

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31st MARCH, 2011

(Rupees in crores)

		Quarter Ended		Year Ended	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010 (Audited)
1	a) Gross Sales	1627.18	1329.01	6172.55	5411.68
	Less: Excise Duty	11.96	11.52	48.71	52.16
	Net Sales	1615.22	1317.49	6123.84	5359.52
	b) Other Operating Income	53.98	57.20	194.14	265.39
	Total Operating Income (a+b)	1669.20	1374.69	6317.98	5624.91
2	Expenditure				
	a) (Increase)/decrease in Stock-in-trade and work in progress	(62.49)	(88.72)	(68.26)	(184.09)
	b) Consumption of Materials	663.98	566.12	2299.12	2033.01
	c) Purchase of Traded Goods	198.31	133.42	683.71	621.66
	d) Employee Cost	130.75	99.86	540.98	371.08
	e) Depreciation	69.65	49.48	253.63	187.84
	f) Other Expenditure	436.54	406.02	1524.98	1430.09
	g) Total	1436.74	1166.18	5234.16	4459.59
3	Profit (+)/Loss (-) from Operations before Other Income, Interest & Exceptional Items (1- 2)	232.46	208.51	1083.82	1165.32
4	Other Income	20.35	45.08	79.43	88.33
5	Profit (+)/Loss (-) before Interest & Exceptional Items (3+4)	252.81	253.59	1163.25	1253.65
6	Interest	1.81	0.46	5.13	23.66

7	Profit (+)/Loss (-) after Interest but before Exceptional Items (5-6)	251.00	253.13	1158.12	1229.99
8	Exceptional items	-	95.00	-	95.00
9	Profit (+)/Loss (-) before Tax (7 +8)	251.00	348.13	1158.12	1324.99
10	Tax Expense*	37.00	72.60	191.00	243.50
11	Net Profit (+)/Loss (-) after Tax (9-10)	214.00	275.53	967.12	1081.49
12	Paid-up Equity Share Capital (Face Value Rs.2/- per share)	160.58	160.58	160.58	160.58
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				5744.54
14	Earning per Share (Rs.) ** Not Annualised	**2.67	**3.43	12.05	13.69
15	Public Shareholding				
	- Number of Shares	503606049	500849336	503606049	500849336
	- Percentage of Shareholding	62.72	62.38	62.72	62.38
16	Promoters and Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of Shares	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the Company)	NIL	NIL	NIL	NIL

b) Non Encumbered	295485978	295485978	295485978	295485978
- Number of Shares	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	36.80	36.80	36.80	36.80
- Percentage of shares (as a % of the total share capital of the Company)				

Notes:

1. The Company is essentially in the pharmaceutical business segment.
2. No investor grievances were pending at the beginning of the quarter. During the quarter ended 31st March, 2011, eleven investor grievances were received. As of 31st March, 2011 all grievances have been suitably replied to.
3. In 2003, the Company received notice of demand from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain drugs under the Drug Price Control Order. This was contested before the jurisdictional High Courts wherein it was held in favour of the Company. The orders were challenged before the Hon'ble Supreme Court by the Government. The Hon'ble Supreme Court by separate orders restored the matter to the jurisdictional High Court for interpreting the Drug Policy on the basis of directions and principles laid down by them and also restrained the Government from taking any coercive action against the Company. The Company has been legally advised that on the basis of these orders there is no probability of demand crystallising. Hence no provision is considered necessary in respect of notice of demand aggregating to Rs.1230.28 crores (inclusive of interest) for the period July 1995 to April 2009.
4. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
5. *Tax expense is inclusive of current tax, deferred tax and Minimum Alternate Tax (MAT) credit.
6. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 5th May, 2011.

By order of the Board
For **CIPLA LIMITED**

Mumbai
5th May, 2011

Dr. Y. K. Hamied
Chairman & Managing Director

Financial Review – Period ended March 2011

(Rupees in crores)

	Quarter Ended	Year Ended
--	---------------	------------

	31.03.2011	31.03.2010	%change	31.03.2011	31.03.2010	%change
Domestic	652.23	568.78	14.7%	2817.76	2511.10	12.2%
Exports						
Formulations	742.75	613.93	21.0%	2675.56	2320.49	15.3%
APIs & others	232.20	146.30	58.7%	679.23	580.09	17.1%
Total Exports	974.95	760.23	28.2%	3354.79	2900.58	15.7%
% of exports to total sales	59.9%	57.2%		54.4%	53.6%	
Total Sales	1627.18	1329.01	22.4%	6172.55	5411.68	14.1%
Other operating income						
Technology knowhow/fees	20.71	13.55		63.70	153.76	
Others	33.27	43.65		130.44	111.63	
Total	53.98	57.20	-5.6%	194.14	265.39	-26.8%
Income from Operations	1681.16	1386.21	21.3%	6366.69	5677.07	12.1%
Material Cost	799.80	610.82		2914.57	2470.58	
% to total sales	49.2%	46.0%		47.2%	45.7%	
Operating margin	302.11	257.99	17.1%	1337.45	1353.16	-1.2%
% to income from operations	18.0%	18.6%		21.0%	23.8%	
Profit before tax	251.01	253.13	-0.8%	1158.12	1229.99	-5.8%
% to income from operations	14.9%	18.3%		18.2%	21.7%	
Profit after tax	214.01	275.53	-22.3%	967.12	1081.49	-10.6%
% to income from operations	12.7%	19.9%		15.2%	19.1%	

During the year 2010-11, the Company posted a growth of 12% in income from operations and profits after tax were about 15% of overall revenues. During the fourth quarter, the company posted a growth of more than 21% in income from operations. Operating margins (as a percent to income from operations) are lower on a year-on-year basis due to change in product mix resulting in increase in material cost by 3% and negative contribution of Indore SEZ because of optimization. Profits after tax are lower by about 22% primarily on account of one-time exceptional income (Rs. 95 cr) in fourth quarter FY0910 and increased factory overheads at Indore SEZ.

During the quarter, domestic sales grew by about 15% and export sales grew by more than 28%. Other operating income for the quarter was lower by about Rs. 3 cr.

Material cost has increased by about 3% on year-on-year basis due to changes in product mix primarily due to higher proportion of anti-retrovirals in formulation exports. The increase in staff cost (Rs. 30 cr) is due to increase in manpower particularly at Indore SEZ and annual increments. Depreciation has increased by about Rs. 20 cr due to additions to fixed assets mainly on account of commissioning of Indore SEZ factory. Other expenditure has increased mainly due to increase in selling expenses and factory expenditure, in particular at Indore SEZ, such as repairs & maintenance, power & fuel, stores & spares, etc. The increase in selling expenses is in line with the increase in export turnover.