

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>st</sup> 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
<b>1. Income from operations</b>					
a) Net Sales/Income from Operations (Inclusive of excise duty)	3487.04	3563.63	3252.86	14280.86	13494.20
b) Other Operating Income	94.96	83.58	61.65	349.38	295.90
Total income from operations	3582.00	3647.21	3314.51	14630.24	13790.10
<b>2. Other Income</b>	22.79	153.49	59.40	228.69	208.21
<b>3. Total Income (1+2)</b>	3604.79	3800.70	3373.91	14858.93	13998.31
<b>4. Expenses</b>					
a) Cost of materials consumed	1243.52	1055.88	981.04	4272.66	4178.12
b) Purchases of stock-in-trade	183.28	190.48	287.98	933.50	848.19
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(111.33)	54.78	141.89	110.96	63.55
d) Employee benefit expenses	638.92	633.06	656.08	2633.82	2434.01
e) Finance costs	33.40	59.33	47.73	159.38	206.63
f) Depreciation, impairment and amortisation expense	632.19	257.74	269.71	1322.93	754.22
g) Other expenses	1121.37	1035.37	1071.38	4203.51	3786.56
Total expenses	3741.35	3286.64	3455.81	13636.76	12271.28
<b>5. Profit (+)/Loss (-) before tax (3-4)</b>	(136.56)	514.06	(81.90)	1222.17	1727.03
<b>6. Tax expense</b>	(75.70)	128.27	(0.58)	179.76	331.59
<b>7. Net Profit (+)/Loss (-) after tax (5-6)</b>	(60.86)	385.79	(81.32)	1042.41	1395.44
<b>8. Share of Profit (+) / Loss (-) of associates</b>	(1.93)	(0.88)	(5.37)	(6.99)	(12.02)
<b>9. Minority Interest</b>	(1.00)	10.09	6.14	29.03	23.43
<b>10. Net Profit (+) / Loss (-) for the period (7+8-9)</b>	(61.79)	374.82	(92.83)	1006.39	1359.99
<b>11. Other Comprehensive Income/ (Loss)</b>	(41.21)	88.44	123.43	167.27	(223.37)
<b>12. Total Comprehensive Income /(Loss) for the period (10+11)</b>	(103.00)	463.26	30.60	1173.66	1136.62
<b>13. i) Basic Earnings per share (`)</b>	* (0.77)	* 4.66	* (1.16)	12.52	16.93
<b>ii) Diluted Earnings per share (`)</b>	* (0.77)	* 4.65	* (1.15)	12.50	16.89
*Not Annualised					

## Segment Information

(₹ 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
<b>Segment wise revenue and results</b>					
<b>Segment revenues:</b>					
a) Pharmaceuticals	3554.06	3622.52	3301.09	14537.06	13739.94
b) New Ventures	28.32	25.15	13.64	95.29	50.38
<b>Total</b>	<b>3582.38</b>	<b>3647.67</b>	<b>3314.73</b>	<b>14632.35</b>	<b>13790.32</b>
Less : Inter segment revenue	0.38	0.46	0.22	2.11	0.22
<b>Total Income from Operations</b>	<b>3582.00</b>	<b>3647.21</b>	<b>3314.51</b>	<b>14630.24</b>	<b>13790.10</b>
<b>Segment results:</b>					
Profit / (Loss) before tax and interest from each segment					
a) Pharmaceuticals	(7.54)	518.55	15.07	1502.47	2054.33
b) New Ventures	(95.62)	54.84	(49.24)	(120.92)	(120.67)
<b>Total</b>	<b>(103.16)</b>	<b>573.39</b>	<b>(34.17)</b>	<b>1381.55</b>	<b>1933.66</b>
Less:					
Finance Cost	33.40	59.33	47.73	159.38	206.63
<b>Total Profit / (Loss) before Tax</b>	<b>(136.56)</b>	<b>514.06</b>	<b>(81.90)</b>	<b>1222.17</b>	<b>1727.03</b>
Less : Tax expense	(75.70)	128.27	(0.58)	179.76	331.59
<b>Net Profit / (Loss) after Tax</b>	<b>(60.86)</b>	<b>385.79</b>	<b>(81.32)</b>	<b>1042.41</b>	<b>1395.44</b>

## 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:

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.

(₹ in crore)

Particulars	Profit reconciliation	
	Quarter Ended	Year ended
	31/03/2016	31/03/2016
<b>Net Profit / (Loss) as per Previous GAAP</b>	<b>80.87</b>	<b>1505.92</b>
Actuarial (gain)/loss reclassified to Other Comprehensive Income	12.58	12.58
Deferment of revenue recognition on customer contracts	1.77	(9.90)
Unwinding of discounted contingent consideration relating to acquisition	(14.54)	(14.54)
Acquisition-related costs expensed	(51.54)	(59.08)
Amortisation of intangible Assets recognised as per Ind AS 103 - Business Combinations	(40.38)	(97.60)
Recognition of Intangible assets not eligible for recognition under previous GAAP	(92.34)	(109.71)
Others	7.06	(1.63)
Deferred Tax impact of Ind AS adjustment	(3.32)	108.00
Share of Non controlling interests in Ind AS Adjustments	7.01	25.95
<b>Net Profit / (Loss) before OCI as per IND AS</b>	<b>(92.83)</b>	<b>1359.99</b>

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 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.

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 31<sup>st</sup> March 2017.

6. Depreciation, impairment and amortisation expense of quarter and year ended 31<sup>st</sup> March, 2017 includes :

(i) Impact of the non cash impairment of certain product related intangible assets of US generics business amounting to ₹214.42 crore (net of tax) due to adverse litigation and regulatory developments on select products.

(ii) Provision amounting to ₹ 56 crore in relation to certain assets in the Company's wholly owned subsidiary Cipla Biotec Pvt. Ltd.

7. During the quarter ended 31<sup>st</sup> 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 financial results for the quarter and year ended 31<sup>st</sup> March 2017 is available on the Company's website i.e. [www.cipla.com](http://www.cipla.com) under Investor Information section and on the stock exchange websites i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The key standalone financial information are as under:

(₹ 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
Total income from operations	2695.17	2675.00	2782.78	10974.58	12117.72
Profit before tax	84.13	426.43	20.62	1186.94	1743.97
Profit after tax	25.86	341.22	9.19	974.94	1462.30

10. The Audited Consolidated Statement of assets and liabilities is as under:

(₹ in crore)

Particulars	As at 31.03.2017	As at 31.03.2016
	Audited	Audited
<b>A. ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, Plant and Equipment	5008.69	4604.85
(b) Capital work-in-progress	719.23	741.01
(c) Investment Property	1.74	1.07
(d) Goodwill on Consolidation	2678.43	2705.57
(e) Other Intangible assets	1784.88	2057.90
(f) Intangible assets under development	963.75	1319.86
(g) Investment in associate	12.40	16.82
(h) Financial Assets		
(i) Investments	123.22	158.46
(ii) Loans	39.48	41.84
(iii) Other Financial Assets	113.77	76.28
(i) Current tax assets (net)	241.21	234.71
(j) Deferred tax assets	168.13	78.69
(k) Other non-current assets	292.20	249.89
<b>Total Non-Current Assets</b>	<b>12147.13</b>	<b>12286.95</b>
<b>2. Current Asset</b>		
(a) Inventories	3485.28	3808.05
(b) Financial Assets		
(i) Investments	837.39	582.34
(ii) Trade Receivable	2497.42	2356.27
(iii) Cash and cash equivalents	610.35	858.15
(iv) Bank balance other than cash and cash equivalents	13.86	13.25
(v) Loans	9.53	10.92
(vi) Other Receivables	392.37	136.91
(c) Other current assets	890.81	1075.34
<b>Total Current Assets</b>	<b>8737.01</b>	<b>8841.23</b>
<b>Assets classified as held for sale</b>	<b>85.91</b>	<b>-</b>
<b>Total Assets</b>	<b>20970.05</b>	<b>21128.18</b>
<b>B. EQUITY &amp; LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity Share capital	160.90	160.68
(b) Other Equity	12364.52	11355.54
<b>Total Equity</b>	<b>12525.42</b>	<b>11516.22</b>
<b>2. Non Controlling Interest</b>	<b>438.23</b>	<b>350.09</b>
<b>3. Liabilities</b>		
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	3645.36	221.88
(ii) Other financial liabilities	45.06	42.11
(b) Provisions	140.52	144.68
(c) Deferred tax liabilities (net)	756.89	975.73
(d) Other non-current liabilities	93.65	101.42
<b>Total Non-current Liabilities</b>	<b>4681.48</b>	<b>1485.82</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	467.23	4969.67
(ii) Trades Payables	1571.14	1475.82
(iii) Other current financial liabilities	657.43	737.84
(b) Other current liabilities	266.36	268.30
(c) Short Term provisions	321.90	310.85
(d) Current tax liabilities (net)	24.01	13.57
<b>Total Current Liabilities</b>	<b>3308.07</b>	<b>7776.05</b>
<b>Liabilities classified as held for sale</b>	<b>16.85</b>	<b>-</b>
<b>Total Equity And Liabilities</b>	<b>20970.05</b>	<b>21128.18</b>

11. Reconciliation between equity as previously reported under Indian GAAP and Ind AS.

(₹ In crore)

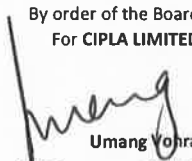
Particulars	Year ended 31.03.2016
Equity as per Previous GAAP	11857.42
Settlement of Pre-existing relationship	(411.03)
Dividend and tax thereon	193.28
Net increase in depreciation/amortisation on account of retrospective application of accounting for Business Combination	(239.43)
Gain/(Loss) on step up acquisition	69.04
Deferment of revenue recognition on customer contracts	(88.80)
Acquisition-related costs expensed	(109.61)
Impact of Government grant accounting	(26.87)
Recognition of Intangible assets not eligible for recognition under previous GAAP	(139.18)
Discounting of contingent consideration on acquisition	(23.15)
Difference in measurement of employee share based payments on account of fair value	(0.53)
Others	2.49
Deferred Tax on Ind AS adjustment	376.67
Non controlling interest of above adjustments	55.92
Equity as per Ind AS	11516.22

12. 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.

13. 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  
25<sup>th</sup> May 2017

By order of the Board  
For CIPLA LIMITED

  
Umang Vohra  
Managing Director and Global Chief Executive Officer

Managing Director and Global Chief Executive Officer

