

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

(Rupees in crores)

Particulars		Unaudited				Audited
		Quarter Ended		Nine Months Ended		Year Ended
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
1	a) Gross Sales	1515.75	1357.87	4545.37	4081.24	5411.68
	Less: Excise Duty	14.39	13.71	36.75	40.64	52.16
	Net Sales	1501.36	1344.16	4508.62	4040.60	5359.52
	b) Other Operating Income	52.31	94.34	140.16	214.72	265.39
	Total Operating Income (a+b)	1553.67	1438.50	4648.78	4255.32	5624.91
2	Expenditure					
	a) (Increase)/ decrease in Stock-in-trade and work in progress	(66.35)	(32.79)	(5.77)	(90.81)	(184.09)
	b) Consumption of Materials	574.26	470.25	1635.14	1474.67	2033.01
	c) Purchase of Traded Goods	187.93	187.29	485.40	487.11	621.66
	d) Employee Cost	135.09	88.95	410.23	270.39	371.08
	e) Depreciation	65.25	45.67	183.98	139.29	187.84
	f) Other Expenditure	404.56	344.92	1088.44	1011.72	1430.09
	g) Total	1300.74	1104.29	3797.42	3292.37	4459.59
3	Profit (+)/Loss (-) from Operations before Other Income, Interest & Exceptional items (1-2)	252.93	334.21	851.36	962.95	1165.32
4	Other Income	25.69	17.84	59.08	42.63	88.33
5	Profit (+)/Loss (-) before Interest & Exceptional items (3+4)	278.62	352.05	910.44	1005.58	1253.65
6	Interest	2.93	4.37	3.32	23.20	23.66
7	Profit (+)/Loss (-) after Interest but before Exceptional items (5-6)	275.69	347.68	907.12	982.38	1229.99

8	Exceptional items	-	-	-	-	95.00
9	Profit (+)/Loss (-) before Tax (7 +8)	275.69	347.68	907.12	982.38	1324.99
10	*Tax Expense	43.00	58.65	154.00	175.90	243.50
11	Net Profit (+)/Loss (-) after Tax (9-10)	232.69	289.03	753.12	806.48	1081.49
12	Paid-up Equity Share Capital (Face Value Rs.2/- per share)	160.58	160.58	160.58	160.58	160.58
13	Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year					5744.54
14	Earning per Share (Rs.) ** Not Annualised	**2.90	**3.60	**9.38	**10.26	13.69
15	Public Shareholding					
	- Number of Shares	502598674	500524317	502598674	500524317	500849336
	- Percentage of Shareholding	62.60	62.34	62.60	62.34	62.38
16	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the Company)	NIL	NIL	NIL	NIL	NIL
	b) Non Encumbered					
	- Number of Shares	295485978	295485978	295485978	295485978	295485978
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	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	36.80	36.80
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Notes:

1. The Company is essentially in the pharmaceutical business segment.
2. No investor grievances were pending at the beginning of the quarter. During the quarter ended 31st December, 2010, six investor grievances were received. As of 31st December, 2010 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 4th February, 2011.

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

Mumbai
4th February, 2011

Dr. Y. K. Hamied
Chairman & Managing Director

Financial Review – Period ended December 2010

(Rupees in crores)

	Quarter Ended			Nine Months Ended		
	31.12.2010	31.12.2009	% change	31.12.2010	31.12.2009	% change
Domestic	733.97	659.21	11.3%	2165.53	1942.53	11.5%
Exports -						
Formulations	643.18	575.76	11.7%	1932.81	1704.83	13.4%
APIs & others	138.60	122.90	12.8%	447.03	433.88	3.0%
Total Exports	781.78	698.66	11.9%	2379.84	2138.71	11.3%
% of exports to total sales	51.6%	51.5%		52.4%	52.4%	
Total Sales	1515.75	1357.87	11.6%	4545.37	4081.24	11.4%
Other operating income						
Technology knowhow/fees	15.14	70.27		42.99	146.74	
Others	37.17	24.07		97.17	67.98	
Total	52.31	94.34	-44.6%	140.16	214.72	-34.7%
Income from Operations	1568.06	1452.21	8.0%	4685.53	4295.96	9.1%
Material cost	695.84	624.75		2114.77	1870.97	
% to total sales	45.9%	46.0%		46.5%	45.8%	
Operating margin	318.18	379.88	-16.2%	1035.34	1102.24	-6.1%
% to income from operations	20.3%	26.2%		22.1%	25.7%	
Profit before tax	275.69	347.68	-20.7%	907.12	982.38	-7.7%
% to income from operations	17.6%	23.9%		19.4%	22.9%	
Profit after tax	232.69	289.03	-19.5%	753.12	806.48	-6.6%
% to income from operations	14.8%	19.9%		16.1%	18.8%	

During the quarter, the company posted a growth of 8% in income from operations. However, operating margins and profits are lower by about 16% and 20% respectively primarily on account of increased factory overheads at Indore SEZ and appreciation of the Indian rupee by about 4% on a year-on-year basis which has adversely affected export turnover as well as realizations.

Domestic sales grew by more than 11%. In spite of a rupee appreciation of about 4%, export sales grew by about 12%. Technical knowhow/fees for the quarter has decreased by about Rs. 55 cr on account of a one-time fees received in third quarter of 2009-10 resulting in a high base on a year-on-year basis.

Material cost has been maintained at similar levels on a year-on-year basis. The increase in staff cost (Rs. 46 cr) is due to increase in manpower particularly at Indore SEZ, regrouping of contractual staff at Goa facilities and annual increments. Interest cost has decreased due to repayment of short-term working capital loans availed by the company. Depreciation has increased by about Rs. 20 cr due to additions to fixed assets mainly on account of commissioning of Indore SEZ factory. Other expenditure has increased mainly due to increase in selling expenses and factory expenditure, in particular at Indore SEZ, such as repairs & maintenance, power & fuel, stores & spares, etc.