

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2017

(₹ In crore)

Particulars	Quarter ended			Year ended
	30-06-2017	31-03-2017	30-06-2016	31-03-2017
	Unaudited	Audited	Unaudited	Audited
1. Income from operations				
a) Net sales/income from operations (Inclusive of excise duty)	2,605.16	2,608.51	2,702.23	10,637.08
b) Other operating income	79.09	86.66	88.23	337.50
Total income from operations	2,684.25	2,695.17	2,790.46	10,974.58
2. Other income	50.64	30.57	31.21	129.85
3. Total income (1+2)	2,734.89	2,725.74	2,821.67	11,104.43
4. Expenses				
a) Cost of materials consumed	746.08	801.16	670.32	2,956.04
b) Purchases of stock-in-trade	271.48	316.72	271.75	1,128.99
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(40.70)	(135.44)	174.68	56.27
d) Employee benefits expense	443.09	394.44	461.53	1728.97
e) Finance costs	0.76	4.02	13.07	39.20
f) Depreciation, impairment and amortisation expense	126.22	125.17	110.96	499.97
g) Other expenses	846.91	884.13	791.78	3,256.64
h) Impairment of investment	-	251.41	-	251.41
Total expenses	2,393.84	2,641.61	2,494.09	9,917.49
5. Profit (+)/loss (-) before tax (3-4)	341.05	84.13	327.58	1,186.94
6. Tax expense				
a) Current income tax	71.44	91.30	35.40	311.06
b) Deferred income tax expense //(benefits)	10.60	(33.03)	13.53	(99.06)
Total Tax expense	82.04	58.27	48.93	212.00
7. Net profit (+)/loss (-) after tax (5-6)	259.01	25.86	278.65	974.94
8. Other comprehensive income/(loss) for the period				
(i) Items that will not be reclassified to statement of profit and loss	(7.96)	8.39	4.89	10.60
(ii) Income tax on items that will not be reclassified to statement of profit and loss	2.76	(2.16)	(1.69)	(3.67)
Other Comprehensive income/(loss) for the period	(5.20)	6.23	3.20	6.93
9. Total Comprehensive income /(loss) for the period (7+8)	253.81	32.09	281.85	981.87
10. Paid-up equity share capital (face value ₹2/- each)	160.91	160.90	160.72	160.90
11. Other equity	-	-	-	12,639.61
12. a) Basic earnings per share (₹)	* 3.22	* 0.32	* 3.47	12.13
b) Diluted earnings per share (₹)	* 3.21	* 0.32	* 3.46	12.11
*Not Annualised				

Notes:

1. The Company adopted Indian Accounting Standards ("Ind AS") from 1st April 2016 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, other accounting pronouncements generally accepted in India and in terms of Regulation 33 of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015 and SEBI circular dated 5th July 2016.

2. 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 ₹ 2569.00 crore, however, the Company has not received any further notices beyond an aggregate amount of ₹ 1768.51 crore.

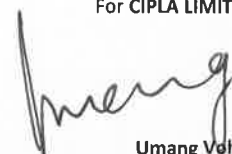
3. The paid-up equity share capital stands increased to ₹160.91 crore (80,45,57,624 equity shares of ₹2 each) upon allotment of 47,550 equity shares of ₹2 each pursuant to ESOS 2013-A during the quarter ended 30th June 2017.

4. The figures for the quarter ended 31st March 2017 are the balancing figures between audited figures in respect of the full financial year and the published unaudited figures for the nine months ended 31st December 2016.

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

6. The above results have been subjected to Limited Review by the Statutory Auditors, who issued an unmodified review report, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 11th August 2017.

By order of the Board
For CIPLA LIMITED



Umang Vohra

Managing Director and Global Chief Executive Officer

Mumbai
11th August 2017



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Independent Auditor's Review Report on Stand-alone Quaterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Cipla Limited

1. We have reviewed the accompanying statement of unaudited stand-alone financial results ('Statement') of Cipla Limited ('the Company') for the quarter ended 30 June 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

Independent Auditor's Review Report on Stand-alone Quaterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

4. The comparative Ind AS financial results of the Company for the corresponding quarter 30 June 2016 were reviewed by the predecessor auditor, who issued an unmodified review report on those financial results on August 12, 2016.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Ashish Gupta

per **Ashish Gupta**

Partner

Membership No. 504662

Place: Mumbai

Date: 11 August 2017