

5th August, 2021

- | | |
|---|--|
| (1) BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001 | (2) National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5 th floor,
Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051 |
|---|--|

Scrip Code: 500087

Scrip Code: CIPLA EQ

- (3) SOCIETE DE LA BOURSE DE LUXEMBOURG
Societe Anonyme
35A Boulevard Joseph II,
L-1840 Luxembourg

Sub: Unaudited financial results (standalone and consolidated) for the quarter ended 30th June, 2021

Dear Sir/ Madam,

Pursuant to Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the following:

- i. Unaudited financial results (standalone and consolidated) as per Indian Accounting Standards for the quarter ended 30th June, 2021 as approved by the Board at its meeting held on 5th August, 2021;
- ii. Limited review report (standalone and consolidated) by Walker Chandiok & Co LLP, Statutory Auditor of the Company, for the quarter ended 30th June, 2021.

The meeting of the Board of Directors of the Company commenced at 02.15 p.m. and concluded at 06:50 p.m.

The above mentioned documents will also be available on the Company's website www.cipla.com in the Investor Section.

Thanking you,

Yours faithfully,
For **Cipla Limited**

Rajendra Chopra
Company Secretary

Encl: as above
Prepared by: Nishtha Agrawal

Cipla Ltd.

Regd. Office - Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, India.

P +91 22 24826000 **F** +91 22 24826120 **W** www.cipla.com **E-Mail** contactus@cipla.com **Corporate Identity Number** L24239MH1935PLC002380

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

(₹ in Crores)

Particulars	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer Note 8)	Unaudited	Audited
1. Revenue from operations				
a) Revenue from sale of products	5,470.72	4,584.88	4,276.89	18,988.52
b) Other operating revenue	33.63	21.57	69.27	171.07
Total revenue from operations	5,504.35	4,606.45	4,346.16	19,159.59
2. Other income	64.93	60.13	65.45	265.99
3. Total income (1+2)	5,569.28	4,666.58	4,411.61	19,425.58
4. Expenses				
a) Cost of materials consumed	1,413.74	1,178.58	1,053.99	4,886.43
b) Purchases of stock-in-trade	1,347.98	530.86	732.69	2,658.17
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(692.88)	112.98	(197.23)	(192.71)
d) Employee benefits expense	887.29	814.72	771.88	3,251.83
e) Finance costs	29.57	27.45	46.00	160.70
f) Depreciation, impairment and amortisation expense	261.11	285.19	268.98	1,067.66
g) Other expenses	1,202.33	1,173.07	936.09	4,303.44
Total expenses	4,449.14	4,122.85	3,612.40	16,135.52
5. Profit (+)/loss (-) before exceptional items and tax (3-4)	1,120.14	543.73	799.21	3,290.06
6. Exceptional items (refer note 9)	(124.62)	-	-	-
7. Profit (+)/loss (-) before tax (5-6)	995.52	543.73	799.21	3,290.06
8. Tax expense (net)				
a) Current tax	322.19	186.46	273.00	1,052.72
b) Deferred tax	(38.47)	(58.24)	(45.22)	(163.96)
Total tax expense	283.72	128.22	227.78	888.76
9. Net profit (+)/loss (-) after tax before share of associates (7-8)	711.80	415.51	571.43	2,401.30
10. Share of profit (+)/ loss (-) of associates	(1.88)	(4.00)	(5.39)	(12.79)
11. Net profit (+)/ loss (-) for the period/year (9+10)	709.92	411.51	566.04	2,388.51
12. Profit for the period/year attributable to				
a) Shareholders of the company	714.72	413.38	577.91	2,404.87
b) Non- controlling interest	(4.80)	(1.87)	(11.87)	(16.36)
13. Other comprehensive income/(loss) for the period/year				
a) (i) Items that will not be reclassified to profit or loss	5.38	(58.67)	8.23	(38.41)
(ii) Income tax on items that will not be reclassified to profit or loss	(1.36)	6.05	(2.07)	0.95
b) (i) Items that will be reclassified to profit or loss	176.98	(35.87)	66.54	203.18
(ii) Income tax on items that will be reclassified to profit or loss	(0.02)	4.30	(3.27)	(4.23)
Other comprehensive income/(loss) for the period/year	180.98	(84.19)	69.43	161.49
14. Total comprehensive income/(loss) for the period/year (11+13)	890.90	327.32	635.47	2,550.00
15. Total comprehensive income attributable to				
a) Shareholders of the company	888.34	328.80	659.96	2,579.96
b) Non - controlling interest	2.56	(1.48)	(24.49)	(29.96)
16. Paid-up equity share capital (face value ₹ 2/- each) (Refer note 3)	161.32	161.29	161.25	161.29
17. Other equity				18,165.24
18. Earnings per share (face value ₹ 2/- each)				
a) Basic (₹)	*8.86	*5.13	*7.17	29.82
b) Diluted (₹)	*8.85	*5.12	*7.16	29.79
*Not Annualised				

Segment information
(₹ in Crores)

Particulars	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer Note 8)	Unaudited	Audited
Segment wise revenue and results				
Segment revenue:				
a) Pharmaceuticals	5,384.22	4,543.67	4,266.09	18,878.24
b) New ventures	154.70	93.68	116.85	401.27
Total segment revenue	5,538.92	4,637.35	4,382.94	19,279.51
Less : Inter segment revenue	34.57	30.90	36.78	119.92
Total revenue from operations	5,504.35	4,606.45	4,346.16	19,159.59
Segment result:				
Profit/(loss) before tax and interest from each segment				
a) Pharmaceuticals	1,193.89	632.65	858.25	3,633.71
b) New ventures	(44.18)	(61.47)	(13.04)	(182.95)
Total segment result	1,149.71	571.18	845.21	3,450.76
Less: Finance costs	29.57	27.45	46.00	160.70
Total Profit (+)/loss (-) before exceptional items and tax	1,120.14	543.73	799.21	3,290.06
Less : Exceptional items - New ventures (refer note 9)	124.62	-	-	-
Total Profit (+)/loss (-) before tax	995.52	543.73	799.21	3,290.06

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. 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 ₹ 3,703.40 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 Honourable 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 Honourable 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 Honourable Supreme Court of India. The Honourable Supreme Court in its judgment of 1st August, 2003 remanded the said writ petitions to the Honourable Bombay High Court with directions that the Court will have to consider the petitions afresh, having due regard to the observations made by the Honourable Supreme Court in its judgment. On the Union of India filing transfer petitions, the Honourable Supreme Court ordered transfer of the said petitions to the Honourable Bombay High Court to it for being heard with the appeal filed against the Honourable Allahabad High Court order. Subsequently, in its order of 20th July, 2016 the Honourable Supreme Court recalled its transfer order and remanded the petitions to Honourable Bombay High Court for hearing. While remanding the matter to Honourable Bombay High Court, the Honourable 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 Honourable 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 in these cases post such transfer of cases to Honourable Bombay High Court. Meanwhile, the Honourable Supreme Court vide its Order and Judgment dated 21st October, 2016, allowed the Appeals filed by the Government against the Judgment and Order of the Honourable 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 Honourable Bombay High Court.

The Honourable Bombay High Court had, in expectation of NPPA filing its counter-statement on status of each petitioner's compliance with the 2003 and 2016 Honourable 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.

The Company had filed amendment applications before the Honourable Bombay High Court to incorporate the effect of a ruling by the Honourable Supreme Court 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. The said amendment also places certain additional grounds on record. The Honourable Bombay High Court issued notice to Union of India and NPPA on the amendment applications and set 25th January, 2021 for further hearing but the case was not listed due to the COVID-19 lockdown and the next date is awaited.

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 Honourable Supreme Court. Although, the decision of Honourable 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 Honourable Allahabad High Court order, basis the facts and legal advice on the matter sub-judice with the Honourable 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 ₹ 3,281.31 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 ₹ 112.87 Crore as of 30th June, 2021 for products not part of the referenced writ proceedings. Further, no new recovery notices were received by the Company in the quarter, thus not requiring any fresh cases to be filed by the Company in that regard. Due to COVID-19, courts are hearing only urgent cases, hence the writs that are pending will be heard in due course.

Cipla Ltd.

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3. The paid-up equity share capital stands increased to ₹ 161.32 Crore (80,65,96,753 equity shares of ₹ 2 each) upon allotment of 1,33,474 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 30th June, 2021.

4. The Group continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business, including how it has impacted and will impact its customers, employees, vendors and business partners. The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of goodwill, investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Group's financial results for the quarter ended 30th June, 2021.

5. The Board in its meeting held on 29th January, 2021 has approved a draft scheme of arrangement (Scheme) which entails demerger of the US business undertaking (Demerged Undertaking 1) of Cipla Limited (Demerged Company) into its wholly-owned subsidiary, Cipla BioTec Limited (Resulting Company 1) and consumer business undertaking (Demerged Undertaking 2) of Cipla Limited into its wholly-owned subsidiary, Cipla Health Limited (Resulting Company 2) pursuant to Sections 230 to 232 and the other relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the quarter ended 30th June, 2021, the Company has received requisite approvals from National Stock Exchange of India Limited (NSE) and BSE Limited for filing the Scheme with National Company Law Tribunal.

6. The unaudited standalone financial results for the quarter ended 30th June, 2021 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.

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 figures for the quarter ended 31st March, 2021 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published figures upto nine months of the relevant financial year.

9. On 14th June, 2021, Avenue Therapeutics, Inc's ('Avenue'), an associate Company, announced that it had received a second Complete Response Letter (the "Second CRL") from the US FDA regarding Avenue's Tramadol IV NDA. Basis the Second CRL and change in the market dynamics for Tramadol IV NDA, the management identified trigger for impairment assessment of the investment in Avenue. The management basis the valuation made by an external valuation expert has arrived at the fair value of the investment in Avenue and has considered an impairment charge amounting to ₹ 124.62 crore as an exceptional item in consolidated financial results for the quarter ended 30th June, 2021.

10. 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 August, 2021. These results have been subjected to limited review by statutory auditors who have expressed an unmodified review report.

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

Mumbai
5th August, 2021

Umang Vohra
Managing Director and Global Chief Executive Officer

Cipla Ltd.

Regd. office - Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, India.

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial 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'), its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter ended 30 June 2021, 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 other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. 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.



Walker Chandiook & Co LLP

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the 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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, 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 13 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 744.13 crores, total net profit after tax of ₹ 44.07 crores, total comprehensive income of ₹ 46.02 crores, for the quarter ended on 30 June 2021, as considered in the Statement. The Statement also includes the Group's share of net profit after tax and total comprehensive income of ₹ 0.01 crores, for the quarter ended on 30 June 2021, 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 associates 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 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 balances and affairs 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 with respect to our reliance on the work done by and the reports of the other auditors.

6. Attention is drawn to Note 8 to the statement regarding the consolidated figures for the quarter ended 31 March 2021, which are the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the previous financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Ashish Gupta

Partner

Membership No. 504662

UDIN: 21504662AAAAGA1180



Place: New Delhi

Date: 5 August 2021

Annexure 1

List of entities included in the Statement

I) Subsidiaries:

1. Meditab Specialities Limited, India
2. Goldencross Pharma Limited, India
3. Cipla BioTec Limited, India
4. Jay Precision Pharmaceuticals Private Limited, India
5. Cipla Health Limited, India
6. Medispray Laboratories Private Limited, India
7. Sitec Labs Limited, India
8. Cipla Medpro South Africa (Pty) 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, (liquidated w.e.f. 5 March 2021)
13. Cipla Australia Pty Limited, Australia
14. Cipla USA Inc., United States of America
15. Meditab Holdings Limited, Mauritius
16. Cipla Kenya Limited, Kenya
17. Cipla Malaysia Sdn. Bhd., Malaysia
18. Cipla Europe NV, Belgium
19. Cipla Quality Chemical Industries Limited, Uganda
20. Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda., Brazil
21. Inyanga Trading 386 (Pty) Limited, South Africa (under liquidation)
22. Cipla Medpro Holdings (Pty) Limited, South Africa (under liquidation)
23. Cape to Cairo Exports (Pty) Limited, South Africa (Deregistered w.e.f. 27 August 2020)
24. Cipla Dibcare (Pty) Limited, South Africa (under liquidation)
25. Cipla Life Sciences (Pty) Limited, South Africa
26. Cipla-Medpro (Pty) Limited, South Africa
27. Cipla-Medpro Distribution Centre (Pty) Limited., South Africa
28. Cipla Medpro Botswana (Pty) Limited, South Africa
29. Cipla Algérie, Algeria
30. Cipla Biotec South Africa (Pty) Limited, South Africa
31. Cipla Select (Pty) Limited, South Africa (formerly known as Cipla OLTP (Pty) Limited)
32. Medpro Pharmaceutica (Pty) Limited, South Africa
33. Cipla Medica Pharmaceutical and Chemical Industries Limited, Yemen (formerly known as Medica Pharmaceutical Industries Company Limited, Yemen)
34. Cipla (Mauritius) Limited, Mauritius (liquidated w.e.f. 17 May 2020)
35. Breathe Free Lanka (Private) Limited, Sri Lanka
36. Cipla Pharma Lanka (Private) Limited, Sri Lanka (amalgamated with Breathe Free Lanka (Private) Limited with effect from 1 May 2020 vide order of amalgamation dated 21 July 2020 and therefore, ceased to exist)
37. Cipla Maroc SA, Morocco
38. Cipla Middle East Pharmaceuticals FZ-LLC, United Arab Emirates
39. Quality Chemicals Limited, Uganda (ceased to be a subsidiary from 19 August 2020)
40. Cipla Philippines Inc., Philippines
41. InvaGen Pharmaceuticals Inc., United States of America
42. Exelan Pharmaceuticals, Inc., United States of America
43. Anmaraté (Pty) Limited, South Africa (ceased to be a subsidiary from 19 August 2020)
44. Cipla Technologies LLC, United States of America
45. Cipla Gulf FZ-LLC, United Arab Emirates
46. Mirren (Pty) Ltd, South Africa
47. Madison Pharmaceuticals Inc. United States of America
48. Cipla Colombia SAS, Colombia



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49. Cipla (China) Pharmaceutical Co., Ltd., China
50. Cipla Health Employees Stock Option Trust, India
51. Cipla Employee Stock Option Trust, India
52. Cipla (Jiangsu) Pharmaceutical Co., Ltd.
53. Cipla Pharmaceuticals Limited, India
54. Cipla Therapeutics Inc, United States of America (incorporated on 15 May 2020)

II) Associates:

1. Stempeutics Research Private Limited, India
2. Avenue Therapeutics, Inc. United States of America
3. Brandmed (Pty) Limited, South Africa
4. AMPSolar Power Systems Private Limited – (Share of loss/profit not required to be considered)
5. GoApptiv Private Limited
6. Iconphygital Private Limited (Wholly owned subsidiary of GoApptiv Private Limited)



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021

(₹ in Crores)

Particulars	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer Note 6)	Unaudited	Audited
1. Revenue from operations				
a) Revenue from sale of products	3,948.33	3,173.39	3,035.72	13,610.02
b) Other operating revenue	69.08	59.73	92.30	290.56
Total revenue from operations	4,017.41	3,233.12	3,128.02	13,900.58
2. Other income	79.66	49.33	45.66	230.28
3. Total income (1+2)	4,097.07	3,282.45	3,173.68	14,130.86
4. Expenses				
a) Cost of materials consumed	990.38	712.98	758.79	3,262.29
b) Purchases of stock-in-trade	1,101.85	349.66	461.57	1,847.85
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(599.21)	175.46	(195.55)	(9.93)
d) Employee benefits expense	530.27	503.04	469.47	2,038.88
e) Finance costs	8.00	8.84	14.21	45.07
f) Depreciation, impairment and amortisation expense	136.98	137.01	143.73	556.11
g) Other expenses	848.63	842.28	689.00	3,039.93
Total expenses	3,016.90	2,729.27	2,341.22	10,780.20
5. Profit (+)/loss (-) before tax (3-4)	1,080.17	553.18	832.46	3,350.66
6. Tax expense (net)				
a) Current tax	303.15	132.68	238.44	904.38
b) Deferred tax	(14.75)	7.09	(16.28)	(22.00)
Total tax expense	288.40	139.77	222.16	882.38
7. Net profit (+)/loss (-) after tax for the period/year (5-6)	791.77	413.41	610.30	2,468.28
8. Other comprehensive income/(loss) for the period/year				
a) (i) Items that will not be reclassified to profit or loss	4.47	(0.59)	7.84	18.32
(ii) Income tax on items that will not be reclassified to profit or loss	(1.13)	0.15	(1.97)	(4.61)
b) (i) Items that will be reclassified to profit or loss	(3.65)	(29.05)	32.94	37.08
(ii) Income tax on items that will be reclassified to profit or loss	0.92	7.50	(8.29)	(9.33)
Other comprehensive income/(loss) for the period/year	0.61	(21.99)	30.52	41.46
9. Total comprehensive income/(loss) for the period/year (7+8)	792.38	391.42	640.82	2,509.74
10. Paid-up equity share capital (face value ₹ 2/- each) (Refer note 3)	161.32	161.29	161.25	161.29
11. Other equity				19,766.27
12. Earnings per share (face value ₹ 2/- each)				
a) Basic (₹)	*9.82	*5.13	*7.57	30.61
b) Diluted (₹)	*9.80	*5.12	*7.56	30.57
*Not Annualised				

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. 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 ₹ 3,703.40 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 Honourable 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 Honourable 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 Honourable Supreme Court of India. The Honourable Supreme Court in its judgment of 1st August, 2003 remanded the said writ petitions to the Honourable Bombay High Court with directions that the Court will have to consider the petitions afresh, having due regard to the observations made by the Honourable Supreme Court in its judgment. On the Union of India filing transfer petitions, the Honourable Supreme Court ordered transfer of the said petitions to the Honourable Bombay High Court to it for being heard with the appeal filed against the Honourable Allahabad High Court order. Subsequently, in its order of 20th July, 2016 the Honourable Supreme Court recalled its transfer order and remanded the petitions to Honourable Bombay High Court for hearing. While remanding the matter to Honourable Bombay High Court, the Honourable 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 Honourable 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 in these cases post such transfer of cases to Honourable Bombay High Court. Meanwhile, the Honourable 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 Honourable 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 Honourable Bombay High Court.

The Honourable Bombay High Court had, in expectation of NPPA filing its counter-statement on status of each petitioner's compliance with the 2003 and 2016 Honourable 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.

The Company had filed amendment applications before the Honourable Bombay High Court to incorporate the effect of a ruling by the Honourable 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. The said amendment also places certain additional grounds on record. The Honourable Bombay High Court issued notice to Union of India and NPPA on the amendment applications and set 25th January, 2021 for further hearing but the case was adjourned due to the COVID-19 lockdown and the next date is awaited.

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 Honourable Supreme Court. Although, the decision of Honourable 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 Honourable Allahabad High Court order, basis the facts and legal advice on the matter sub-judice with the Honourable 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 ₹ 3,281.31 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 ₹ 112.87 Crore as of 30th June, 2021 for products not part of the referenced writ proceedings. Further, no new recovery notices were received by the Company in the quarter, thus not requiring any fresh cases to be filed by the Company in that regard. Due to COVID-19, courts are hearing only urgent cases, hence the writs that are pending will be heard in due course.

3. The paid-up equity share capital stands increased to ₹ 161.32 Crore (80,65,96,753 equity shares of ₹ 2 each) upon allotment of 1,33,474 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 30th June, 2021.

4. The Company continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business, including how it has impacted and will impact its customers, employees, vendors and business partners. The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, assessment for impairment of investments, intangible assets, inventory, based on the information available to date, both internal and external, while preparing the Company's financial results for the quarter ended 30th June, 2021.

5. The Board in its meeting held on 29th January, 2021 has approved a draft scheme of arrangement (Scheme) which entails demerger of the US business undertaking (Demerged Undertaking 1) of Cipla Limited (Demerged Company) into its wholly-owned subsidiary, Cipla BioTec Limited (Resulting Company 1) and consumer business undertaking (Demerged Undertaking 2) of Cipla Limited into its wholly-owned subsidiary, Cipla Health Limited (Resulting Company 2) pursuant to Sections 230 to 232 and the other relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the quarter ended 30th June, 2021, the Company has received requisite approvals from National Stock Exchange of India Limited (NSE) and BSE Limited for filing the Scheme with National Company Law Tribunal.

6. The figures for the quarter ended 31st March, 2021 are the balancing figures between the audited figures in respect of the full financial year and the unaudited published figures upto nine months of the relevant financial year.

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 results for the quarter ended 30th June, 2021 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.

9. 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 August, 2021. These results have been subjected to limited review by statutory auditors who have expressed an unmodified review report.

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

Mumbai
5th August, 2021

Umang Vohra
Managing Director and Global Chief Executive Officer

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial 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 30 June 2021, 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 other accounting principles generally accepted in India and is in compliance with the presentation and disclosure 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. 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.
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 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.



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5. Attention is drawn to Note 6 to the Statement regarding the standalone figures for the quarter ended 31 March 2021, which are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to third quarter of the previous financial year, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076NN500013



A handwritten signature in blue ink, appearing to read "Ashish Gupta", written over the printed name.

Ashish Gupta

Partner

Membership No. 504662

UDIN: 21504662AAAAGB5384

Place: New Delhi

Date: 5 August 2021