

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

(Rupees in crores)

	Quarter Ended		Year Ended
	30.06.2010	30.06.2009	31.03.2010 (Audited)
<b>1. a) Gross Sales</b>	1441.03	1339.46	5411.68
Less: Excise Duty	13.65	14.20	52.16
Net Sales	1427.38	1325.26	5359.52
b) Other Operating Income	52.38	48.69	265.39
<b>Total Operating Income (a+b)</b>	<b>1479.76</b>	<b>1373.95</b>	<b>5624.91</b>
<b>2. Expenditure</b>			
a) (Increase)/decrease in Stock-in-trade and work in progress	20.86	(59.20)	(184.09)
b) Consumption of Materials	522.47	518.60	2033.01
c) Purchase of Traded Goods	126.90	147.25	621.66
d) Employees Cost	137.56	95.02	371.08
e) Depreciation	54.82	45.81	187.84
f) Other Expenditure	321.37	330.76	1430.09
g) Total	1183.98	1078.24	4459.59
<b>3. Profit (+)/Loss (-) from Operations before Other Income and Interest &amp; Exceptional Items (1-2)</b>	<b>295.78</b>	<b>295.71</b>	<b>1165.32</b>
<b>4. Other Income</b>	<b>16.75</b>	<b>11.97</b>	<b>88.33</b>
<b>5. Profit (+)/Loss (-) before Interest &amp; Exceptional Items (3+4)</b>	<b>312.53</b>	<b>307.68</b>	<b>1253.65</b>

<b>6. Interest</b>	0.11	10.47	23.66
<b>7. Profit (+)/Loss (-) after Interest but before &amp; Exceptional Items (5-6)</b>	312.42	297.21	1229.99
<b>8. Exceptional Items</b>	-	-	95.00
<b>9. Profit (+)/Loss (-) before Tax (7+8)</b>	312.42	297.21	1324.99
<b>10. Tax Expense</b>			
	51.25	50.50	228.50
a) Current Tax	3.75	5.00	15.00
b) Deferred Tax			
<b>11. Net Profit (+)/Loss (-) after Tax (9-10)</b>	257.42	241.71	1081.49
<b>12. Paid-up Equity Share Capital</b> (Face Value Rs.2/- per share)	160.58	155.46	160.58
<b>13. Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>			5744.54
<b>14. Earning per Share (Rs.)</b>	*3.21	*3.11	13.69
*Not Annualised			
<b>15. Public Shareholding</b>			
- Number of Shares	500997461	464372787	500842336
- Percentage of Shareholding	62.40	59.74	62.38
<b>16. Promoters and Promoter Group Shareholding</b>			
a) Pledged/Encumbered	NIL	NIL	NIL
- 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)			
b) Non Encumbered			
- Number of Shares	295485978	306108047	295485978
	100.00	100.00	100.00

- Percentage of shares (as a % of the total shareholding of promoter and promoter group)			
- Percentage of shares (as a % of the total share capital of the Company)	36.80	39.38	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 30<sup>th</sup> June, 2010, six investor grievances were received. As of 30<sup>th</sup> June, 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.1157.12 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. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 13<sup>th</sup> August, 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  
13th August, 2010

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

### Financial Review - Period ended June 2010

#### Financial performance:

(Rupees in crores)

	Quarter Ended		
	30/06/2010	30/06/2009	% change
Domestic	675.15	651.89	3.6%

Exports Formulations	625.72	547.16	14.4%
APIs & others	140.16	140.41	-0.2%
<b>Total Exports</b>	<b>765.88</b>	<b>687.57</b>	<b>11.4%</b>
% of exports to total sales	53.1%	51.3%	
<b>Total Sales</b>	<b>1441.03</b>	<b>1339.46</b>	<b>7.6%</b>
Other operating income			
Technology know-how/fees	15.89	25.67	
Others	36.49	23.02	
<b>Total</b>	<b>52.38</b>	<b>48.69</b>	<b>7.6%</b>
<b>Income from Operations</b>	<b>1493.41</b>	<b>1388.15</b>	<b>7.6%</b>
<b>Material Cost</b>	<b>670.23</b>	<b>606.65</b>	
% to total sales	46.5%	45.3%	
<b>Operating margin</b>	<b>350.60</b>	<b>341.52</b>	<b>2.7%</b>
% to income from operations	23.5%	24.6%	
<b>Profit before tax</b>	<b>312.42</b>	<b>297.21</b>	<b>5.1%</b>

% to income from operations	20.9%	21.4%	
<b>Profit after tax</b>	257.42	241.71	6.5%
% to income from operations	17.2%	17.4%	

During the quarter, the company posted a growth of about 8% in income from operations. While domestic sales grew by about 4%, export sales grew by more than 11%. Exports of formulations grew by more than 14% whereas exports of APIs & others have been almost equal. The lower growth in domestic sales is primarily due to sale of ipill business and lower sales of certain products in the domestic generic business. However, the growth in branded generics for the quarter was about 11%.

Material cost has marginally increased and operating margins has decreased (in percentage terms) on a year-on-year basis due to changes in product mix. However, on a quarter-on-quarter basis, operating margins have improved from about 19% to more than 23%.

The increase in staff cost (Rs. 42 cr) is due to annual increments, increase in manpower – in particular at Indore, SEZ and regrouping of contractual staff at Goa facilities. Interest cost has decreased due to repayment of short-term working capital loans availed by the company. Depreciation has increased by about Rs. 9 cr due to additions to fixed assets mainly on account of commissioning of Indore SEZ factory.

The Company has provided for tax under Minimum Alternate Tax (MAT) .