

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2017

(` in crore)

Particulars	Quarter Ended			Year Ended	
	31/03/2017	31/12/2016	31/03/2016	31/03/2017	31/03/2016
	Unaudited	Unaudited	Unaudited	Audited	Audited
1. Income from operations					
a) Net Sales/Income from Operations (Inclusive of excise duty)	2608.51	2587.75	2722.64	10637.08	11828.74
b) Other Operating Income	86.66	87.25	60.14	337.50	288.98
Total income from operations	2695.17	2675.00	2782.78	10974.58	12117.72
2. Other Income	30.57	44.68	60.37	129.85	280.30
3. Total Income (1+2)	2725.74	2719.68	2843.15	11104.43	12398.02
4. Expenses					
a) Cost of materials consumed	801.16	726.18	754.54	2956.04	3633.34
b) Purchases of stock-in-trade	316.72	267.97	308.07	1128.99	1037.56
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(135.44)	(35.69)	263.19	56.27	228.35
d) Employee benefit expenses	394.44	420.59	458.48	1728.97	1778.56
e) Finance costs	4.02	15.31	29.39	39.20	147.07
f) Depreciation and amortisation expense	125.17	134.91	119.05	499.97	442.69
g) Other expenses	884.13	763.98	889.81	3256.64	3386.48
h) Impairment of Investment	251.41	-	-	251.41	-
Total expenses	2641.61	2293.25	2822.53	9917.49	10654.05
5. Profit (+)/Loss (-) before tax (3-4)	84.13	426.43	20.62	1186.94	1743.97
6. Tax expense	58.27	85.21	11.43	212.00	281.67
7. Net Profit (+)/Loss (-) after tax (5-6)	25.86	341.22	9.19	974.94	1462.30
8. Other Comprehensive Income/(Loss)	6.23	(0.27)	(1.75)	6.93	(7.00)
9. Total Comprehensive Income/(Loss) for the period (7+8)	32.09	340.95	7.44	981.87	1455.30
10. i) Basic Earnings per share (₹)	* 0.32	* 4.25	* 0.11	12.13	18.21
ii) Diluted Earnings per share (₹)	* 0.32	* 4.24	* 0.11	12.11	18.16

*Not Annualised

Notes:

1. The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, read with relevant rules and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016. The Company has first time adopted Ind AS from April 1, 2016 in accordance with Ind AS 101.

2. Reconciliation between financial results as previously reported under Indian GAAP and Ind AS.

Particulars	Profit reconciliation	
	Quarter Ended	Year ended
	31/03/2016	31/03/2016
Net Profit / (Loss) as per Previous GAAP	34.62	1,398.03
Actuarial (gain)/loss reclassified to Other Comprehensive Income	10.71	10.71
Deferment of revenue recognition on customer contracts	1.77	(9.90)
Discounting of contingent consideration on acquisition	(14.54)	(14.54)
Deferred Tax adjustments on Ind AS adjustment	(30.17)	59.83
Impact on account of measuring intercompany loans at amortised cost	4.17	16.65
Others	2.63	1.52
Net Profit / (Loss) before OCI as per IND AS	9.19	1462.30

3. The Directors at their meeting held today recommended payment of dividend of ₹ 2 per equity share (face value ₹2 per equity share) for the year 2016-2017 amounting to ₹160.90 crore.

4. 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 20th 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 22nd August 2016.

The Hon'ble Supreme Court of India vide its Order and Judgment dated 21st 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 21st 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.

5. The paid-up equity share capital stands increased to ₹160.90 crore (80,45,10,074 equity shares of ₹2 each) upon allotment of 1,15,694 equity shares of ₹2 each pursuant to ESOS 2013-A during the quarter ended 31st March 2017.

6 The above result for the quarter and year ended 31st March 2017 includes provision for impairment of investment in wholly owned subsidiary Cipla Biotech Pvt Ltd amounting to ₹ 251.41 Crore.

7. During the quarter ended 31st March 2017 the company has commenced commercial production at its newly built formulation facility at Sikkim

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 Audited Standalone Statement of assets and liabilities is as under:

(₹ in crore)

Particulars	As at 31.03.2017	As at 31.03.2016
	Audited	Audited
A. ASSETS		
1. Non-Current Assets		
(a) Property, Plant and Equipment	4095.16	3702.28
(b) Capital work-in-progress	540.52	512.81
(c) Investment Property	0.32	0.33
(d) Other Intangible assets	140.10	123.83
(e) Intangible assets under development	15.25	37.91
(f) Financial Assets		
(i) Non-Current Investment in Subsidiaries	3647.71	3716.26
(ii) Loans	215.75	219.37
(iii) Others Financials Assets	57.08	40.04
(g) Current tax assets (net)	192.24	172.03
(h) Deferred tax assets (net)	59.54	-
(i) Other non-current assets	298.21	246.82
Total Non-Current Assets	9261.88	8771.68
2. Current Asset		
(a) Inventories	2653.50	2918.47
(b) Financial Assets		
(i) Investments	638.18	539.52
(ii) Trade Receivable	1938.79	1896.41
(iii) Cash & Cash equivalents	44.60	39.76
(iv) Bank balance other than cash and cash equivalents	13.86	13.25
(v) Loans	9.53	10.92
(vi) Other receivables	206.87	25.73
(c) Other current assets	840.01	1023.31
Total Current Assets	6345.34	6467.37
Total Assets	15607.22	15239.05
B. EQUITY & LIABILITIES		
1. Equity		
(a) Equity Share capital	160.90	160.68
(b) Other Equity	12639.61	11825.20
Total Equity	12800.51	11985.88
2. Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	0.07	0.13
(ii) Other financial liabilities	45.06	42.12
(b) Provisions	125.61	132.00
(c) Deferred tax liabilities (net)	-	35.85
(d) Other non-current liabilities	80.14	88.60
Total Non-current Liabilities	250.88	298.70
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	324.26	1131.68
(ii) Trades Payables	1298.21	990.84
(iii) Other current financial liabilities	455.60	484.02
(b) Other current liabilities	229.83	98.71
(c) Short-term provisions	247.93	249.22
Total Current Liabilities	2555.83	2954.47
Total Equity And Liabilities	15607.22	15239.05

10. Reconciliation between equity as previously reported under Indian GAAP and Ind AS.
(₹ in crore)

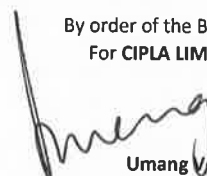
Particulars	Equity reconciliation	
	Year ended	
	31/03/2016	
Equity as per Previous GAAP	12339.29	
Dividend and tax thereon	193.38	
Difference in measurement of employee share based payments on account of fair value	(0.14)	
Unwinding of discounted contingent consideration relating to acquisition	(23.16)	
Impact of Interest free/Concessional Loan given to subsidiaries	44.74	
Impact of Government grant accounting	(18.83)	
Fair Valuation of Investments in Subsidiary	(632.50)	
Acquisition-related costs expensed	(45.29)	
Deferment of revenue recognition on customer contracts	(88.80)	
Deferred Tax impact of Ind AS adjustment	208.09	
Others	9.10	
Equity as per IND AS	11985.88	

11. The figures for the quarter ended 31 March 2017 and 2016 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the figures for the third quarter of the relevant financial year.

12. The above results have been reviewed by the Audit Committee and approved by Board of Directors at its meeting held on 25th May 2017. The results for the quarter and year ended 31st March 2017 has been audited by the Statutory Auditors. The results for the quarter ended 31st March 2016, 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 31st 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 audited by the Statutory Auditors

Mumbai
25th May 2017

By order of the Board
For CIPLA LIMITED



Umang Vohra

Managing Director and Global Chief Executive Officer

