

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

(₹ in crore)

Particulars	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)	3499.81	3192.38	3761.00	13313.86
b) Other Operating Income	93.91	61.65	77.45	295.90
Total income from operations (net)	3593.72	3254.03	3838.45	13609.76
2. Expenses				
a) Cost of materials consumed	929.25	981.04	1187.72	4178.12
b) Purchases of stock-in-trade	262.15	287.97	217.45	848.19
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	179.05	141.89	(161.89)	63.55
d) Employee benefits expense	686.57	655.88	616.17	2434.01
e) Depreciation and amortisation expense	160.81	241.06	149.43	715.90
f) Other expenses	925.73	1015.05	924.47	3610.36
Total expenses	3143.56	3322.89	2933.35	11850.13
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	450.16	(68.86)	905.10	1759.63
4. Other Income	25.20	59.67	50.49	217.00
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	475.36	(9.19)	955.59	1976.63
6. Finance costs	31.34	47.57	63.85	206.19
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items and tax (5-6)	444.02	(56.76)	891.74	1770.44
8. Exceptional Items	-	-	-	-
9. Profit / (Loss) from ordinary activities before tax (7+8)	444.02	(56.76)	891.74	1770.44
10. Tax expense	70.81	(45.65)	241.78	377.88
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	373.21	(11.11)	649.96	1392.56
12. Share of Profit / (Loss) of associates	(2.12)	(5.37)	(0.29)	(12.02)
13. Minority Interest	5.85	8.71	0.45	30.17
14. Net Profit / (Loss) after minority Interest and share of profit/loss of associates (11+12-13)	365.24	(25.19)	649.22	1350.37
15. Other Comprehensive Income / (Loss)	31.07	0.30	7.79	(246.43)
16. Total Comprehensive Income/(Loss) for the period (14+15)	396.31	(24.89)	657.01	1103.94
17. Paid-up equity share capital (Face Value ₹2 per equity share)	160.72	160.68	160.62	160.68
18. Earnings per share (₹)				
- Basic	*4.55	*(0.31)	*8.09	16.81
- Diluted	*4.53	*(0.31)	*8.05	16.77
*Not Annualised				

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Segment Information

(₹ in crore)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2016	31.03.2016	30.06.2015	31.03.2016
		Unaudited	Unaudited	Unaudited	Unaudited
	Segment wise revenue and results				
1	Segment revenues:				
	a) Pharmaceuticals	3574.43	3240.61	3828.33	13559.60
	b) New Ventures	19.90	13.64	10.12	50.38
	Total	3594.33	3254.25	3838.45	13609.98
	Less : Inter segment revenue	0.61	0.22	-	0.22
	Add : Other unallocable Income	-	-	-	-
	Total Income from Operations	3593.72	3254.03	3838.45	13609.76
2	Segment results:				
	Profit / (Loss) before tax and interest from each segment				
	a) Pharmaceuticals	508.54	40.05	966.92	2097.30
	b) New Ventures	(33.18)	(49.24)	(11.33)	(120.67)
	Total	475.36	(9.19)	955.59	1976.63
	Less:				
	i) Interest	31.34	47.57	63.85	206.19
	ii) Other net unallocable expenditure / (income)	-	-	-	-
	Total Profit / (Loss) before Tax	444.02	(56.76)	891.74	1770.44

Segment Assets and Liabilities

As some of the assets and liabilities are deployed interchangeably across segments, it is not practically possible to allocate those assets and liabilities to each segment. Hence, the details of assets and liabilities have not been disclosed in the above table.

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.

(₹ in crore)

Particulars	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	650.61	80.87	1505.92
Deferment of revenue recognition on customer contracts	1.50	1.77	(9.90)
Acquisition related costs expensed	(2.35)	(55.68)	(63.22)
Net increase in depreciation/amortisation on account of retrospective application of accounting for Business Combination	(17.19)	(40.06)	(90.01)
Intangible Assets written off - not eligible for recognition under previous GAAP	-	(61.24)	(80.25)
Others	2.01	2.94	6.86
Impact on deferred taxes	8.49	41.75	61.71
Impact on Minority interest	6.15	4.46	19.26
Net Profit / (Loss) before OCI as per IND AS	649.22	(25.19)	1350.37

3. 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.
4. 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.
5. 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.
6. The company's wholly owned subsidiary acquired 100% stake in two US based companies, InvaGen Pharmaceuticals Inc. ("Invagen") and Exelan Pharmaceuticals Inc. ("Exelan"). Both Invagen and Exelan effectively became company's wholly owned subsidiaries with effect from 17th February 2016. The Company is in the process of making a final determination of the fair values of assets acquired and liabilities assumed, accordingly the Company has carried out provisional accounting under Ind AS 103, "Business Combinations" for the quarter ended 30th June 2016. Finalisation of the purchase price allocation is expected to be completed by 31st December 2016.
7. The Unaudited Standalone financial results for the quarter ended 30th June, 2016 is available on the Company's website i.e. www.cipla.com under Investor Information section and on the stock exchange websites i.e. www.bseindia.com and www.nseindia.com. The key standalone financial information are as under:

Particulars	Quarter Ended			Year Ended
	30.06.2016	31.03.2016	30.06.2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited
Total income from operations (net)	2741.24	2728.38	3527.95	11965.55
Profit before tax	327.73	26.39	901.42	1749.49
Profit after tax	278.75	41.50	694.77	1404.54

8. The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.
9. 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 and 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