

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER AND HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2016**

(₹ in crore)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1. Income from operations</b>						
a) Net Sales/Income from Operations (Inclusive of excise duty)	2738.61	2702.23	2994.66	5440.84	6468.40	11828.74
b) Other Operating Income	75.38	88.23	76.13	163.61	153.00	288.98
<b>Total income from operations</b>	<b>2813.99</b>	<b>2790.46</b>	<b>3070.79</b>	<b>5604.45</b>	<b>6621.40</b>	<b>12117.72</b>
<b>2. Expenses</b>						
a) Cost of materials consumed	758.38	670.32	926.97	1428.70	1988.65	3633.34
b) Purchases of stock-in-trade	272.55	271.75	195.19	544.30	464.70	1037.56
c) Changes in inventories of finished goods, Work-in-progress and stock-in-trade	52.72	174.68	49.74	227.40	(66.90)	228.35
d) Employee benefits expense	452.40	461.53	422.92	913.93	882.21	1778.56
e) Depreciation and amortization expense	128.94	110.96	107.49	239.90	212.80	437.56
f) Other expenses	826.14	791.78	803.72	1617.92	1740.32	3386.48
<b>Total expenses</b>	<b>2491.13</b>	<b>2481.02</b>	<b>2506.03</b>	<b>4972.15</b>	<b>5221.78</b>	<b>10501.85</b>
<b>3. Profit / (Loss) from operations before Other income, finance costs and exceptional items (1-2)</b>	<b>322.86</b>	<b>309.44</b>	<b>564.76</b>	<b>632.30</b>	<b>1399.62</b>	<b>1615.87</b>
<b>4. Other Income</b>	<b>32.77</b>	<b>31.21</b>	<b>37.74</b>	<b>63.98</b>	<b>151.07</b>	<b>280.30</b>
<b>5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>355.63</b>	<b>340.65</b>	<b>602.50</b>	<b>696.28</b>	<b>1550.69</b>	<b>1896.17</b>
<b>6. Finance costs</b>	<b>6.80</b>	<b>13.07</b>	<b>49.12</b>	<b>19.87</b>	<b>95.88</b>	<b>147.07</b>
<b>7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items and tax (5-6)</b>	<b>348.83</b>	<b>327.58</b>	<b>553.38</b>	<b>676.41</b>	<b>1454.81</b>	<b>1749.10</b>
<b>8. Exceptional Items</b>	-	-	-	-	-	-
<b>9. Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>348.83</b>	<b>327.58</b>	<b>553.38</b>	<b>676.41</b>	<b>1454.81</b>	<b>1749.10</b>
<b>10. Tax expense</b>	<b>19.59</b>	<b>48.93</b>	<b>21.29</b>	<b>68.52</b>	<b>227.94</b>	<b>295.68</b>
<b>11. Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>329.24</b>	<b>278.65</b>	<b>532.09</b>	<b>607.89</b>	<b>1226.87</b>	<b>1453.42</b>
<b>12. Other Comprehensive Income / (Loss)</b>	<b>(2.23)</b>	<b>3.20</b>	<b>(1.75)</b>	<b>0.97</b>	<b>(3.50)</b>	<b>(7.00)</b>
<b>13. Total Comprehensive Income / (Loss) for the period (11+12)</b>	<b>327.01</b>	<b>281.85</b>	<b>530.34</b>	<b>608.86</b>	<b>1223.37</b>	<b>1446.42</b>
<b>14. Paid-up equity share capital (Face Value ₹2 per equity share)</b>	<b>160.84</b>	<b>160.72</b>	<b>160.62</b>	<b>160.84</b>	<b>160.62</b>	<b>160.68</b>
<b>15. Earnings per share (₹)</b>						
- Basic	*4.10	*3.47	*6.63	*7.57	*15.28	18.10
- Diluted	*4.09	*3.46	*6.59	*7.55	*15.22	18.05
*Not Annualised						



Notes:

- The Company adopted Indian Accounting Standards ('Ind AS') from 1<sup>st</sup> 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	Half year ended	Year Ended
	30.09.2015	30.09.2015	31.03.2016
	Unaudited	Unaudited	Unaudited
<b>Net Profit / (Loss) as per Previous GAAP</b>	<b>407.38</b>	<b>1097.43</b>	<b>1398.03</b>
Deferment of revenue recognition on customer contracts	(14.95)	(13.45)	(9.90)
Impact on account of measuring intercompany loans at amortised cost	4.16	8.32	16.65
Others	2.41	3.97	2.83
Impact on deferred taxes	133.09	130.60	45.81
<b>Net Profit / (Loss) before OCI as per IND AS</b>	<b>532.09</b>	<b>1226.87</b>	<b>1453.42</b>

- The Company had received notices of demand from the National Pharmaceutical Pricing Authority (NPPA), Government of India, on account of alleged overcharging in respect of certain drugs under the Drugs (Prices Control) Order, 1995 ("DPCO, 1995"). These notices have been subject to challenge by the Company on the question of fixation of retail prices without adhering to the formula/process laid down in DPCO, 1995 and also if some of the specified drugs be subjected to price control, based on the parameters contained in the Drug Policy, 1994. The Company challenged these notices 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 is based and in the Hon'ble Allahabad High Court on process followed for fixation of pricing norms. These Petitions were decided in favour of the Company and the matters were carried in Appeal by the Government to the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India in August 2003 remanded the question of inclusion of certain drugs under price control to the Hon'ble Bombay High Court, after interpreting some of the criteria laid down in the Drug policy for inclusion/exclusion of drugs under price control.

In February 2013, the Hon'ble Supreme Court of India transferred the Hon'ble 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 20<sup>th</sup> July 2016, along with directions that 50% of the demands raised as mentioned in its earlier Order dated August 2003 be deposited by the Petitioners in the Bombay Petitions, within six (6) weeks. Accordingly, the Company deposited a sum of ₹175.08 Crores on 22<sup>nd</sup> August 2016.

The Hon'ble Supreme Court of India vide its Order and Judgment dated 21<sup>st</sup> October 2016, allowed the Appeals filed by the Government against the Judgment and Order of the Hon'ble Allahabad High Court regarding fixation of retail prices. Further, the said order was specific to fixation of retail prices without adhering to the formula/process laid down in DPCO, 1995. The grounds relating to inclusion of certain drugs within the span of price control continues to be sub-judice with the Hon'ble Bombay High Court. The Company has been legally advised that it has a substantially strong case on the merits of the matter, especially under the guidelines/principles of interpretation of the Drug Policy enunciated by the Hon'ble Supreme Court of India. Although, the recent decision of Hon'ble Supreme Court dated 21<sup>st</sup> October 2016 referred above was in favour of the Government, basis the facts and legal advice on the matter sub-judice with the Hon'ble Bombay High Court, no provision is considered necessary in respect of the notices of demand received till date aggregating to ₹1768.51 crore. It may be noted that NPPA in its public disclosure has stated the total demand amount against the Company to be ₹2567.53 crore, however, the Company has not received any further notices beyond an aggregate amount of ₹1768.51 crore.

- During the quarter ended 30<sup>th</sup> September 2016, in accordance with Employee Stock Option Scheme dated 31<sup>st</sup> October 2013 ("ESOS 2013-A"), 20,280 stock options have been granted to employee of the Company 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 ₹160.84 crore (80,42,10,471 equity shares of ₹2 each) and securities premium stands increased to ₹1487.46 crore upon allotment of 5,679 equity shares of ₹2 each pursuant to ESOS 2013-A and allotment of 6,00,000 equity shares of ₹2 each pursuant to ESOS 2013 during the quarter ended 30<sup>th</sup> September 2016.
- The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.

7. The Standalone Statement of Assets and Liabilities is as under:

Particulars	(₹ in crore)	
	As at 30.09.2016	As at 31.03.2016
	Unaudited	Unaudited
<b>A. ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, Plant and Equipment	3691.00	3684.69
(b) Capital work-in-progress	723.50	512.81
(c) Investment Property	0.33	0.33
(d) Goodwill	8.82	8.82
(e) Other Intangible assets	103.81	115.01
(f) Intangible assets under development	47.63	37.91
(g) Financial Assets		
(i) Investments	3671.35	3593.48
(ii) Loans	222.66	221.58
(iii) Others	36.76	40.05
(h) Current tax assets (net)	215.76	172.03
(i) Other non-current assets	261.14	244.58
<b>Total Non-Current Assets</b>	<b>8982.76</b>	<b>8631.29</b>
<b>2. Current Asset</b>		
(a) Inventories	2468.45	2918.47
(b) Financial Assets		
(i) Investments	551.53	539.52
(ii) Trade Receivable	2118.99	1894.34
(iii) Cash & Bank Balance	231.36	53.01
(iv) Loans	202.83	24.59
(c) Other current assets	999.43	1035.52
<b>Total Current Assets</b>	<b>6572.59</b>	<b>6465.45</b>
<b>Total Assets</b>	<b>15555.35</b>	<b>15096.74</b>
<b>B. EQUITY &amp; LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity Share capital	160.84	160.68
(b) Other Equity	12162.08	11710.62
<b>Total Equity</b>	<b>12322.92</b>	<b>11871.30</b>
<b>2. Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	0.07	0.13
(ii) Others	40.00	40.00
(b) Provisions	146.58	132.00
(c) Deferred tax liabilities (net)	22.67	10.26
(d) Other non-current liabilities	84.34	88.57
<b>Total Non-current Liabilities</b>	<b>293.66</b>	<b>270.96</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	749.57	1131.69
(ii) Trade Payables	1072.88	990.83
(iii) Others	499.68	314.73
(b) Other current liabilities	368.00	268.02
(c) Provisions	248.64	249.21
<b>Total Current Liabilities</b>	<b>2938.77</b>	<b>2954.48</b>
<b>Total Equity And Liabilities</b>	<b>15555.35</b>	<b>15096.74</b>

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8. The above results have been reviewed by the Audit Committee and approved by Board of Directors at its meeting held on 9<sup>th</sup> November 2016. The results for the quarter and half year ended 30<sup>th</sup> September 2016 has been reviewed by the Statutory Auditors. The results for the quarter and half year ended 30<sup>th</sup> September 2015, prepared under the erstwhile accounting standards have been reviewed by the previous Joint Statutory Auditors and differences in the accounting principles adopted by the Company on transition to Ind AS have been reviewed by the Statutory Auditors. The results for year ended 31<sup>st</sup> March 2016, prepared under the erstwhile accounting standards have been audited by the previous Joint Statutory Auditors and differences in accounting principles adopted by the Company on transition to Ind AS are reviewed by Statutory Auditors.

By order of the Board  
For CIPLA LIMITED



Umang Vohra

Mumbai  
9<sup>th</sup> November 2016

*Managing Director and Global Chief Executive Officer*