial substance. Cipla uses OECD's definition of Tax Haven.

Transparency

Tax decisions are made in adherence to the principles set out in the Code of Conduct. Our multi-step process ensures that tax decisions are made at appropriate levels and supported by documentation.

Accountability and governance

We maintain accountability and transparency by providing regular disclosures and information to our stakeholders, including investors, suppliers, employees and other interested parties about our approach to tax and taxes paid.

Supporting effective tax systems

We engage constructively in national and international dialogue with governments, Industry association and civil society to support the development of effective tax systems based on integrity, mutual trust and cooperation.

Business structure

We will only use business structures that are driven by economic and commercial substance. We do not seek abusive tax results.

¹The Code of Conduct was approved by the Board of directors of Cipla Limited on 7 February 2018.

4. Tax Governance Framework and Risk Management

Cipla has firmly embedded its approach to tax in its organizational culture and operational framework. The company upholds a diligent and ethical stance when it comes to tax matters, ensuring compliance with relevant laws and regulations in all jurisdictions it operates. For Cipla Integrity, Transparency and Accountability are at the core of our tax objectives.

We adhere to all the applicable tax regulations and have formulated internal guidance and governance procedures relating to taxation, to ensure that the objectives are met. Cipla demonstrates its unwavering commitment to transparency and responsible tax practices by proactively publishing a comprehensive Tax Transparency Report, showcasing its tax strategy, payments, and contributions to society.

Tax affairs are managed by a Global tax team of appropriately qualified and trained professionals with the right level of expertise, who work closely with the business to provide advice and guidance and ensures compliance with tax laws and practices. Cipla's Global Tax team is part of its corporate finance function.

Our Multi step process ensures that tax decisions are made at appropriate levels. As a process, tax team partners with business teams or respective departments, brainstorms on the subject, and proposes tax positions / decisions which are further being discussed with heads of respective departments. Senior Management is also consulted on critical positions and decisions taken in case of high value transactions.

The Company has a Whistle Blower Policy, that applies to all associates, Board members, contractors, consultants, trainees, service providers of our Company. It lays down a formal process to report unethical practices behaviors and seek resolution towards the same without fear of retaliation.

We maintain a robust internal control framework for tax risk assessment. Periodic review of control is conducted by internal audit team. Cipla deploys tax technology wherever possible, thereby ensuring that it has a sustainable platform to manage the increasing demands of digitally enabled tax authorities. Internal Financial Controls and procedures are subject to periodic reviews and audits. This helps in identifying and ensuring that we comply with applicable laws and regulations.

For material transactions, where there is ambiguity on the treatment of tax and interpretation of legislation, we reach out to appropriate professional for advice before taking any position.

Further tax advisors and employees are required to act with integrity, maintain high ethical standards in all tax activities.

Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with statutory or regulatory frameworks.

Integrate Tax planning into project conceptualization decision

Monitoring of changes to tax legislation and government policy on continuous basis

To seek tax expert advice on matter which is reasonably unclear or uncertain

To ensure that all transactions and tax positions are properly documented

Use of automation and technology for Implementing effective controls and governance as well as to track compliances

Cipla has been continuously working towards and is committed to:



Compliance with Financial and Tax Reporting Norms

We make decisions on tax matters based on a reasonable interpretation of applicable legal provisions of the country in which we operate. In doing so, we observe and adhere to the tax law, the underlying tax policy intent, and the disclosures and reporting requirements in each jurisdiction.

The OECD Inclusive Framework on BEPS has agreed on a two – pillar solution to address tax challenges arising from digitalization of global economy. It aims to ensure that multinational enterprises pay their fair share of taxes at an appropriate rate. Pillar two introduced two key components Income Inclusion Rule and Undertaxed payment rules and is finalizing Subject to Tax Rules.

We are proactively analyzing and assessing impact of minimum tax framework under Pillar Two. We are also monitoring its implementation to ensure to compliance to these global reforms where applicable.



Transfer Pricing

All transfer pricing arrangements are consistent with the OECD Transfer Pricing Guidelines and in particular follow the arm's length principle. Profits are recognized in territories by reference to the activities performed there and the value they generate. To ensure the profits recognized in jurisdictions are aligned to the activity undertaken there, and in line with current OECD guidelines, we base our transfer pricing policy on the arm's length principle and support our transfer prices with economic & functional analysis and reports.

An underlying principle of transfer pricing is that two companies within the same group must act as if they were independent enterprises, with each appropriately rewarded for the functions they perform, assets they employ and risks they assume when entering into intra-group transactions. An appropriate reward is that which would be obtained in a transaction between unrelated parties. This is known as the 'arm's length' principle.



Tax Planning

The Group is committed to maximizing value on a sustainable basis for its shareholders and for any commercial transactions of wider business purpose, wherein the commercial rationale is the core for entering the arrangement. The Group does not engage in artificial tax planning, i.e., without any business or commercial substance.

Where uncertainty exists in a transaction, professional advice is sought on a transactional basis from external consultants.

The Group seeks to utilize available tax reliefs, incentives and exemptions where it reasonably believes it meets the conditions for which the legislation is intended to provide a legitimate relief. At all times, the Group seeks to be fully compliant with the applicable tax regulatory and other laws, and in a way which upholds its reputation as a responsible corporate citizen.

4. Tax Governance Framework and Risk Management



Attitude towards Risk

The Group has a low tax risk appetite and is focused on compliance. It submits tax returns according to statutory time limits and engages with tax authorities regularly to obtain certainty on its business operations. In exceptional cases, where matters cannot be settled by agreement with tax authorities, the Group may have to resolve disputes through formal appeals or other proceedings.

The Group monitors taxation policies in its key jurisdictions to deal proactively with any potential future changes in tax law.

As a Group, along with the Board, it is fully conscious of the tax litigations and advocate prudent tax compliance to better manage the tax risks. Advice is sought from external advisors where uncertainty exists to review tax legislation and the implications of its Group business to support the decisions taken by the Board.



Relationship with Governments and Tax Administration

The Group seeks to maintain open and co-operative relationships with tax authorities by providing appropriate responses to requests made and engage in full, open and dialogue with tax authorities.

It employs the services of professional tax advisors to act as its representatives, and in a number of cases they liaise with tax authorities on the Group's behalf, thereby reducing tax risk. When submitting tax computations and returns, the Group discloses all relevant facts wherever possible.

Also, the Group aims to obtain advance agreements or clearances where possible and litigation would only be considered as a last resort.



Advocating Reforms and Participation in Formal Consultation

The Group monitors government debate on tax policy in its key jurisdictions so that it can understand and share an informed point of view regarding any potential future changes in tax law. It participates in the tax authority's formal consultation process where it is expected that the matter under consultation will have a material impact on Cipla. Where relevant, it provides pragmatic and constructive business input to tax policy makers either directly or through industry trade bodies, advocating reform to support economic growth and job creation as well as the needs of its patients and other key stakeholders.

5. Basis of Preparation

- 1 The amounts reported in the Tax Schedule are for the period 1 April 2023 to 31 March 2024. The report has been subject to internal review and external audit by an Independent Chartered Accountants Firm, Bansi S. Mehta & Co. The Independent Auditor's Report forms a part of our disclosures below.
- 2 In this report, our major countries of operation for the year are defined as those that fulfill one of the following criteria:



- 3 For the purpose of reporting numbers under the Tax Schedule, we have used the individual audited financial statements of each entity in the corresponding jurisdiction and wherever necessary, the corresponding tax ledgers, tax returns, etc. were relied upon. If there is more than one group entity in a jurisdiction, the information has been reported on an aggregate basis at country level.
- 4 The data is reported in INR and is rounded off to nearest crores. To convert the numbers in respective jurisdictional currency into INR terms, the corresponding exchange rates for the year ended 31 March 2024 were used.
- 5 Our Tax Schedule has been categorized into two parts viz., 'Taxes Borne' and 'Taxes Collected'. While 'Taxes Borne' demonstrates the cost of tax borne by us directly, 'Taxes Collected' is the amount of tax collected by us on behalf of others and subsequently paid to the governments. Additionally, we have also provided the other relevant financial information (Refer Other Key Financial Information at Page 020) to enable the better understanding of our tax contributions. Over and above the tax related contributions to the governments, we also incur some social expenditures in the form of Corporate Social Responsibility (CSR) related contributions, etc. which does not form part of our Tax Schedule below.

5. Basis of Preparation

6

Definitions:

A) TAXES BORNE - These include:

Corporate Tax	Custom Duty:	Property Tax:	Social Security Contribution:	Others:
<p>Taxes paid by us on the taxable profits of our group operations. This includes the amounts of withholding taxes withheld by third parties while making payment to us.</p> <p>Since these are reported on cash basis, it may also include the amount of corporate tax which was accrued in the earlier years but paid during the year on self-assessment or assessment by the jurisdictional government. Further, wherever the past year(s) tax refund was received during the year, it has been netted off against tax paid to reflect the actual cash tax outflow.</p>	<p>Duties paid by us on the import of goods across a border.</p>	<p>Property tax is an ad valorem tax assessed on real estate by a local government and paid by the property owner. These reflect the taxes paid by us as a result of occupation of land and/or property in various jurisdictions where we conduct our operations.</p>	<p>Social Security Contributions are compulsory payments to the government that confer entitlement to receive a future social benefit to employees. These are solely for the benefit of employees.</p> <p>However, they are in two forms i.e., contribution by employer and contribution by employees themselves.</p> <p>The Social Security Contributions forming part of 'Taxes Borne' reflect employer's contribution to social security funds/ retirement plans, etc. for the benefit of individuals employed with us.</p>	<p>Includes State Excise Duties, Fringe Benefit Tax or any other taxes paid by us on our operations.</p>

5. Basis of Preparation

6 Definitions:

B) TAXES COLLECTED - These include:

Output VAT:	Tax withheld on behalf of suppliers:	Payroll Taxes:	Social Security Contribution:	Others:
<p>Value Added Tax (VAT)/ Goods and Service Tax (GST) is a consumption tax that is levied on the added value. Output VAT/ GST represents the tax billed by us on customers which was collected by us from customers and eventually, paid to the respective jurisdictional governments. This excludes the VAT/ GST billed by us on our invoices relating to stock transfers. We also incur VAT/ GST when purchasing certain goods and services. In most countries where we operate, the VAT/ GST collected are offset against the VAT/ GST incurred with the net being paid to the government.</p> <p>We have shown only VAT/ GST collected amounts in our disclosures. We have not shown the Input VAT/ GST separately since those are largely creditable and used for making the payment of VAT/ GST collected.</p>	<p>These represent taxes withheld by us on vendor bill payments and paid to the government.</p>	<p>Payroll Taxes represent taxes withheld on salary payments to individuals employed with us and paid to the governments on their behalf.</p>	<p>The Social Security Contributions forming part of 'Taxes Collected' represent employees' individual contribution to social security funds/ retirement benefit plans, etc. in accordance with the respective jurisdiction's social security laws.</p>	<p>Includes taxes collected at source and any other taxes collected on behalf of others and paid to the governments.</p>

5. Basis of Preparation

6

Definitions:

C) OTHER FINANCIAL INFORMATION

Revenue:

Revenue is split between unrelated and related-party revenues. Unrelated revenue consists of all forms of revenue flowing from entities which are not controlled by us. Related-party revenues include revenue from our group companies. These exclude the amounts of inter-company dividend.

Profit or (loss) before tax:

The profit or loss is calculated using the respective jurisdiction accounting policy and it excludes dividend income.

Corporate income taxes accrued:

The amount of corporate income tax accruing on the operations for the reporting period. It may or may not be the same as corporate income taxes paid or refunded in the period. These exclude the amount of deferred tax and tax paid on dividend income in accordance with the guidance provided under GRI 207 and Guidance on Country-by-Country Reporting: BEPS Action 13.

Stated capital and accumulated earnings:

The amount of capital invested in Cipla Limited and our group companies and the earnings accumulated from our operations. The amount of Stated Capital includes the share application money as well as the securities premium. The amount of accumulated earnings includes all other reserves, distributable as well as non-distributable reserves (except for securities premium which has already been considered in the Stated Capital).

Employees:

The number of employees indicate the number of average employees employed with us during the year ended 31 March 2024, on the basis of the normal work jurisdiction of the employee. It also includes the employees working with us on contractual basis.

Tangible assets:

Includes Property, Plant and Equipment as defined in the respective jurisdiction's accounting policies, Tangible Capital Work-in-Process, Right of Use Assets and Inventories as on 31 March 2024.

6. List of Entities

Sr No.	Entity name	Relationship	Country of incorporation	Business description of entities	Reported as
1	Cipla Algerie	Subsidiary	Algeria	Dormant	Others
2	Cipla Australia Pty. Ltd.	Subsidiary	Australia	Sales, Marketing or Distribution, Administrative, Management or Support Services	Others
3	Cipla Europe NV	Subsidiary	Belgium	Sales, Marketing or Distribution	Others
4	Cipla Medpro Botswana Proprietary Limited	Subsidiary	Botswana	Dormant	Others
5	Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.	Subsidiary	Brazil	Administrative, Management or Support Services	Others
6	Cipla (Jiangsu) Pharmaceutical Co., Ltd	Joint Venture	China	In the process of setting up the manufacturing plant	Others
7	Cipla (China) Pharmaceuticals Co., Ltd	Subsidiary	China	Administrative, Management or Support Services	Others
8	Cipla Limited Sucursal Colombia	Branch	Colombia	Dormant	Others
9	Cipla Colombia SAS	Subsidiary	Colombia	Sales, Marketing or Distribution	Others
10	Cipla Europe NV Deutsche Zweigniederlassung Branch	Branch	Germany	Sales, Marketing or Distribution	Others
11	Cipla Pharma and Life Sciences Limited (formerly known as Cipla Biotec Limited)	Subsidiary	India	Research and Development, Purchasing or Procurement, Manufacturing or Production, Administrative, Management or Support Services	India
12	Cipla Digital Health Limited	Subsidiary	India	Digital health tech business	India
13	Cipla Health Limited	Subsidiary	India	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution	India
14	Cipla Limited	Parent	India	Research and Development, Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution, Administrative, Management or Support Services, Holding shares or other equity instruments	India
15	Goldencross Pharma Limited	Subsidiary	India	Purchasing or Procurement, Manufacturing or Production	India

6. List of Entities

Sr No.	Entity name	Relationship	Country of incorporation	Business description of entities	Reported as
16	Jay Precision Pharmaceuticals Pvt. Ltd.	Joint Venture	India	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production	India
17	Medispray Laboratories Pvt. Ltd.	Subsidiary	India	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production	India
18	Meditab Specialities Limited	Subsidiary	India	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production	India
19	Cipla Pharmaceuticals Limited	Subsidiary	India	In the process of setting up the manufacturing plant	India
20	Sitec Labs Ltd.	Subsidiary	India	Administrative, Management or Support Services, Provision of services to unrelated parties	India
21	Cipla Europe NV - Filiale Italiana	Branch	Italy	Dormant	Others
22	Cipla Kenya Ltd.	Subsidiary	Kenya	Sales, Marketing or Distribution, Administrative, Management or Support Services	Others
23	Cipla Malaysia Sdn. Bhd.	Subsidiary	Malaysia	Administrative, Management or Support Services	Others
24	Mexicip S.A. de C.V. (w.e.f. 22 January 2024)	Subsidiary	Mexico	Sales, Marketing and Distribution	Others
25	Meditab Holdings Ltd.	Subsidiary	Mauritius	Holding shares or other equity instruments	Others
26	Cipla Maroc SA	Joint Venture	Morocco	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution	Others
27	Cipla Limited - Myanmar Branch	Branch	Myanmar	Administrative, Management or Support Services	Others
28	Cipla Holding B.V.	Subsidiary	Netherlands	Administrative, Management or Support Services, Holding shares or other equity instruments	Others
29	Cipla Philippines Inc. (under liquidation)	Subsidiary	Philippines	Dormant	Others
30	Cipla Medpro South Africa Proprietary Ltd	Subsidiary	South Africa	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution, Holding shares or other equity instruments	South Africa
31	Cipla Medpro Holdings Proprietary Limited (Dissolved w.e.f. 25 August 2022)	Subsidiary	South Africa	Dormant	South Africa

6. List of Entities

Sr No.	Entity name	Relationship	Country of incorporation	Business description of entities	Reported as
32	Cipla Dibcare Proprietary Limited (under liquidation)	Subsidiary	South Africa	Dormant	South Africa
33	Cipla Medpro Manufacturing (Pty) Limited (formerly known as Cipla Life Sciences (Pty) Limited)	Subsidiary	South Africa	Purchasing or Procurement, Manufacturing or Production	South Africa
34	Cipla Medpro Proprietary Limited	Subsidiary	South Africa	Holding or Managing intellectual property, Sales, Marketing or Distribution	South Africa
35	Cipla Medpro Distribution Centre Proprietary Limited	Subsidiary	South Africa	Sales, Marketing or Distribution	South Africa
36	Cipla Select (Pty) Limited (formerly known as Cipla OLTP (Pty) Limited)	Subsidiary	South Africa	Sales, Marketing or Distribution	South Africa
37	Medpro Pharmaceutica Proprietary Limited	Subsidiary	South Africa	Holding or Managing intellectual property, Sales, Marketing or Distribution	South Africa
38	Mirren Proprietary Limited	Subsidiary	South Africa	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution,	South Africa
39	Actor Pharma (Pty) Limited (w.e.f. 07 February 2024)	Subsidiary	South Africa	Trading in pharmaceutical consumer and over the counter products	South Africa
40	Cipla Europe NV Sucursal en Espana	Branch	Spain	Sales, Marketing or Distribution	Others
41	Breathe Free Lanka (Private) Ltd.	Subsidiary	Sri Lanka	Sales, Marketing or Distribution	Others
42	Cipla Middle East Pharmaceuticals FZ-LLC (ceased to be a subsidiary w.e.f. 29 September 2023)	Subsidiary	UAE	Sales, Marketing or Distribution	Others
43	Saba Investment Ltd. (ceased to be a subsidiary w.e.f. 29 September 2023)	Joint Venture	UAE	Holding shares or other equity instruments	Others
44	Cipla Gulf FZ - LLC	Subsidiary	UAE	Sales, Marketing or Distribution, Administrative, Management or Support Services	Others
45	Cipla Quality Chemical Industries Ltd. (ceased to be a subsidiary w.e.f. 14 November 2023)	Joint Venture	Uganda	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution	Others
46	Cipla (EU) Ltd.	Subsidiary	UK	Holding or Managing intellectual property, Sales, Marketing or Distribution, , Administrative, Management or Support Services, Holding shares or other equity instruments	Others

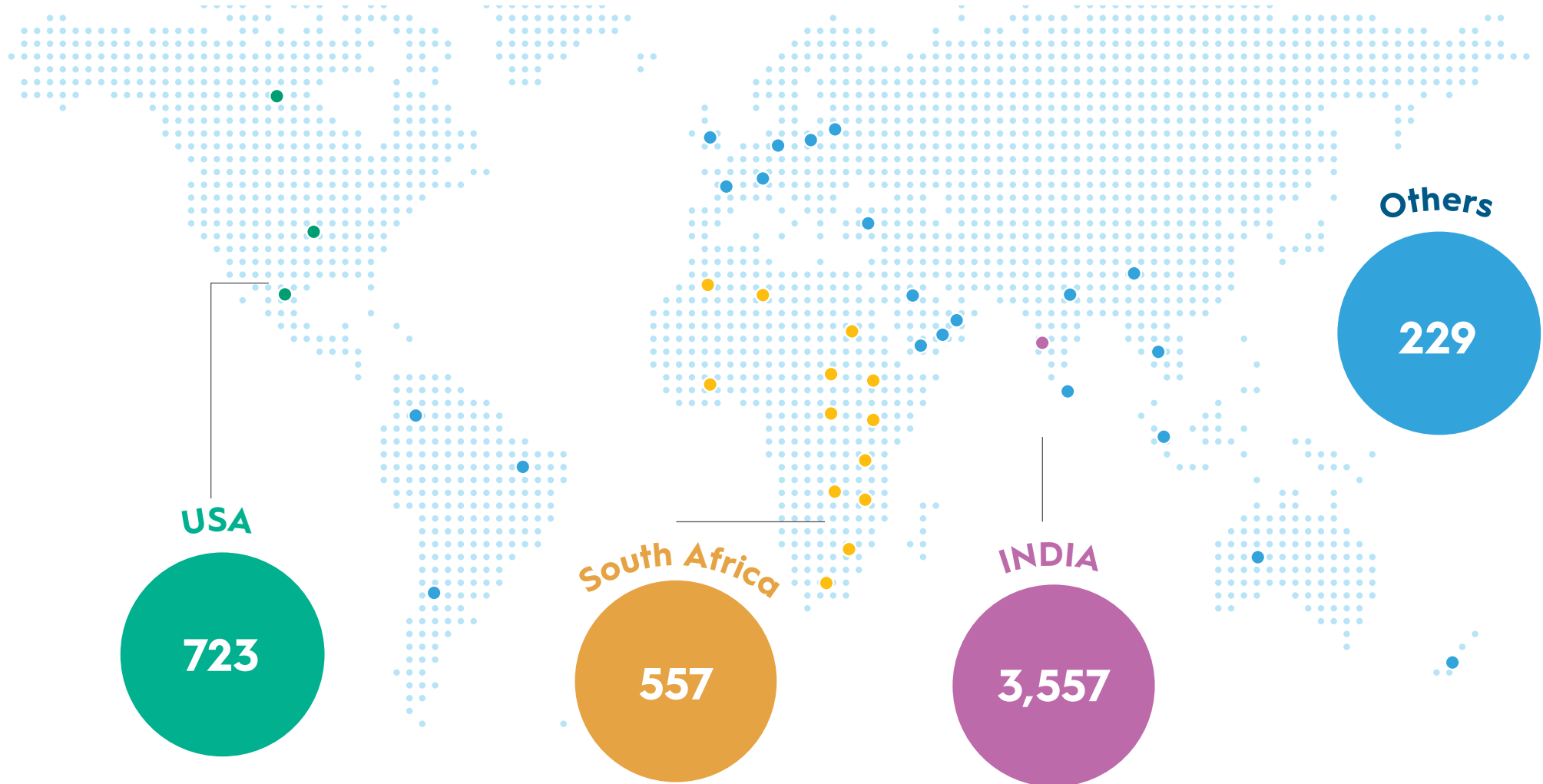
6. List of Entities

Sr No.	Entity name	Relationship	Country of incorporation	Business description of entities	Reported as
47	Aspergen Inc.	Subsidiary	USA	Research and development, Holding or Managing intellectual property, manufacturing or Production, and Sales, Marketing or Distribution	USA
48	Cipla USA Inc.	Subsidiary	USA	Holding or Managing intellectual property, Sales, Marketing or Distribution, Administrative, Management or Support Services	USA
49	Exelan Pharmaceuticals Inc.	Subsidiary	USA	Sales, Marketing or Distribution	USA
50	InvaGen Pharmaceuticals Inc.	Subsidiary	USA	Research and Development, Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production, Sales, Marketing or Distribution, Holding shares or other equity instruments	USA
51	Cipla Technologies LLC (Entity has been merged with Cipla USA Inc. w.e.f. 31 March 2024)	Subsidiary	USA	Research and Development, Holding or Managing intellectual property	USA
52	Cipla Therapeutics Inc.	Subsidiary	USA	Holding or Managing intellectual property, Sales, Marketing or Distribution	USA
53	Madison Pharmaceuticals Inc. (Dissolved w.e.f. 28 April 2023)	Subsidiary	USA	Dormant	USA
54	Cipla Limited - Vietnam Branch	Branch	Vietnam	Administrative, Management or Support Services	Others
55	Medica Pharmaceutical Industries Company Ltd. (ceased to be a subsidiary w.e.f. 29 September 2023)	Subsidiary	Yemen	Holding or Managing intellectual property, Purchasing or Procurement, Manufacturing or Production	Others

7. Tax Schedule

Total of Borne and Collected Taxes by Cipla Group

(In INR Crores)



7.1 Our Total Tax Contribution

Taxes Borne by Cipla Group

(In INR Crores)

INDIA

Total Taxes Paid by Cipla Group



1,478

1,288

Corporate Tax

92

Custom Duty

5

Property Tax

93

Social Security Contribution

0.05

Others

SOUTH AFRICA

Total Taxes Paid by Cipla Group



53

43

Corporate Tax

6

Custom Duty

4

Social Security Contribution

USA

Total Taxes Paid by Cipla Group



284

198

Corporate Tax

4

Custom Duty

10

Property Tax

49

Social Security Contribution

23

Others

OTHERS

Total Taxes Paid by Cipla Group



82

40

Corporate Tax

13

Custom Duty

0.74

Property Tax

19

Social Security Contribution

9

Others

7.1 Our Total Tax Contribution

Taxes Collected by Cipla Group

(In INR Crores)

INDIA

Total Taxes Collected & Paid by Cipla Group

2,079

1,384

Output VAT

270

Tax withheld on behalf of suppliers

299

Payroll Taxes

126

Social Security Contribution

SOUTH AFRICA

Total Taxes Collected & Paid by Cipla Group

504

420

Output VAT

5

Tax withheld on behalf of suppliers

78

Payroll Taxes

0.75

Social Security Contribution

USA

Total Taxes Collected & Paid by Cipla Group

439

NA*

Output VAT

263

Tax withheld on behalf of suppliers

123

Payroll Taxes

53

Social Security Contribution

OTHERS

Total Taxes Collected & Paid by Cipla Group

147

84

Output VAT

9

Tax withheld on behalf of suppliers

42

Payroll Taxes

12

Social Security Contribution

*Not Applicable

7.1 Our Total Tax Contribution

Country by Country Report

Other Key Financial Information

(In INR Crores)

Tax Jurisdiction	Unrelated Party Revenue	Related Party Revenue (Excluding Inter-Company Dividend)	Total Revenue	Profit/ (Loss) before Income Tax (Excluding Inter-Company Dividend)	Corporate Income taxes accrued	Stated Capital	Accumulated Earnings	Average Employees	Tangible Assets
TOTAL	27,939	6,188	34,127	6,919	1,944	16,876	26,023	40,153	12,195
	▼	▼	▼	▼	▼	▼	▼	▼	▼
INDIA	16,923	4,858	21,781	5,987	1,649	3,198	26,440	37,251	8,331
SOUTH AFRICA	2,483	1.33	2,484	114	49	456	683	921	876
USA	7,312	850	8,162	754	209	5,386	(1,104)	796	1,979
OTHERS	1,221	479	1,700	64	37	7,836	4.15	1,185	1,009

8. Independent Auditor's report

To
The Board of CIPLA LIMITED

Report on the audit of the Tax Schedule included in the Tax Transparency Report 2023-24

We, BANSI S. MEHTA & CO., Chartered Accountants, have been appointed by Cipla Limited (hereinafter referred as the "the Company") to issue a Report expressing our opinion on the accuracy of the Tax Schedule for Financial Year 2023-24 (hereinafter referred together as the "Statement") prepared by the Management, which forms part of its Tax Transparency Report for Financial Year 2023-24.

Management's Responsibility

The preparation of the Statement in accordance with the Basis of Preparation is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents supporting its contents.

The Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to provide a reasonable assurance as to whether the Statement is prepared in accordance with the Basis of Preparation.

We have conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination, as above and according to the information and explanations and representations given to us, we are of the opinion that the Statement is prepared, in all material respects, in accordance with the "Basis of Preparation".

Restriction on Use

This report has been issued at the request of the Company solely for the purpose of forming part of the Tax Transparency Report for the Financial Year 2023-24 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

This report is not issued under any statute/law.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

ANKIT AGRAWAL
Partner
Membership No. 131266
UDIN: 24131266BKDGQW6463
Place: New Delhi
Date: 01/08/2024

Cipla

Cipla Limited

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