

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE, 2011

(Rupees in crores)

	Quarter Ended		Year Ended
	30.06.2011	30.06.2010	31.03.2011 (Audited)
1. a) Gross Sales	1573.81	1441.03	6183.87
Less: Excise Duty	23.48	13.65	48.71
Net Sales	1550.33	1427.38	6135.16
b) Other Operating Income	41.09	52.38	207.00
Total Operating Income (a+b)	1591.42	1479.76	6342.16
2. Expenditure			
a) (Increase)/decrease in Stock-in-trade and work in progress	(21.22)	20.86	(125.74)
b) Consumption of Materials	541.04	522.47	2343.15
c) Purchase of Traded Goods	148.41	126.90	671.13
d) Employees Cost	171.23	137.56	540.33
e) Depreciation	70.25	54.82	248.03
f) Other Expenditure	382.42	334.08	1600.45
g) Total	1292.13	1196.69	5277.35
3. Profit (+)/Loss (-) from Operations before Other Income and Interest (1-2)	299.29	283.07	1064.81
4. Other Income	24.85	29.46	91.72
5. Profit (+)/Loss (-) before Interest (3 +4)	324.14	312.53	1156.53

6. Interest	4.25	0.11	5.14
7. Profit (+)/Loss (-) before tax (5-6)	319.89	312.42	1151.39
8. *Tax Expense	66.55	55.00	191.00
9. Net Profit (+)/Loss (-) after Tax (7-8)	253.34	257.42	960.39
10. Paid-up Equity Share Capital (Face Value Rs.2/- per share)	160.58	160.58	160.58
11. Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year			6443.40
12. Earning per Share (Rs.) **Not Annualised	**3.16	**3.21	11.96
13. Public Shareholding			
- Number of Shares	505135049	500997461	503606049
- Percentage of Shareholding	62.91	62.40	62.72
14. Promoters and Promoter Group Shareholding			
a) Pledged/Encumbered			
- Number of Shares	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL
- Percentage of shares (as a % of the total share capital of the Company)	NIL	NIL	NIL
b) Non Encumbered			
- Number of Shares	295485978	295485978	295485978
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the Company)	36.80	36.80	36.80

Notes:

1. The Company is essentially in the pharmaceutical business segment.
2. No investor grievances were pending at the beginning of the quarter. During the quarter ended 30th June, 2011, ten investor grievances were received. As of 30th June, 2011 all grievances have been suitably replied to.
3. In 2003, the Company received notice of demand from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain drugs under the Drug Price Control Order. This was contested before the jurisdictional High Courts wherein it was held in favour of the Company. The orders were challenged before the Hon'ble Supreme Court by the Government. The Hon'ble Supreme Court by separate orders restored the matter to the jurisdictional High Court for interpreting the Drug Policy on the basis of directions and principles laid down by them and also restrained the Government from taking any coercive action against the Company. The Company has been legally advised that on the basis of these orders there is no probability of demand crystallising. Hence no provision is considered necessary in respect of notice of demand aggregating to Rs.1230.28 crores (inclusive of interest) for the period July 1995 to April 2009.
4. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
5. *Tax expense is inclusive of current tax, deferred tax and Minimum Alternate Tax (MAT) credit.
6. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 5th August, 2011.

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

Mumbai
5th August, 2011

M. K. Hamied
Joint Managing Director

Financial Review - Period ended June 2011

Financial performance:

(Rupees in crores)

	Quarter Ended		
	30/06/2011	30/06/2010	% change
Domestic	743.64	675.15	10.1%
Exports - Formulations	658.86	625.72	5.3%
APIs & others	171.31	140.16	22.2%

Total Exports	830.17	765.88	8.4%
% of exports to total sales	52.7%	53.1%	
Total Sales	1573.81	1441.03	9.2%
Other operating income			
Technology know-how/fees	9.82	15.89	
Others	31.27	36.49	
Total	41.09	52.38	-21.6%
Income from Operations	1614.90	1493.41	8.1%
Material Cost	668.23	670.23	
% to total sales	42.5%	46.5%	
Operating margin	369.54	337.89	9.4%
% to income from operations	22.9%	22.6%	
Profit before tax	319.89	312.42	2.4%
% to income from operations	19.8%	20.9%	
Profit after tax	253.34	257.42	-1.6%
% to income from operations	15.7%	17.2%	

During the quarter, the company posted a growth of 8% in income from operations. Operating margins and net margins (as a percent to income from operations) were at similar levels on a year-on-year basis. During the quarter, domestic sales grew by about 10% and export sales grew by more than 8%.

While operating margins have increased substantially (Rs.32 cr) mainly due to better utilization of Indore SEZ and changes in product mix, the profits after tax is lower by 2% mainly due to the following:

- increase in depreciation (Rs. 15 cr) due to additions to fixed assets mainly on account of Indore SEZ factory,
- higher tax (Rs. 11 cr) mainly due to expiry of tax benefits on EOUs,
- marginal increase in interest cost (Rs. 4 cr) on working capital loans, and
- decrease in other income (Rs. 5 cr).

Material cost has decreased by about 4% on year-on-year basis due to changes in product mix primarily due to lower proportion of anti-retrovirals in formulation exports. Excise Duty on sales has increased by Rs. 10 cr due to increase in duty rate by 1% and increase in dutiable clearances. The increase in staff cost (Rs. 34 cr) is due to annual increments and increase in manpower. Other expenditure has increased mainly due to increase in selling expenses and factory expenditure such as repairs & maintenance, power & fuel, stores & spares, etc. The increase in selling expenses is in line with the increase in turnover.