

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30TH JUNE 2016

Particulars	(₹ In crore)			
	Quarter Ended			Year Ended
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited
1. Income from operations				
a) Net Sales/Income from Operations (Net of excise duty)	2653.01	2668.24	3451.09	11676.57
b) Other Operating Income	88.23	60.14	76.86	288.98
Total income from operations (net)	2741.24	2728.38	3527.95	11965.55
2. Expenses				
a) Cost of materials consumed	670.32	754.54	1061.68	3633.34
b) Purchases of stock-in-trade	271.75	308.07	269.51	1037.56
c) Changes in inventories of finished goods, Work-in-progress and stock-in-trade	174.68	263.19	(116.64)	228.35
d) Employee benefits expense	461.53	458.48	459.29	1778.56
e) Depreciation and amortization expense	110.96	113.93	105.31	437.56
f) Other expenses	742.54	835.41	913.95	3234.31
Total expenses	2431.78	2733.62	2693.10	10349.68
3. Profit / (Loss) from operations before Other income, finance costs and exceptional items (1-2)	309.46	(5.24)	834.85	1615.87
4. Other Income	31.19	60.85	113.32	280.26
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	340.65	55.61	948.17	1896.13
6. Finance costs	12.92	29.22	46.75	146.64
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items and tax (5-6)	327.73	26.39	901.42	1749.49
8. Exceptional Items	-	-	-	-
9. Profit / (Loss) from ordinary activities before tax (7+8)	327.73	26.39	901.42	1749.49
10. Tax expense	48.98	(15.11)	206.65	344.95
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	278.75	41.50	694.77	1404.54
12. Other Comprehensive Income / (Loss)	3.20	(1.75)	(1.75)	(7.00)
13. Total Comprehensive Income / (Loss) for the period (11+12)	281.95	39.75	693.02	1397.54
14. Paid-up equity share capital (Face Value ₹2 per equity share)	160.72	160.68	160.62	160.68
15. Earnings per share (₹)				
- Basic	*3.47	*0.52	*8.65	17.49
- Diluted	*3.46	*0.52	*8.62	17.44
*Not Annualised				

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Notes:

- The Company adopted Indian Accounting Standards ('Ind AS') from 1st April 2016 as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. The Company has adopted all standards under Ind AS, and the adoptions were carried out in accordance with Ind AS 101, First-time adoption of Indian Accounting Standards. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34, Interim Financial Reporting.
- Reconciliation between financial results as previously reported under Indian GAAP and Ind AS.

Particulars	(₹ In crore)		
	Profit reconciliation		
	Quarter Ended		Year Ended
	30.06.2015	31.03.2016	31.03.2016
	Unaudited	Unaudited	Unaudited
Net Profit / (Loss) as per Previous GAAP	690.05	34.62	1398.03
Deferment of revenue recognition on customer contracts	1.50	1.77	(9.90)
Impact on account of measuring intercompany loans at amortised cost	4.16	4.16	16.65
Others	1.56	4.59	3.22
Impact on deferred taxes	(2.50)	(3.64)	(3.46)
Net Profit / (Loss) before OCI as per IND AS	694.77	41.50	1404.54

- In 2003, the Company had received a notice of demand from the National Pharmaceutical Pricing Authority, Government of India on account of alleged overcharging in respect of certain drugs under the Drugs (Prices Control) Order, 1995. These included drugs, which were under challenge in the Hon'ble Bombay High Court on the ground that bulk drugs contained in the said formulations are not amenable to price control, based on the parameters contained in the Drug Policy, 1994 on which the DPCO, 1995 was based. Ultimately, these Petitions were decided in favour of the Company and the matter was carried in Appeal to the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India remanded the matter to the Hon'ble Bombay High Court, after laying down some principles for interpretation of the Drug Policy. The Hon'ble Supreme Court also restrained the Government from collecting the 50% of the alleged "overcharged" amount upon the Petitioners depositing the balance 50% within 4 weeks. The Company had not deposited the amount in view of the Interim Orders passed in separate Petitions filed in the Hon'ble Karnataka High Court on different grounds. An identical Petition was filed subsequently in the Allahabad High Court, which was decided in favour of the Company. The matter was then carried on to the Hon'ble Supreme Court by the Government and is being heard there. Although in the challenge to the decision of the Hon'ble Bombay High Court, the Hon'ble Supreme Court of India had remanded the matter to the Hon'ble Bombay High Court in August 2003 for interpreting the Drug Policy on the basis of directions and principles laid down by them and the same was pending, in the challenge to the Hon'ble High Court of Allahabad's order, in February 2013, the Hon'ble Supreme Court of India had transferred the Bombay High Court petitions also before itself for a final hearing on both the matters. These Petitions were thereafter transferred back to Bombay High Court vide order dated 20th July 2016, along with directions given by the Hon'ble Supreme Court that the 50% of the alleged "overcharged" amount mentioned in its earlier Order should be deposited by the Petitioners in the Bombay Petitions, within 6 weeks. Accordingly, the Company will be depositing a sum of ₹175.07 crore on or before 31st August 2016. The Company has been legally advised that on the merits of the cases that there is very little likelihood of these demands crystallising. Hence no provision is considered necessary in respect of notices of demand received by the company up to date aggregating to ₹1768.51 crore.
- During the quarter ended 30th June 2016, in accordance with Employee Stock Option Scheme dated 31st October 2013 ("ESOS 2013-A"), 27,702 stock options have been granted to employees of the Company and its subsidiary companies at an exercise price equal to face value of the equity share. These options would vest not earlier than 1 year and not later than 2 years from the date of grant of options.
- The paid-up equity share capital stands increased to ₹160.72 crore (80,36,04,792 equity shares of ₹2 each) upon allotment of 220,510 equity shares of ₹2 each pursuant to ESOS 2013-A during the quarter ended 30th June 2016.
- The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.
- The above results have been reviewed by the Audit Committee and approved by Board of Directors at its meeting held on 12th August 2016. The results for the quarter ended 30th June 2016 has been reviewed by Statutory Auditors. The results for the quarters ended 30th June 2015 & 31st March 2016 and year ended 31st March 2016 have not been subjected to review or audit, as applicable.

By order of the Board
For CIPLA LIMITED



Subhanu Saxena

Managing Director and Global Chief Executive Officer

Mumbai
12th August 2016