UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER ENDED 31st MARCH, 2007

(Rupees in crores)

		Quarter Ended		Year Ended	
		31.03.2007	31.03.2006	31.03.2007	31.03.2006 (Audited)
1	Gross Sales & Income from Operations	960.38	905.70	3667.05	3114.20
	Less: Excise Duty	21.91	23.14	94.91	128.32
	Net Sales & Income from Operations	938.47	882.56	3572.14	2985.88
2	Other Income	22.06	36.69	89.13	121.63
3	Total Expenditure				
	a) (Increase)/decrease in Stock-in-trade	28.46	(14.16)	33.82	(94.35)
	b) Consumption of Materials	469.01	445.41	1694.17	1505.92
	c) Staff Cost	43.34	42.57	184.29	150.76
	d) Other Expenditure	250.67	218.37	837.13	743.74
4	Interest	1.29	3.29	6.96	11.42
5	Depreciation	26.08	25.00	104.08	80.18
6	Profit (+) / Loss (-) before Tax (1+2-3-4-5)	141.68	198.77	800.82	709.84
7	Provision for Taxation				
	- Current Tax	12.50	7.00	124.00	89.00
	- Deferred Tax	2.50	-	12.50	9.00
	- Fringe Benefit Tax	0.95	1.00	3.50	4.20
8	Net Profit (+) / Loss (-) after Tax (6-7)	125.73	190.77	660.82	607.64
9	Paid-up Equity Share Capital	*155.46	59.97	*155.46	59.97
10	Reserves excluding Revaluation Reserves				1913.97
11	**Earning per Share (Rs.)	1.62	2.54	8.52	8.11

12	Aggregate of Public Shareholding				
	- Number of Shares	462223309	177494293	462223309	177494293
	- Percentage of Shareholding	59.47	59.19	59.47	59.19

Notes :

1. The Company is exclusively in the pharmaceutical business segment.
2. *The paid-up equity share capital stands increased to Rs.155.46 crores (77,72,91,357 equity shares of Rs.2 each) upon allotment of 1,10,46,310 shares underlying Global Depository Receipts (GDRs) and 46,63,74,814 bonus shares during the quarter ended June 2006.
3. **The quarterly Earnings Per Share (EPS) figures are not annualized and previous years' EPS figures are adjusted for the bonus issue.
4. No investor grievances were pending at the beginning of the quarter. During the quarter ended 31st March, 2007, fourteen investor grievances were received. As of 31st March, 2007 all grievances have been suitably replied to.
5. The Company had challenged the inclusion of the drugs – Salbutamol, Theophylline, Ciprofloxacin, Cloxacillin and Norfloxacin – within the ambit of price control. The petition filed by the Company had been decided in favour of the Company by the Bombay High Court, which held that the said drugs were outside the ambit of price control. However, on an appeal filed by the government, the Supreme Court remanded the matter to the Bombay High Court for further and more detailed examination in the light of the principles laid down by the Supreme Court. Pending this, the Supreme Court also gave liberty to government to recover 50% of the amount that they had claimed was overcharged. The government had sent notices to the Company demanding an aggregate of Rs.180.37 crores in respect of the said drugs, which, according to them, was 50% of the amount allegedly overcharged by the Company till July 2003. The Company had not deposited the amount demanded, as in another petition challenging the price fixation notifications of these drugs, the Karnataka High Court had granted an interim stay against the government. Subsequently, in separate proceedings on the same basis as before the Karnataka High Court, the Allahabad High Court had ruled that the prices fixed by the government in respect of the said drugs were ultra vires, illegal and void. On an appeal filed by the government against this ruling, the Supreme Court stayed the judgment of the Allahabad High Court but directed that no prosecution should be launched or coercive action taken against the Company for recovery, till the appeal was finally decided. The Company has, subsequently, in April 2007 received demand notices for the entire 100% of the aforesaid amount along with interest, aggregating Rs.748.27 crores - contrary to the orders of the Supreme Court. The Company has received legal advice that the demand notices of the government are not tenable and sustainable.
6. During the period under review the Company's subsidiary set up at Jebel Ali, Dubai did not undertake any purchase or sale transactions. Consequently, the effect of consolidation in the Company's books is not significant and therefore consolidated figures have not been given separately.
7. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
8.

The above results after being reviewed by the Audit Committee were approved and taken on record at the meeting of the Board of Directors held on 26th April 2007.

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

Mumbai
26th April, 2007

M. K. Hamied
Joint Managing Director

Financial Review - Period ended March 2007

Financial performance:

(Rupees in crores)

	Quarter Ended			Year Ended		
	31-03-07	**31-03-06**	**%change**	**31-03-07**	**31-03-06**	**%change**
Domestic	399.72	349.52	14.4%	1752.28	1506.04	16.4%
Exports						
Formulations	387.87	332.04	16.8%	1297.82	1029.81	26.0%
APIs	141.46	194.59	-27.3%	482.92	483.83	-0.2%
Total Exports	529.33	526.63	0.5%	1780.74	1513.64	17.6%
% of exports to total sales	57.0%	60.1%		50.4%	50.1%	
Total Sales	929.05	876.15	6.0%	3533.02	3019.68	17.0%
Other operating income						
Technology knowhow/fees	24.20	6.18		76.44	41.56	
Others	7.13	23.37		57.59	52.96	
Total	31.33	29.55	6.0%	134.03	94.52	41.8%
Income from Operations	960.38	905.70	6.0%	3667.05	3114.20	17.8%
Operating margin	146.99	190.37	-22.8%	822.73	679.81	21.0%
% to income from operations	15.3%	21.0%		22.4%	21.8%	

Profit before tax	141.68	198.77	-28.7%	800.82	709.84	12.8%
% to income from operations	14.8%	21.9%		21.8%	22.8%	
Profit after tax	125.73	190.77	-34.1%	660.82	607.64	8.8%
% to income from operations	13.1%	21.1%		18.0%	19.5%	

The overall performance for the year 2006-07 in terms of income from operations and profit after tax with a growth of about 18% and 9% respectively has been in line with the estimates of the company.

During the last quarter 2006-07, domestic sales and formulation exports grew by about 14% & 17% respectively, while APIs exports were down by about 27% mainly on account of higher sales to regulated markets in the corresponding quarter of the previous year. Income from operations has increased by 6% for the last quarter.

During the quarter, material cost (as a percent to income from operations) has increased from about 48% to 52% due to change in product mix, in particular higher volume of anti-retrovirals and lower API sales to regulated markets.

Other expenditure for the quarter has increased by about 15% mainly on account of increase in factory overheads such as power & fuel, repairs and stores & spares as well as other expenditure such as selling expenses, professional fees, etc.

Tax for the quarter is in line with the 9-month period ended December 2006. Other income has reduced in the current quarter mainly on account of insurance claims (about Rs. 20 crores) received during the previous year.

The increase in material cost and overheads has resulted in a decline in operating margins from about 21% to 15% during the last quarter 2006-07.