

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31st MARCH, 2010

(Rupees in crores)

		Quarter Ended		Year Ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009 (Audited)
1	a) Gross Sales	1329.01	1248.66	5410.25	5021.64
	Less: Excise Duty	11.52	13.49	52.16	61.04
	Net Sales	1317.49	1235.17	5358.09	4960.60
	b) Other Operating Income	57.20	127.53	271.92	296.42
	Total Operating Income (a+b)	1374.69	1362.70	5630.01	5257.02
2	Expenditure				
	a) (Increase)/decrease in Stock-in-trade and work in progress	(88.72)	(1.65)	(179.53)	(113.55)
	b) Consumption of Materials	566.12	451.42	2040.79	1892.18
	c) Purchase of Traded Goods	133.42	116.75	620.53	588.04
	d) Employee Cost	99.86	77.88	370.25	316.95
	e) Depreciation	49.48	55.66	188.77	170.61
	f) Other Expenditure	406.02	369.15	1417.74	1537.27
	g) Total	1166.18	1069.21	4458.55	4391.50
3	Profit (+)/Loss (-) from Operations before Other Income, Interest & Exceptional Items (1- 2)	208.51	293.49	1171.46	865.52
4	Other Income	45.08	15.45	87.71	69.75
5	Profit (+)/Loss (-) before Interest & Exceptional Items (3+4)	253.59	308.94	1259.17	935.27
6	Interest	0.46	13.27	23.66	33.96

7	Profit (+)/Loss (-) after Interest but before Exceptional Items (5-6)	253.13	295.67	1235.51	901.31
8	Exceptional items*	95.00	-	95.00	-
9	Profit (+)/Loss (-) before Tax (7 +8)	348.13	295.67	1330.51	901.31
10	Tax Expense	67.60		228.50	101.00
	a) Current Tax	5.00	32.75	20.00	15.00
	b) Deferred Tax	-	7.50	-	8.50
	c) Fringe Benefit Tax		2.50		
11	Net Profit (+)/Loss (-) after Tax (9-10)	275.53	252.92	1082.01	776.81
12	Paid-up Equity Share Capital (Face Value Rs.2/- per share)	160.58	155.46	160.58	155.46
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				4186.32
14	Earning per Share (Rs.) ** Not Annualised	3.43**	3.25**	13.69	9.99
15	Public Shareholding				
	- Number of Shares	500849336	462918088	500849336	462918088
	- Percentage of Shareholding	62.38	59.56	62.38	59.56
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				
- Number of Shares	295485978	306108047	295485978	306108047
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the Company)	36.80	39.38	36.80	39.38

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, 2010, four investor grievances were received. As of 31st March, 2010 all grievances have been suitably replied to.
3. The Company has commenced commercial production at its state-of-the-art formulation facility located at Pithampur SEZ, Indore.
4. The Company and other manufacturers have challenged the inclusion of five drugs i.e Salbutamol, Theophylline, Ciprofloxacin, Cloxacillin and Norfloxacin within the ambit of price control. The Bombay High Court held in favour of the Company that the drugs are outside the ambit of price control. However, on appeal, the Supreme Court has remanded the matter to the Bombay High Court to be reexamined in the light of certain directions and principles laid down by the Supreme Court. The matter is still pending in the Bombay High Court. The Supreme Court also stayed the recovery of amounts demanded from the Company and other petitioners but gave liberty to the government to recover 50% of the alleged overcharged amounts. In a separate writ petition filed before the Allahabad High Court, the Company had challenged the price fixation notifications in respect of formulations of the aforementioned and other drugs like Doxycycline, etc. The Allahabad High Court had ruled that all the said price fixation notifications were ultra vires, illegal and void. The government has filed an appeal against this judgement which is pending in the Supreme Court. The Supreme Court has stayed the judgement of the Allahabad High Court but directed that no prosecution can be launched or coercive action taken against the Company for recovery of any amount in respect of these drugs till the appeal has been finally decided. The Company has been advised that as a result of the order of the Supreme Court, the Company cannot be compelled to make payment of any amounts demanded in respect of these drugs. Despite the aforementioned order of the Supreme Court, the government has issued various demand notices from time to time in respect of these very drugs demanding various amounts including interest for varying periods. The total amount demanded as of date including interest, amounts to Rs.1157.12 crores. The Company has received legal advice that none of the demand notices of the government is tenable, sustainable or payable and the Company has also informed the same to the government.
5. *During the quarter, the Company sold its intellectual property rights and technical knowhow of "i-pill", an emergency contraceptive brand, to Piramal Healthcare Limited for the territory of India at an aggregate consideration of Rs. 95 crores.
6. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
7. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 7th May, 2010. Limited Review as required under Clause 41 of the Listing Agreement has been completed by

the Statutory Auditors of the Company.

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

Mumbai
07th May, 2010

Dr. Y. K. Hamied
Chairman & Managing Director

Financial Review - Period ended March 2010

Financial performance:

(Rupees in crores)

	Quarter Ended			Year Ended		
	31-03-10	31-03-09	%change	31-03-10	31-03-09	%change
Domestic	568.78	524.45	8.5%	2511.32	2278.95	10.2%
Exports						
Formulations	613.93	555.27	10.6%	2318.76	2161.91	7.3%
APIs & others	146.30	168.94	-13.4%	580.17	580.78	-0.1%
Total Exports	760.23	724.21	5.0%	2898.93	2742.69	5.7%
% of exports to total sales	57.2%	58.0%		53.6%	54.6%	
Total Sales	1329.01	1248.65	6.4%	5410.25	5021.64	7.7%
Other operating income						
Technology knowhow/fees	13.55	99.89		160.29	217.75	
Others	43.65	27.64		111.63	78.67	
Total	57.20	127.53	-55.2%	271.92	296.42	-8.3%
Income from Operations	1386.21	1376.19	0.7%	5682.17	5318.06	6.8%
Material Cost	610.82	566.52		2481.79	2366.67	
% to total sales	46.0%	45.4%		45.9%	47.1%	

Operating margin	257.99	349.15	-26.1%	1360.23	1036.13	31.3%
% to income from operations	18.6%	25.4%		23.9%	19.5%	
Profit before tax	348.13	295.67	17.7%	1330.51	901.31	47.6%
% to income from operations	25.1%	21.5%		23.4%	16.9%	
Profit after tax	275.53	252.92	8.9%	1082.01	776.81	39.3%
% to income from operations	19.9%	18.4%		19.0%	14.6%	

During the year, the company posted a growth of about 7% in income from operations. During the quarter, domestic sales grew by about 9% and export sales grew by 5%. Exports of formulations grew by more than 10% whereas exports of APIs & others have declined by about 14%. The decline in exports of APIs & others is primarily due to seasonal variations. Technical knowhow/fees for the quarter has decreased by about Rs. 87 cr on account of a high base on a year-on-year basis (mainly due to one-time payment for certain technical services).

Material cost (as a percent to total sales) has marginally increased during the quarter due to changes in product mix. Operating margins have reduced by about 26% mainly due to lower technical knowhow/fees as indicated above.

The increase in staff cost (Rs. 22 cr) is due to overall increase in manpower as well as annual increments. The increase in other expenditure is in line with the increase in operations. Interest cost has decreased by about Rs. 13 cr due to repayment of short-term working capital loans and fixed deposits availed by the company. While depreciation is lower by about Rs. 6 cr, it is in line with the current year's trend.

The Company has provided for tax under Minimum Alternate Tax (MAT). However, the liability for the current quarter has increased due to the increase in rate of MAT.

During the quarter, the company signed an agreement with Piramal Healthcare Limited for sale of intellectual property rights in India related to the brand "i-pill" for an aggregate consideration of Rs. 95 crore.