

**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED 30th SEPTEMBER, 2010**

(Rupees in crores)

		Unaudited				Audited
		Quarter Ended		Half Year Ended		Year Ended
		30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
1	<b>a) Gross Sales</b>	<b>1588.59</b>	1383.91	<b>3029.62</b>	2723.37	5411.68
	Less: Excise Duty	<b>8.71</b>	12.73	<b>22.36</b>	26.93	52.16
	Net Sales	<b>1579.88</b>	1371.18	<b>3007.26</b>	2696.44	5359.52
	b) Other Operating Income	<b>35.47</b>	71.70	<b>87.85</b>	120.38	265.39
	Total Operating Income (a+b)	<b>1615.35</b>	1442.88	<b>3095.11</b>	2816.82	5624.91
2	<b>Expenditure</b>					
	a) (Increase)/ decrease in Stock-in-trade and work in progress	<b>39.72</b>	1.18	<b>60.58</b>	(58.02)	(184.09)
	b) Consumption of Materials	<b>538.41</b>	485.82	<b>1060.88</b>	1004.42	2033.01
	c) Purchase of Traded Goods	<b>170.57</b>	152.57	<b>297.47</b>	299.82	621.66
	d) Employee Cost	<b>137.58</b>	86.42	<b>275.14</b>	181.44	371.08
	e) Depreciation	<b>63.91</b>	47.81	<b>118.73</b>	93.62	187.84
	f) Other Expenditure	<b>362.51</b>	336.05	<b>683.88</b>	666.80	1430.09
	g) Total	<b>1312.70</b>	1109.85	<b>2496.68</b>	2188.08	4459.59
3	<b>Profit (+)/Loss (-) from Operations before Other Income, Interest &amp; Exceptional items (1-2)</b>	<b>302.65</b>	333.03	<b>598.43</b>	628.74	1165.32
4	<b>Other Income</b>	<b>16.64</b>	12.82	<b>33.39</b>	24.79	88.33
5	<b>Profit (+)/Loss (-) before Interest &amp; Exceptional items (3+4)</b>	<b>319.29</b>	345.85	<b>631.82</b>	653.53	1253.65
6	<b>Interest</b>	<b>0.28</b>	8.36	<b>0.39</b>	18.83	23.66
7	<b>Profit (+)/Loss (-) after Interest but before Exceptional items (5-6)</b>	<b>319.01</b>	337.49	<b>631.43</b>	634.70	1229.99

8	<b>Exceptional items</b>	-	-	-	-	95.00
9	<b>Profit (+)/Loss (-) before Tax (7 +8)</b>	<b>319.01</b>	337.49	<b>631.43</b>	634.70	1324.99
10	<b>*Tax Expense</b>	<b>56.00</b>	61.75	<b>111.00</b>	117.25	243.50
11	<b>Net Profit (+)/Loss (-) after Tax (9-10)</b>	<b>263.01</b>	275.74	<b>520.43</b>	517.45	1081.49
12	<b>Paid-up Equity Share Capital</b> (Face Value Rs.2/- per share)	<b>160.58</b>	160.58	<b>160.58</b>	160.58	160.58
13	<b>Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>					5744.54
14	<b>Earning per Share (Rs.)</b> ** Not Annualised	<b>**3.27</b>	**3.55	<b>**6.48</b>	**6.66	13.69
15	<b>Public Shareholding</b>					
	- Number of Shares	<b>501256635</b>	489687091	<b>501256635</b>	489687091	500849336
	- Percentage of Shareholding	<b>62.43</b>	60.99	<b>62.43</b>	60.99	62.38
16	<b>Promoters and Promoter Group Shareholding</b>					
	a) Pledged/Encumbered					
	- Number of Shares	<b>NIL</b>	NIL	<b>NIL</b>	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>NIL</b>	NIL	<b>NIL</b>	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the Company)	<b>NIL</b>	NIL	<b>NIL</b>	NIL	NIL
	b) Non Encumbered					
	- Number of Shares	<b>295485978</b>	306108047	<b>295485978</b>	306108047	295485978
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	<b>100.00</b>	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>	38.12	<b>36.80</b>	38.12	36.80
---	--------------	-------	--------------	-------	-------

**Notes:**

- The Company is essentially in the pharmaceutical business segment.
- No investor grievances were pending at the beginning of the quarter. During the quarter ended 30th September, 2010, eight investor grievances were received. As of 30th September, 2010 all grievances have been suitably replied to.
- During the quarter under review, the Company paid an interim dividend of 80 paise per equity share (face value Rs.2) for the year 2010-2011.
- 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.1157.12 crores (inclusive of interest) for the period July 1995 to April 2009.
- The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
- \*Tax expense is inclusive of current tax, deferred tax and Minimum Alternate Tax (MAT) credit.
- Statement of Assets and Liabilities as at 30th September, 2010 is given below:

(Rupees in crores)

Particulars	As at 30.09.2010	As at 30.09.2009
	(Unaudited)	(Unaudited)
<b>Shareholders Funds</b>		
(a) Capital	<b>160.58</b>	160.58
(b) Reserves and Surplus	<b>6199.04</b>	5376.62
<b>Loan Funds</b>	<b>432.08</b>	647.80
<b>Deferred Tax Liabilities</b>	<b>185.15</b>	173.15

<b>Total</b>	<b>6976.85</b>	<b>6358.15</b>
<b>Fixed Assets</b>	<b>2977.86</b>	2467.05
<b>Investments</b>	<b>559.49</b>	85.12
<b>Current Assets, Loans and Advances</b>		
(a) Inventories	<b>1657.18</b>	1375.69
(b) Sundry Debtors	<b>1703.41</b>	1860.50
(c) Cash and Bank balances	<b>69.14</b>	774.88
(d) Other Current Assets	<b>66.16</b>	22.86
(e) Loans and Advances	<b>1231.01</b>	1150.94
Less: Current Liabilities and Provisions		
(a) Liabilities	<b>1249.18</b>	1353.68
(b) Provisions	<b>38.22</b>	25.21
<b>Total</b>	<b>6976.85</b>	<b>6358.15</b>

8. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 11th November, 2010. Limited Review as required under Clause 41 of the Listing Agreement has been completed by the Statutory Auditors of the Company.

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

Mumbai  
11th November, 2010

**Dr. Y. K. Hamied**  
Chairman & Managing Director

#### Financial Review – Period ended September 2010

*(Rupees in crores)*

	Quarter Ended			Half Year Ended		
	30.09.2010	30.09.2009	% change	30.09.2010	30.09.2009	% change
Domestic	756.41	631.44	19.8%	1431.56	1283.33	11.6%
Exports - Formulations	663.91	581.91	14.1%	1289.63	1129.07	14.2%
APIs & others	168.27	170.56	-1.3%	308.43	310.97	-0.8%
<b>Total Exports</b>	<b>832.18</b>	<b>752.47</b>	<b>10.6%</b>	<b>1598.06</b>	<b>1440.04</b>	<b>11.0%</b>
% of exports to total sales	52.4%	54.4%		52.7%	52.9%	
<b>Total Sales</b>	<b>1588.59</b>	<b>1383.91</b>	<b>14.8%</b>	<b>3029.62</b>	<b>2723.37</b>	<b>11.2%</b>
Other operating income						
Technology knowhow/fees	11.97	50.81		27.85	76.48	
Others	23.50	20.89		60.00	43.90	
<b>Total</b>	<b>35.47</b>	<b>71.70</b>	<b>-50.5%</b>	<b>87.85</b>	<b>120.38</b>	<b>-27.0%</b>
<b>Income from Operations</b>	<b>1624.06</b>	<b>1455.61</b>	<b>11.6%</b>	<b>3117.47</b>	<b>2843.75</b>	<b>9.6%</b>
Material cost	748.70	639.57		1418.93	1246.22	
% to total sales	47.1%	46.2%		46.8%	45.8%	
Operating margin	366.56	380.84	-3.7%	717.16	722.36	-0.7%
% to income from operations	22.6%	26.2%		23.0%	25.4%	
Profit before tax	319.01	337.49	-5.5%	631.43	634.70	-0.5%
% to income from operations	19.6%	23.2%		20.3%	22.3%	
Profit after tax	263.01	275.74	-4.6%	520.43	517.45	0.6%
% to income from operations	16.2%	18.9%		16.7%	18.2%	

During the quarter, the company posted a growth of about 12% in income from operations. However, operating margins and profits are lower by about 4% and 5% respectively primarily on account of the following:

- a. Increased factory overheads at Indore SEZ - Although production has commenced for general markets at Indore SEZ factory, the plant can be fully optimized after completion of approvals for regulated markets such as MHRA UK , TGA Australia, etc. in due course of time
- b. Appreciation of the Indian rupee by 4-5% on a year-on-year basis has adversely affected export turnover as well as realizations.

Domestic sales grew by about 20% and export sales grew by about 11%. In spite of a rupee appreciation of 4-5%, exports of formulations grew by more than 14% while exports of APIs & others have declined by about 1%. Technical knowhow/fees for the quarter has decreased by about Rs. 40 cr on account of a one-time fees received in second quarter of 2009-10 resulting in a high base on a year-on-year basis.

Material cost has increased marginally by about 1%. The increase in staff cost (Rs. 51 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. 16 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.