

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
 FOR THE QUARTER AND HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2013**

(₹ in crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
	Unaudited			Unaudited		Audited
<b>1. Income from operations</b>	<b>2463.18</b>	2307.71	2167.05	<b>4770.89</b>	4099.30	8086.82
a) Net Sales/Income from Operations (Net of excise duty)						
b) Other Operating Income	<b>49.21</b>	179.99	48.72	<b>229.20</b>	90.62	192.51
<b>Total income from operations (net)</b>	<b>2512.39</b>	2487.70	2215.77	<b>5000.09</b>	4189.92	8279.33
<b>2. Expenses</b>						
a) Cost of materials consumed	<b>838.26</b>	692.78	678.30	<b>1531.04</b>	1241.04	2728.92
b) Purchases of stock-in-trade	<b>154.58</b>	102.34	123.88	<b>256.92</b>	239.85	514.30
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>(46.29)</b>	130.55	(51.02)	<b>84.26</b>	(19.96)	(290.60)
d) Employee benefits expense	<b>362.57</b>	329.27	261.59	<b>691.84</b>	486.32	1036.26
e) Depreciation and amortisation expense	<b>91.43</b>	85.03	80.83	<b>176.46</b>	160.48	330.48
f) Other expenses	<b>639.11</b>	540.42	501.56	<b>1179.53</b>	991.20	2092.60
<b>Total expenses</b>	<b>2039.66</b>	1880.39	1595.14	<b>3920.05</b>	3098.93	6411.96
<b>3. Profit (+)/Loss (-) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>472.73</b>	607.31	620.63	<b>1080.04</b>	1090.99	1867.37
<b>4. Other Income</b>	<b>75.63</b>	67.12	64.58	<b>142.75</b>	114.70	222.14
<b>5. Profit (+)/Loss (-) before finance costs and exceptional items (3+4)</b>	<b>548.36</b>	674.43	685.21	<b>1222.79</b>	1205.69	2089.51
<b>6. Finance costs</b>	<b>44.97</b>	40.69	4.51	<b>85.66</b>	7.26	33.91
<b>7. Profit (+)/Loss (-) before exceptional items and tax (5-6)</b>	<b>503.39</b>	633.74	680.70	<b>1137.13</b>	1198.43	2055.60
<b>8. Exceptional Item</b>	-	-	-	-	39.77	39.77
<b>9. Profit(+)/Loss(-) before tax (7+8)</b>	<b>503.39</b>	633.74	680.70	<b>1137.13</b>	1238.20	2095.37
<b>10. Tax expense</b>	<b>135.76</b>	153.62	194.54	<b>289.38</b>	314.59	544.31
<b>11. Net Profit (+)/Loss (-) after tax (9-10)</b>	<b>367.63</b>	480.12	486.16	<b>847.75</b>	923.61	1551.06
<b>12. Share of Profit (+) / Loss (-) of associates</b>	<b>(8.34)</b>	5.23	1.79	<b>(3.11)</b>	4.44	(6.21)
<b>13. Minority Interest</b>	1.23	-	-	<b>1.23</b>	-	-
<b>14. Net Profit (+) / Loss (-) for the period (11+12-13)</b>	<b>358.06</b>	485.35	487.95	<b>843.41</b>	928.05	1544.85
<b>15. Paid-up equity share capital (Face Value ₹2 per share)</b>	<b>160.58</b>	160.58	160.58	160.58	160.58	160.58
<b>16. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>						8849.13
<b>17. Earnings per share ( ₹ )</b>						
- Basic	<b>*4.46</b>	*6.04	*6.08	<b>*10.50</b>	<b>*11.56</b>	19.24
- Diluted	<b>*4.46</b>	*6.04	*6.08	<b>*10.49</b>	<b>*11.56</b>	19.24
<b>*Not Annualised</b>						

<b>A. PARTICULARS OF SHAREHOLDING</b>						
<b>1. Public shareholding</b>						
- Number of shares	<b>499123493</b>	498844405	505024288	<b>499123493</b>	505024288	500983877
- Percentage of shareholding	<b>62.16</b>	62.13	62.90	<b>62.16</b>	62.90	62.40
<b>2. Promoters and Promoter Group Shareholding</b>						
a) Pledged/Encumbered						
- Number of shares	<b>NIL</b>	NIL	NIL	<b>NIL</b>	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>NIL</b>	NIL	NIL	<b>NIL</b>	NIL	NIL
- Percentage of shares (as a % of the total share capital of the company)	<b>NIL</b>	NIL	NIL	<b>NIL</b>	NIL	NIL
b) Non-Encumbered						
- Number of shares	<b>295485978</b>	295485978	295485978	<b>295485978</b>	295485978	295485978
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>100.00</b>	100.00	100.00	<b>100.00</b>	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	<b>36.80</b>	36.80	36.80	<b>36.80</b>	36.80	36.80

<b>Particulars</b>	<b>Quarter Ended 30.09.2013</b>
<b>B. INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	<b>Nil</b>
Received during the quarter	<b>16</b>
Disposed of during the quarter	<b>16</b>
Remaining unresolved at the end of the quarter	<b>Nil</b>

Notes:

- The Company is essentially in the pharmaceutical business segment.
- The consolidated accounts have been prepared in accordance with the principles set out in Accounting Standard 21 - Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates and Accounting Standard 27 – Financial Reporting in Joint Ventures in Consolidated Financial Statements notified in the Companies (Accounting Standard) Rules, 2006.
- 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 in Mumbai, Karnataka and Allahabad wherein it was held in favour of the Company. The orders of Hon'ble High Court of Allahabad and Bombay were challenged before the Hon'ble Supreme Court of India by the Government. Although in the challenge to the decision of the Hon'ble Bombay High Court, the Hon'ble Supreme Court of India restored the matter to the Hon'ble Bombay High Court in August 2003 for interpreting the Drug Policy on the basis of directions and principles laid down by them and the same was pending, in the challenge to the Hon'ble High Court of Allahabad's order, in February 2013, the Hon'ble Supreme Court of India transferred the Bombay High Court petition also before itself for a final hearing on both the matters. In an earlier order, the Hon'ble Supreme Court has already 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.1654.92 crores (inclusive of principal amount for the period July 1995 to April 2009 and interest up to January 2012).
- Cipla Medpro South Africa Ltd ("Medpro") , a pharmaceutical company, incorporated in South Africa became a wholly owned subsidiary of the Company on 15th July 2013. Accordingly, the above results for the current period includes the relevant results of Medpro and its subsidiaries from the date Medpro became subsidiary of the Company and therefore the corresponding figures for the previous period are not comparable.
- The Unaudited Standalone financial results for the quarter and half year ended 30<sup>th</sup> September 2013 is available on the Company's website i.e. www.cipla.com and on the Stock Exchange's website: www.bseindia.com and www.nseindia.com. The key standalone financial information are as under:

(₹ in crores)

<b>Particulars</b>	<b>Quarter Ended</b>			<b>Half Year Ended</b>		<b>Year Ended</b>
	<b>30.09.2013</b>	<b>30.06.2013</b>	<b>30.09.2012</b>	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>31.03.2013</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
Total income from operations (net)	2347.44	2463.88	2198.60	4811.32	4161.44	8202.42
Profit before tax	502.19	624.87	661.77	1127.06	1180.77	2011.86
Profit after tax	376.03	474.90	500.01	850.93	900.77	1507.11

- During the quarter ended 30<sup>th</sup> September, 2013, in accordance with Employee Stock Option Scheme dated 16<sup>th</sup> September 2013 ("ESOS 2013-B"), the Company has granted 5,22,194 stock options to Mr. Rajesh Garg , Global Chief Financial Officer at an exercise price equal to 50% to the prevailing market price on the date prior to the date of grant. These options vest over a period of five years from the date of grant.

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

8. The Consolidated Statement of Assets and Liabilities is as under

(₹ in crores)

Particulars	As at 30.09.2013	As at 31.03.2013
	Unaudited	Audited
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' fund</b>		
(a) Share capital	160.58	160.58
(b) Reserves and surplus	9783.54	8858.10
<b>Shareholders' fund</b>	<b>9944.12</b>	<b>9018.68</b>
<b>2. Minority Interest</b>	<b>13.12</b>	<b>-</b>
<b>3. Non-current liabilities</b>		
(a) Long-term borrowings	158.85	0.55
(b) Deferred tax liabilities (net)	323.30	280.54
(c) Other long-term liabilities	30.87	30.00
(d) Long-term provisions	72.97	50.37
<b>Non-current liabilities</b>	<b>585.99</b>	<b>361.46</b>
<b>4. Current liabilities</b>		
(a) Short-term borrowings	1085.00	966.38
(b) Trade payables	964.76	828.36
(c) Other current liabilities	471.03	250.89
(d) Short-term provisions	114.95	232.00
<b>Current liabilities</b>	<b>2635.74</b>	<b>2277.63</b>
<b>Total</b>	<b>13178.97</b>	<b>11657.77</b>
<b>B. ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Fixed Assets	4240.91	3987.76
(b) Goodwill on consolidation	2619.29	-
(c) Non-current investments	434.70	415.69
(d) Long-term loans and advances	206.29	357.80
(e) Other non-current assets	114.37	5.11
<b>Non-current assets</b>	<b>7615.56</b>	<b>4766.36</b>
<b>2. Current assets</b>		
(a) Current investments	293.00	2116.75
(b) Inventories	2716.43	2387.07
(c) Trade receivables	1764.66	1668.84
(d) Cash and cash equivalents	174.05	143.01
(e) Short-term loans and advances	611.55	573.46
(f) Other current assets	3.72	2.28
<b>Current assets</b>	<b>5563.41</b>	<b>6891.41</b>
<b>Total</b>	<b>13178.97</b>	<b>11657.77</b>

9. The above consolidated financial results have been subjected to Limited Review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13<sup>th</sup> November, 2013. The Company has opted for submission of consolidated financial results under clause 41(l)(e)(i) of the listing agreement with effect from quarter ended 30<sup>th</sup> June 2013. The comparable consolidated financial results for the quarter and half year ended 30<sup>th</sup> September 2012 are based on management accounts.

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

Mumbai  
13<sup>th</sup> November, 2013

**Dr. Y. K. Hamied**  
Chairman

**Financial Review (Consolidated)**

(₹ crore)

	Quarter Ended			Half Year Ended		
	30/09/2013	30/09/2012	% change	30/09/2013	30/09/2012	% change
<b>Sales</b>						
Domestic	1039.81	931.99	11.6%	2138.42	1874.48	14.1%
International	1423.37	1235.06	15.2%	2632.47	2224.82	18.3%
% of international to total	57.8%	57.0%		55.2%	54.3%	
<b>Total Sales</b>	<b>2463.18</b>	<b>2167.05</b>	<b>13.7%</b>	<b>4770.89</b>	<b>4099.30</b>	<b>16.4%</b>
<b>Other operating income</b>						
Technology knowhow/fees	16.07	4.64		26.45	10.39	
Others	33.14	44.08		202.75	80.23	
<b>Total</b>	<b>49.21</b>	<b>48.72</b>	<b>1.0%</b>	<b>229.20</b>	<b>90.62</b>	<b>152.9%</b>
<b>Income from Operations</b>	<b>2512.39</b>	<b>2215.77</b>	<b>13.4%</b>	<b>5000.09</b>	<b>4189.92</b>	<b>19.3%</b>
<b>Material Cost</b>	946.55	751.16		1872.22	1460.93	
% to total sales	38.4%	34.7%		39.2%	35.6%	
<b>EBITDA*</b>	564.16	701.46	-19.6%	1256.50	1251.47	0.4%
% to income from operations	22.5%	31.7%		25.1%	29.9%	
<b>Profit before tax</b>	503.39	680.70	-26.0%	1137.13	1238.20	-8.2%
% to income from operations	20.0%	30.7%		22.7%	29.6%	
<b>Profit after tax</b>	358.06	487.95	-26.6%	843.41	928.05	-9.1%
% to income from operations	14.3%	22.0%		16.9%	22.1%	

(Current year figures include the relevant results of Cipla Medpro and its subsidiaries from the date Cipla Medpro became subsidiary of the company and therefore the corresponding figures for the previous period are not comparable.)

During the quarter, the company posted a growth of over 13% in income from operations. Domestic sales grew by over 11% and export sales grew by over 15%. Operating margins have decreased by about 20% and profits after tax, have decreased by about 27% on a year-on-year basis. The previous year's results included one-time profit share revenues from Escitalopram through our US partner.

Material cost has increased by about 4% mainly on account of changes in product mix viz. higher proportion of ARVs and lower contribution of Escitalopram. The operating margins have decreased due to increase in material cost and other expenditures.

The increase in staff cost of ₹101 crore is due to increase in manpower, annual increments. Other expenditure has increased by ₹138 crore for the quarter mainly on account of increase in sales promotion expenses, professional charges, etc. Tax for the quarter is in line with average tax rate for the previous year.

(\*Excludes other incomes)