PRESS INFORMATION BUREAU पत्र सूचना कार्यालय GOVERNMENT OF INDIA भारत सरकार

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Cipla betting big on talent for future growth

SUSHMI DEY New Delhi, 24 June

Drug maker Cipla, undergoing a makeover for a year, saw a significant increase in its employee cost, up 56 per cent over a year during the March quarter and 49 per cent for the year ended March.

This is mainly because the company has invested heavily in recruiting professionals at various levels. While many wcre fresh graduates from top business schools, Cipla also hired senior executives from foreign multinational corporations, beside leading peers in the domestic Industry.

For instance, it recently hired senior executives in key functions of finance and international business & strategy from competitors such as Lupin and Dr Reddy's Laboratories. In the past year, several senior executives handling either product branding or international markets, and even on the regulatory side, have joined from various multinationals, including Novartis.

Subhanu Saxena, its global chief executive officer since February 2013, also joined from Novartis, where he had led the global product strategy and commercialisation functions at Novartis. Cipla had also announced the hiring of Frank Peters (ex Teva and GlaxoSmithKline) to head its respiratory business and the European Union region in July 2013. A company spokesperson said these were part of an overall fiveyear road map to sustain growth. Teams in critical functions such as research and development, quality, manufacturing and the supply chain are being strengthened, she said.

Adding: "The organisation has completed year one of a two-year investment cycle. Last year, the company had identified three strategic pri-

CHANGE OF TACK

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orities to sustain lts growth. These were building the right organisational and governance models, developing a robust portfolio and pipeline, and executing the growth strategics. Each of these has clements of talent enhancement." Cipla's consolidated financial results show the company incurred employee benefit expense of ₹428 crore during the quarter ended March, up from ₹275 crore in the same period a year before. For the full year ended March, employee cost was ₹1,543 crore, against ₹1,036 core the previous year. "Our core team is a good

"Our core team is a good mix of people in Cipla for several years and some talented new recruits. We have now reached some level of steady state in terms of the organisation build," said the spokesperson.

A couple of acquisitions in the past year also contributed to jack-up in staff cost. Last year, Cipla acquired the entire stake in Cipla Medpro South Africa and Increased its stake in Quality Chemical Industries of Uganda. A significant part of the increased personnel ls due to these acquisitions. However, the standalone staff cost is also high, rlsing 31 per cent to ₹333 crore during the January-March quarter. For the year ended March, this cost rose to ₹1,285 crore from ₹969 crore earlier.

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