

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(₹ in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from operations						
a) Net sales/income from operations	4,234.55	4,264.24	3,906.20	12,393.25	11,699.97	15,970.97
b) Other operating revenue	136.45	131.54	101.34	362.55	258.46	391.44
Total revenue from operations	4,371.00	4,395.78	4,007.54	12,755.80	11,958.43	16,362.41
2. Other income	72.13	100.52	78.53	251.02	381.21	476.57
3. Total income (1+2)	4,443.13	4,496.30	4,086.07	13,006.82	12,339.64	16,838.98
4. Expenses						
a) Cost of materials consumed	1,034.39	1,125.69	1,077.05	3,264.56	3,115.04	4,285.04
b) Purchases of stock-in-trade	571.87	368.70	404.43	1,309.23	1,135.28	1,452.41
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	38.71	(33.16)	(18.81)	(271.27)	48.40	47.04
d) Employee benefits expense	745.51	761.63	717.87	2,263.27	2,144.06	2,856.53
e) Finance costs	46.17	46.07	44.19	144.36	123.65	168.43
f) Depreciation, impairment and amortisation expense	277.89	282.96	293.13	828.85	816.03	1,326.31
g) Other expenses	1,222.19	1,263.42	1,119.33	3,617.54	3,379.39	4,624.08
Total expenses	3,936.73	3,815.31	3,637.19	11,156.54	10,761.85	14,759.84
5. Profit (+)/loss (-) before tax (3-4)	506.40	680.99	448.88	1,850.28	1,577.79	2,079.14
6. Tax expense (net)						
a) Current tax	114.21	184.32	134.20	589.32	460.01	747.70
b) Deferred tax (Refer note 5)	38.61	16.23	(8.52)	(43.71)	(18.23)	(178.17)
Total tax expense	152.82	200.55	125.68	545.61	441.78	569.53
7. Net profit (+)/loss (-) after tax before share of associates (5-6)	353.58	480.44	323.20	1,304.67	1,136.01	1,509.61
8. Share of profit (+)/ loss (-) of associates	(14.20)	(5.94)	(0.96)	(43.64)	(1.25)	(17.17)
9. Net profit (+)/ loss (-) for the period/year (7+8)	339.38	474.50	322.24	1,261.03	1,134.76	1,492.44
10. Profit for the period attributable to						
a) Shareholders of the company	351.03	471.35	332.20	1,300.57	1,160.50	1,527.70
b) Non- controlling interest	(11.65)	3.15	(9.96)	(39.54)	(25.74)	(35.26)
11. Other comprehensive income/(loss) for the period/year						
a) (i) Items that will not be reclassified to profit or loss	(7.30)	(3.84)	(5.00)	(20.78)	7.78	42.51
(ii) Income tax on items that will not be reclassified to profit or loss	1.84	1.50	1.64	6.73	(2.75)	(7.60)
b) (i) Items that will be reclassified to profit or loss	202.59	(95.82)	(65.99)	100.44	(281.48)	(312.63)
(ii) Income tax on items that will be reclassified to profit or loss	7.72	6.14	(30.80)	26.16	(10.04)	(12.22)
Other comprehensive income/(loss) for the period/year	204.85	(92.02)	(100.15)	112.55	(286.49)	(289.94)
12. Total comprehensive income/(loss) for the period/year (9+11)	544.23	382.48	222.09	1,373.58	848.27	1,202.50
13. Total comprehensive income attributable to						
a) Shareholders of the company	555.67	372.81	230.16	1,406.72	853.48	1,220.23
b) Non - controlling interest	(11.44)	9.67	(8.07)	(33.14)	(5.21)	(17.73)
14. Paid-up equity share capital (face value ₹2/- each) (Refer note 4)	161.25	161.22	161.13	161.25	161.13	161.14
15. Other equity						14,851.14
16. Earnings per share (face value ₹2/- each)						
a) Basic (₹)	*4.35	*5.85	*4.12	*16.14	*14.41	18.97
b) Diluted (₹)	*4.35	*5.84	*4.12	*16.12	*14.38	18.93

*Not Annualised



Segment information

(₹ in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment wise revenue and results						
Segment revenue:						
a) Pharmaceuticals	4,321.47	4,357.16	3,970.79	12,638.56	11,862.95	16,231.21
b) New ventures	61.84	46.99	43.38	145.07	114.89	160.45
Total segment revenue	4,383.31	4,404.15	4,014.17	12,783.63	11,977.84	16,391.66
Less : Inter segment revenue	12.31	8.37	6.63	27.83	19.41	29.25
Total revenue from operations	4,371.00	4,395.78	4,007.54	12,755.80	11,958.43	16,362.41
Segment result:						
Profit/(loss) before tax and interest from each segment						
a) Pharmaceuticals	595.33	784.42	512.74	2,113.91	1,676.32	2,254.24
b) New ventures	(42.76)	(57.36)	(19.67)	(119.27)	25.12	(6.67)
Total segment result	552.57	727.06	493.07	1,994.64	1,701.44	2,247.57
Less: Finance costs	46.17	46.07	44.19	144.36	123.65	168.43
Total Profit (+)/loss (-) before tax	506.40	680.99	448.88	1,850.28	1,577.79	2,079.14

Segment assets and liabilities

As certain assets and liabilities are deployed interchangeably across segments, it is not practically possible to allocate those assets and liabilities to each segment. Hence, the details of assets and liabilities have not been disclosed in the above table.

Notes:

1. The financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July, 2016.

2. Effective 1st April, 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

On 1st April, 2019, the Group has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Also, the Group has elected not to apply the requirements of Ind AS 116 to short-term leases and certain leases for which the underlying asset is of low value. Accordingly, on transition to Ind AS 116, the Group recognised lease liabilities and corresponding equivalent ROU assets.

In the statement of profit and loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The adoption of this standard did not have any significant impact on the profit for the period and earnings per share.

3. The Company had received various notices of demand from the National Pharmaceutical Pricing Authority (NPPA), Government of India, on account of alleged overcharging in respect of certain drugs under the Drugs (Prices Control) Orders. The total demand against the Company as stated in NPPA public disclosure amounts to ₹ 2,655.13 Crore.

Out of the above, demand notices pertaining to a set of products being Norfloxacin, Ciprofloxacin, Salbutamol and Theophylline were challenged by the Company (i) in the Hon'ble Bombay High Court on the ground that bulk drugs contained in the said formulations are not amenable to price control, as they cannot be included in the ambit of price control based on the parameters contained in the Drug Policy, 1994 on which the DPCO, 1995 is based and (ii) in the Hon'ble Allahabad High Court on process followed for fixation of pricing norms. These Petitions were decided in favour of the Company and the matters were carried in appeal by the Union of India to the Hon'ble Supreme Court of India. The Supreme Court in its judgment of 1st August, 2003 restored the said writ petitions to the Bombay High Court with directions that the Court will have to consider the petitions afresh, having due regard to the observations made by the Supreme Court in its judgment. On the Union of India filing transfer petitions, the Supreme Court ordered transfer of the said petitions to the Bombay High Court to it for being heard with the appeal filed against the Allahabad High Court order. Subsequently, in its order of 20th July, 2016 the Supreme Court recalled its transfer order and remanded the petitions to Bombay High Court for hearing. While remanding the matter to Bombay High Court, the Hon'ble Supreme Court directed Cipla to deposit 50% of the overcharged amount with the NPPA as stated in its order of 1st August, 2003 which at that point of time was ₹ 350.15 Crore. Complying with the directions passed by the Hon'ble Supreme Court, Cipla has deposited an amount of ₹ 175.08 Crore which has been received and acknowledged by NPPA. Furthermore, the Company has not received any further notices post such transfer of cases to Bombay High Court. Meanwhile, the Hon'ble Supreme Court of India vide its Order and Judgment dated 21st October, 2016, allowed the Appeals filed by the Government against the Judgment and Order of the Hon'ble Allahabad High Court regarding basis of fixation of retail prices. The said order was specific to fixation of retail prices without adhering to the formula/process laid down in DPCO, 1995. However, the grounds relating to inclusion of certain drugs within the span of price control continues to be sub-judice with the Hon'ble Bombay High Court.

The Bombay High Court had, in expectation of NPPA filing its counter-statement on status of each petitioner's compliance with the 2003 and 2016 Hon'ble Supreme Court orders (on deposit 50% of amount demanded), re-scheduled the hearing for 5th June, 2019, but the same was not listed on that date.

Further during the current quarter, the Company filed amendment applications before the Hon'ble Bombay High Court to incorporate the effect of a ruling by the Hon'ble Supreme Court of India to adjust trade margins of 16% from outstanding demands as not accrued to the manufacturers and to re-calculate interest from date of non-payment of demand within the time period stated in each demand. Hon'ble Bombay High Court issued notice to Union of India and NPPA on the amendment applications and has set 17th February, 2020 for further hearing.

The Company has been legally advised that it has a substantially strong case on the merits of the matter, especially under the guidelines/principles of interpretation of the Drug Policy enunciated by the Hon'ble Supreme Court of India. Although, the decision of Hon'ble Supreme Court dated 21st October, 2016 referred above was in favour of Union of India with respect to the appeals preferred by the Government challenging the Hon'ble Allahabad High Court order, basis the facts and legal advice on the matter sub-judice with the Hon'ble Bombay High Court, no provision is considered necessary in respect of the notices of demand received till date aggregating to ₹ 1,736.00 Crore. It may be noted that NPPA in its public disclosure has stated the total demand amount against the Company in relation to the above said molecules to be ₹ 2,272.32 Crore (after adjusting deposit of ₹ 175.08 Crore), however, the Company has not received any further notices beyond an aggregate amount of ₹ 1,736.00 Crore.

In addition, Company had made provision of ₹ 102.20 Crore as of 31st December, 2019 for products not part of the referenced writ proceedings. Few demands for these products aggregating ₹ 90.26 Crore received recently, were challenged before the Hon'ble Bombay High Court and the Hon'ble Delhi High Court, however the recovery proceedings remain in abeyance in pursuance of the same and the next date is awaited from the Court.

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4. The paid-up equity share capital stands increased to ₹ 161.25 Crore (80,62,27,596 equity shares of ₹ 2 each) upon allotment of 1,50,099 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 31st December, 2019.

5. The Government of India, on 20th September, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115 BAA in the Income Tax Act, 1961, which provides an option to the Indian companies for paying tax at reduced rates (lower tax rate) as per the provisions/ conditions defined in the said section. Based on its evaluation, certain Indian components of the Group expects to avail lower tax rate only from a later financial year (31st March, 2021) and therefore has applied the lower tax rate of 25.17% in measurement of deferred taxes only to the extent that such deferred tax assets/ liabilities are expected to be realised/ settled in the periods during which the Group expects to be subject to lower tax rate. To the extent deferred tax assets/ liabilities are expected to be realised/ settled during the year ending 31st March, 2020, the normal tax rate of 34.994% or lower tax rate of 25.17%, as applicable, has been applied. Consequently, deferred tax liabilities (net) reversed by the Group as at 31st December, 2019 is not significant.


6. The Unaudited standalone financial results for the quarter and nine months ended 31st December, 2019 are available on the Company's website i.e. www.cipla.com under Investor Information section and on the stock exchange websites i.e. www.bseindia.com and www.nseindia.com. The key standalone financial information is as under:

Particulars	Quarter ended			Nine months ended		(₹ in Crores)
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	2,926.20	3,370.18	2,835.20	9,525.71	8,917.48	12,374.01
Profit before tax	357.53	919.90	411.51	2,255.76	1,659.87	2,492.83
Profit after tax	282.22	737.38	295.32	1,713.60	1,254.34	1,888.41

7. The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.

8. The above results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 5th February, 2020. These results have been subjected to limited review by the statutory auditor.

By order of the Board
For CIPLA LIMITED


Umang Vohra
Managing Director and Global Chief Executive Officer

Mumbai
5th February, 2020



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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Cipla Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Cipla Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure A for the list of subsidiaries and associates included in the Statement) for the quarter ended 31 December 2019 and the consolidated year to date results for the period 1 April 2019 to 31 December 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

Cipla Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circulars and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of 16 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 706.09 crore and ₹ 1,950.03 crore, total net profit after tax of ₹ 25.28 crore and ₹ 81.38 crore, total comprehensive income of ₹ 17.08 crore and ₹ 75.60 crore, for the quarter and year-to-date period ended on 31 December 2019, respectively, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 0.63 crore and ₹ 1.68 crore for the quarter and nine-months period ended on 31 December 2019, respectively, as considered in the Statement, in respect of an associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, these subsidiaries and associate are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under International Standard on Review Engagement (ISRE) applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries and associates from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Ashish Gupta

Partner

Membership No. 504662

UDIN No: 20504662 AAAAAX7463

Place: New Delhi

Date: 5 February 2020

Walker Chandio & Co LLP

Cipla Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure A

List of entities included in the statement

I) Subsidiaries:

1. Goldencross Pharma Limited, India (formerly known as Goldencross Pharma Private Limited)
2. Meditab Specialities Limited, India (formerly known as Meditab Specialities Private Limited)
3. Cipla BioTec Limited, India (formerly known as Cipla BioTec Private Limited)
4. Jay Precision Pharmaceuticals Private Limited, India
5. Cipla Health Limited, India
6. Medispray Laboratories Private Limited, India
7. Sitec Labs Limited, India (formerly known as Sitec Labs Private Limited)
8. Cipla Medpro South Africa (Proprietary) Limited, South Africa
9. Cipla Holding B.V., Netherlands
10. Cipla (EU) Limited, United Kingdom
11. Saba Investment Limited, United Arab Emirates
12. Cipla (UK) Limited, United Kingdom
13. Cipla Australia Pty. Limited, Australia
14. Meditab Holdings Limited, Mauritius
15. Tasfiye Halinde Cipla Ilac Ticaret Anonim Şirketi. Turkey (formerly known as Cipla Ilac Ticaret Anonim Şirketi) (liquidated w.e.f 7 October 2019)
16. Cipla USA, Inc., United States of America
17. Cipla Kenya Limited, Kenya
18. Cipla Malaysia Sdn. Bhd., Malaysia
19. Cipla Europe NV, Belgium
20. Cipla Quality Chemical Industries Limited, Uganda
21. Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda., Brazil
22. Galilee Marketing Proprietary Limited, South Africa (liquidated on 11 October 2018)
23. Inyanga Trading 386 Proprietary Limited, South Africa
24. Xeragen Laboratories Proprietary Limited, South Africa (liquidated on 7 September 2018)
25. Cipla Medpro Holdings Proprietary Limited, South Africa
26. Cape to Cairo Exports Proprietary Limited, South Africa
27. Cipla Dibcafre Proprietary Limited, South Africa
28. Cipla Life Sciences Proprietary Limited, South Africa
29. Cipla-Medpro Proprietary Limited, South Africa
30. Cipla-Medpro Distribution Centre Proprietary Limited, South Africa
31. Cipla Medpro Botswana Proprietary Limited, South Africa
32. Cipla Algerie, Algeria
33. Cipla Biotec South Africa (Pty) Limited, South Africa
34. Cipla Nutrition Proprietary Limited, South Africa
35. Medpro Pharmaceutica Proprietary Limited, South Africa
36. Med Man Care Proprietary Limited, South Africa (liquidated on 15 October 2018)
37. Breathe Free Lanka (Private) Limited, Sri Lanka
38. Medica Pharmaceutical Industries Company Limited, Yemen
39. Cipla (Mauritius) Limited, Mauritius (in the process of liquidation)
40. Cipla FZE, United Arab Emirates (liquidated on 11 February 2019)
41. Cipla Pharma Lanka (Private) Limited, Sri Lanka
42. Cipla Maroc SA, Morocco
43. Cipla Middle East Pharmaceuticals FZ-LLC, United Arab Emirates
44. Quality Chemicals Limited, Uganda
45. Cipla Philippines, Inc., Philippines
46. Invagen Pharmaceuticals, Inc., United States of America



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Annexure A (Contd.)

47. Exelan Pharmaceuticals, Inc., United States of America
48. Anmarate Proprietary Limited, South Africa
49. Cipla Technologies LLC, United States of America
50. Cipla Gulf FZ-LLC, United Arab Emirates (incorporated on 10 October 2018)
51. Mirren (Pty) Ltd, South Africa (acquired on 22 October 2018)
52. Madison Pharmaceuticals Inc. United States of America (incorporated on 26 October 2018)
53. Cipla (Colombia) SAS, Colombia (incorporated on 25 April 2019)
54. Cipla (China) Pharmaceutical Co., Ltd., China (incorporated on 20 May 2019)
55. Cipla Health Employees Stock Option Trust, India
56. Cipla Employee Stock Option Trust, India
57. Cipla (Jiangsu) Pharmaceutical Co., Ltd. (incorporated on 8 August 2019)
58. Cipla Pharmaceuticals Limited, India (incorporated on 19 November 2019)

II) Associates:

1. Stempeutics Research Private Limited, India (w.e.f. 8 November 2019 stake is changed from 43.64% to 40.78%)
2. Avenue Therapeutics Inc. United States of America (acquired 33.33% stake on 8 February 2019)
3. Brandmed (Pty) Limited, South Africa (acquired 30% stake on 24 April 2019)



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(₹ in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from operations						
a) Net sales/income from operations	2,821.92	3,230.08	2,754.08	9,178.21	8,692.37	11,968.44
b) Other operating revenue	104.28	140.10	81.12	347.50	225.11	405.57
Total revenue from operations	2,926.20	3,370.18	2,835.20	9,525.71	8,917.48	12,374.01
2. Other income	73.28	312.75	76.95	479.44	483.13	577.52
3. Total income (1+2)	2,999.48	3,682.93	2,912.15	10,005.15	9,400.61	12,951.53
4. Expenses						
a) Cost of materials consumed	695.30	769.62	771.48	2,232.81	2,301.74	3,112.25
b) Purchases of stock-in-trade	370.34	320.06	348.19	1,018.42	973.46	1,259.21
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.48	35.04	(94.64)	(149.64)	64.04	136.70
d) Employee benefits expense	474.11	479.54	466.90	1,433.80	1,380.98	1,839.84
e) Finance costs	9.55	9.87	2.94	26.81	12.98	16.97
f) Depreciation, impairment and amortisation expense	143.14	150.93	148.58	439.36	425.10	569.72
g) Other expenses	928.03	997.97	857.19	2,747.83	2,582.44	3,524.01
Total expenses	2,641.95	2,763.03	2,500.64	7,749.39	7,740.74	10,458.70
5. Profit (+)/loss (-) before tax (3-4)	357.53	919.90	411.51	2,255.76	1,659.87	2,492.83
6. Tax expense (net)						
a) Current tax	61.10	144.04	107.58	462.40	352.00	576.43
b) Deferred tax (Refer note 5)	14.21	38.48	8.61	79.76	53.53	27.99
Total tax expense	75.31	182.52	116.19	542.16	405.53	604.42
7. Net profit (+)/loss (-) after tax for the period/year (5-6)	282.22	737.38	295.32	1,713.60	1,254.34	1,888.41
8. Other comprehensive income/(loss) for the period/year						
a) (i) Items that will not be reclassified to profit or loss	(7.99)	(3.33)	(3.88)	(20.71)	6.72	12.00
(ii) Income tax on items that will not be reclassified to profit or loss	2.01	1.35	1.35	6.64	(2.35)	(4.19)
b) (i) Items that will be reclassified to profit or loss	(3.48)	(18.76)	86.76	(52.52)	21.33	48.81
(ii) Income tax on items that will be reclassified to profit or loss	0.88	6.60	(30.31)	18.06	(7.45)	(17.06)
Other comprehensive income/(loss) for the period/year	(8.58)	(14.14)	53.92	(48.53)	18.25	39.56
9. Total comprehensive income/(loss) for the period/year (7+8)	273.64	723.24	349.24	1,665.07	1,272.59	1,927.97
10. Paid-up equity share capital (face value ₹ 2/- each) (Refer note 4)	161.25	161.22	161.13	161.25	161.13	161.14
11. Other equity						15,620.77
12. Earnings per share (face value ₹ 2/- each)						
a) Basic (₹)	*3.50	*9.15	*3.67	*21.26	*15.58	23.45
b) Diluted (₹)	*3.50	*9.14	*3.66	*21.23	*15.54	23.41
*Not Annualised						

Notes:

1. The financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated 5th July, 2016.

2. Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

On 1st April, 2019, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Also, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and certain leases for which the underlying asset is of low value. Accordingly, on transition to Ind AS 116, the Company recognised lease liabilities and corresponding equivalent ROU assets.

In the statement of profit and loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The adoption of this standard did not have any significant impact on the profit for the period and earnings per share.

3. The Company had received various notices of demand from the National Pharmaceutical Pricing Authority (NPPA), Government of India, on account of alleged overcharging in respect of certain drugs under the Drugs (Prices Control) Orders. The total demand against the Company as stated in NPPA public disclosure amounts to ₹ 2,655.13 Crore.

Out of the above, demand notices pertaining to a set of products being Norfloxacin, Ciprofloxacin, Salbutamol and Theophylline were challenged by the Company (i) in the Hon'ble Bombay High Court on the ground that bulk drugs contained in the said formulations are not amenable to price control, as they cannot be included in the ambit of price control based on the parameters contained in the Drug Policy, 1994 on which the DPCO, 1995 is based and (ii) in the Hon'ble Allahabad High Court on process followed for fixation of pricing norms. These Petitions were decided in favour of the Company and the matters were carried in appeal by the Union of India to the Hon'ble Supreme Court of India. The Supreme Court in its judgment of 1st August, 2003 restored the said writ petitions to the Bombay High Court with directions that the Court will have to consider the petitions afresh, having due regard to the observations made by the Supreme Court in its judgment. On the Union of India filing transfer petitions, the Supreme Court ordered transfer of the said petitions to the Bombay High Court to it for being heard with the appeal filed against the Allahabad High Court order. Subsequently, in its order of 20th July, 2016 the Supreme Court recalled its transfer order and remanded the petitions to Bombay High Court for hearing. While remanding the matter to Bombay High Court, the Hon'ble Supreme Court directed Cipla to deposit 50% of the overcharged amount with the NPPA as stated in its order of 1st August, 2003 which at that point of time was ₹ 350.15 Crore. Complying with the directions passed by the Hon'ble Supreme Court, Cipla has deposited an amount of ₹ 175.08 Crore which has been received and acknowledged by NPPA. Furthermore, the Company has not received any further notices post such transfer of cases to Bombay High Court. Meanwhile, the Hon'ble Supreme Court of India vide its Order and Judgment dated 21st October, 2016, allowed the Appeals filed by the Government against the Judgment and Order of the Hon'ble Allahabad High Court regarding basis of fixation of retail prices. The said order was specific to fixation of retail prices without adhering to the formula/process laid down in DPCO, 1995. However, the grounds relating to inclusion of certain drugs within the span of price control continues to be sub-judice with the Hon'ble Bombay High Court.

The Bombay High Court had, in expectation of NPPA filing its counter-statement on status of each petitioner's compliance with the 2003 and 2016 Hon'ble Supreme Court orders (on deposit 50% of amount demanded), re-scheduled the hearing for 5th June, 2019, but the same was not listed on that date.

Further during the current quarter, the Company filed amendment applications before the Hon'ble Bombay High Court to incorporate the effect of a ruling by the Hon'ble Supreme Court of India to adjust trade margins of 16% from outstanding demands as not accrued to the manufacturers and to re-calculate interest from date of non-payment of demand within the time period stated in each demand. Hon'ble Bombay High Court issued notice to Union of India and NPPA on the amendment applications and has set 17th February, 2020 for further hearing.

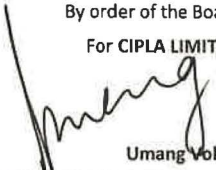
The Company has been legally advised that it has a substantially strong case on the merits of the matter, especially under the guidelines/principles of interpretation of the Drug Policy enunciated by the Hon'ble Supreme Court of India. Although, the decision of Hon'ble Supreme Court dated 21st October, 2016 referred above was in favour of Union of India with respect to the appeals preferred by the Government challenging the Hon'ble Allahabad High Court order, basis the facts and legal advice on the matter sub-judice with the Hon'ble Bombay High Court, no provision is considered necessary in respect of the notices of demand received till date aggregating to ₹ 1,736.00 Crore. It may be noted that NPPA in its public disclosure has stated the total demand amount against the Company in relation to the above said molecules to be ₹ 2,272.32 Crore (after adjusting deposit of ₹ 175.08 Crore), however, the Company has not received any further notices beyond an aggregate amount of ₹ 1,736.00 Crore.

In addition, Company had made provision of ₹ 102.20 Crore as of 31st December, 2019 for products not part of the referenced writ proceedings. Few demands for these products aggregating ₹ 90.26 Crore received recently, were challenged before the Hon'ble Bombay High Court and the Hon'ble Delhi High Court, however the recovery proceedings remain in abeyance in pursuance of the same and the next date is awaited from the Court.

4. The paid-up equity share capital stands increased to ₹ 161.25 Crore (80,62,27,596 equity shares of ₹ 2 each) upon allotment of 1,50,099 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 31st December, 2019.
5. The Government of India, on 20th September, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115 BAA in the Income Tax Act, 1961, which provides an option to the Company for paying tax at reduced rates (lower tax rate) as per the provisions/ conditions defined in the said section. Based on its evaluation, the Company expects to avail lower tax rate only from a later financial year (31st March, 2021) and therefore has applied the lower tax rate of 25.17% in measurement of deferred taxes only to the extent that such deferred tax assets/ liabilities are expected to be realised/ settled in the periods during which the Company expects to be subject to lower tax rate. To the extent deferred tax assets/ liabilities are expected to be realised/ settled during the year ending 31st March, 2020, the normal tax rate of 34.994% or lower tax rate of 25.17%, as applicable, has been applied. Consequently, deferred tax liabilities (net) reversed by the Company as at 31st December, 2019 is not significant.
6. The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.
7. The above results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 5th February, 2020. These results have been subjected to limited review by statutory auditors.

Mumbai
5th February, 2020



By order of the Board
For CIPLA LIMITED

Umang Vohra
Managing Director and Global Chief Executive Officer

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Cipla Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Cipla Limited ('the Company') for the quarter ended 31 December 2019 and the year to date results for the period 1 April 2019 to 31 December 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

Cipla Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013



Ashish Gupta

Partner

Membership No. 504662

UDIN No: 20504662 AAAA W5021

Place: New Delhi

Date: 5 February 2020