

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2017

(` In crore)

Particulars	Quarter ended			Half Year ended		Year ended
	30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income from operations</b>						
a) Net sales/income from operations (Refer note 2)	3,988.24	3,432.32	3,671.88	7,420.56	7,228.00	14,280.86
b) Other operating income	94.17	92.73	79.14	186.90	173.05	349.38
<b>Total income from operations</b>	<b>4,082.41</b>	<b>3,525.05</b>	<b>3,751.02</b>	<b>7,607.46</b>	<b>7,401.05</b>	<b>14,630.24</b>
<b>2. Other income</b>	<b>113.33</b>	<b>151.38</b>	<b>27.23</b>	<b>264.71</b>	<b>52.42</b>	<b>228.69</b>
<b>3. Total income (1+2)</b>	<b>4,195.74</b>	<b>3,676.43</b>	<b>3,778.25</b>	<b>7,872.17</b>	<b>7,453.47</b>	<b>14,858.93</b>
<b>4. Expenses</b>						
a) Cost of materials consumed	1182.50	974.02	1,044.01	2,156.52	1,973.26	4,272.66
b) Purchases of stock-in-trade	310.28	313.75	297.59	624.03	559.74	933.50
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	60.30	(111.09)	(11.54)	(50.79)	167.51	110.96
d) Employee benefits expense	660.81	672.94	675.28	1333.75	1361.85	2,633.82
e) Finance costs	42.02	27.86	35.16	69.88	66.65	159.38
f) Depreciation, impairment and amortisation expense	302.22	213.43	229.18	515.65	433.00	1,322.93
g) Other expenses	1,064.13	1,028.97	1,064.97	2,093.10	2,046.76	4,203.51
<b>Total expenses</b>	<b>3,622.26</b>	<b>3,119.88</b>	<b>3,334.65</b>	<b>6,742.14</b>	<b>6,608.77</b>	<b>13,636.76</b>
<b>5. Profit (+)/loss (-) before tax (3-4)</b>	<b>573.48</b>	<b>556.55</b>	<b>443.60</b>	<b>1130.03</b>	<b>844.70</b>	<b>1,222.17</b>
<b>6. Tax expense (net)</b>						
a) Current tax	181.17	120.62	90.47	301.79	175.15	479.48
b) Deferred tax	(43.75)	10.15	(18.57)	(33.60)	(47.97)	(299.72)
<b>Total tax expense</b>	<b>137.42</b>	<b>130.77</b>	<b>71.90</b>	<b>268.19</b>	<b>127.18</b>	<b>179.76</b>
<b>7. Net profit (+)/loss (-) after tax before share of associates(5-6)</b>	<b>436.06</b>	<b>425.78</b>	<b>371.70</b>	<b>861.84</b>	<b>717.52</b>	<b>1,042.41</b>
<b>8. Share of profit (+)/ loss (-) of associates</b>	<b>(1.11)</b>	<b>(0.86)</b>	<b>(2.06)</b>	<b>(1.97)</b>	<b>(4.18)</b>	<b>(6.99)</b>
<b>9. Net profit (+)/ loss (-) for the period (7+8)</b>	<b>434.95</b>	<b>424.92</b>	<b>369.64</b>	<b>859.87</b>	<b>713.34</b>	<b>1,035.42</b>
<b>10. Profit for the period attributable to</b>						
a) Shareholders of the company	422.59	408.82	354.34	831.41	693.40	1,006.39
b) Non- controlling interest	12.36	16.10	15.30	28.46	19.94	29.03
<b>11. Other comprehensive income/(loss) for the period</b>						
a) (i) Items that will not be reclassified to statement of profit and loss	3.96	(7.59)	1.34	(3.63)	5.23	11.42
(ii) Income tax on items that will not be reclassified to statement of profit and loss	(1.37)	2.63	(0.34)	1.26	(1.34)	(3.96)
b) (i) Items that will be reclassified to statement of profit and loss	(36.02)	55.97	67.99	19.95	99.57	123.89
(ii) Income tax on items that will be reclassified to statement of profit and loss	(0.90)	2.13	-	1.23	-	-
<b>Other comprehensive income/(loss) for the period</b>	<b>(34.33)</b>	<b>53.14</b>	<b>68.99</b>	<b>18.81</b>	<b>103.46</b>	<b>131.35</b>
<b>12. Total comprehensive income /(loss) for the period (9+11)</b>	<b>400.62</b>	<b>478.06</b>	<b>438.63</b>	<b>878.68</b>	<b>816.80</b>	<b>1,166.77</b>
<b>13. Total comprehensive income attributable to</b>						
a) Shareholders of the company	385.16	459.81	443.31	844.97	813.44	1,173.67
b) Non- controlling interest	15.46	18.25	(4.68)	33.71	3.36	(6.90)
<b>14. Paid-up equity share capital (face value ₹2/- each)</b>	<b>160.94</b>	<b>160.91</b>	<b>160.84</b>	<b>160.94</b>	<b>160.84</b>	<b>160.90</b>
<b>15. Other equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,364.52</b>
<b>16. a) Basic earnings per share (₹)</b>	<b>*5.25</b>	<b>* 5.08</b>	<b>*4.41</b>	<b>*10.33</b>	<b>*8.63</b>	<b>12.52</b>
<b>b) Diluted earnings per share (₹)</b>	<b>*5.24</b>	<b>* 5.07</b>	<b>*4.40</b>	<b>*10.31</b>	<b>*8.61</b>	<b>12.50</b>
*Not Annualised						

## Segment Information

(₹ In crore)

Particulars	Quarter ended			Half Year ended		Year Ended
	30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment wise revenue and results</b>						
<b>Segment revenues:</b>						
a) Pharmaceuticals	4,054.39	3,504.82	3,729.76	7,559.21	7,360.50	14,537.06
b) New ventures	36.97	26.66	21.92	63.63	41.82	95.29
<b>Total</b>	<b>4,091.36</b>	<b>3,531.48</b>	<b>3,751.68</b>	<b>7,622.84</b>	<b>7,402.32</b>	<b>14,632.35</b>
Less : Inter segment revenue	8.95	6.43	0.66	15.38	1.27	2.11
<b>Total income from operations</b>	<b>4,082.41</b>	<b>3,525.05</b>	<b>3,751.02</b>	<b>7,607.46</b>	<b>7,401.05</b>	<b>14,630.24</b>
<b>Segment results:</b>						
<b>Profit/(loss) before tax and interest from each segment</b>						
a) Pharmaceuticals	634.64	608.62	525.71	1,243.26	991.49	1,502.47
b) New ventures	(19.14)	(24.21)	(46.95)	(43.35)	(80.14)	(120.92)
<b>Total</b>	<b>615.50</b>	<b>584.41</b>	<b>478.76</b>	<b>1,199.91</b>	<b>911.35</b>	<b>1,381.55</b>
Less:						
Finance cost	42.02	27.86	35.16	69.88	66.65	159.38
<b>Total Profit (+)/loss (-) before tax</b>	<b>573.48</b>	<b>556.55</b>	<b>443.60</b>	<b>1,130.03</b>	<b>844.70</b>	<b>1,222.17</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 Company adopted Indian Accounting Standards ("Ind AS") from 1<sup>st</sup> 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 5<sup>th</sup> July 2016.

2. The Government of India introduced the Goods and Service Tax (GST) with effect from 1<sup>st</sup> July 2017 which subsumes excise duty and various other indirect taxes. As required under Ind AS 18, revenue for the quarter ended 30th September 2017 is reported net of GST. Sales of periods up to quarter ending 30<sup>th</sup> June 2017 are reported inclusive of excise duty. The revenue for half year ended 30<sup>th</sup> September 2017 includes excise duty up to 30<sup>th</sup> June 2017. Accordingly, revenue from operations for the quarter and half year ended 30<sup>th</sup> September 2017 are not comparable with corresponding previous periods.

3. 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 Crore on 22<sup>nd</sup> August 2016.

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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 ₹1,848.20 crore. It may be noted that NPPA in its public disclosure has stated the total demand amount against the Company to be ₹2,635.50 crore, however, the Company has not received any further notices beyond an aggregate amount of ₹1,848.20 crore.

4. The paid-up equity share capital stands increased to ₹160.94 crore (80,46,92,821 equity shares of ₹2 each) upon allotment of 1,35,197 equity shares of ₹2 each pursuant to ESOS 2013-A during the quarter ended 30<sup>th</sup> September 2017.

5. The Unaudited Standalone financial results for the quarter ended 30<sup>th</sup> September 2017 are 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			Half Year Ended		Year Ended
	30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income from operations	3,065.27	2,684.25	2,813.99	5,749.52	5,604.45	10,974.58
Profit before tax	718.12	341.05	348.83	1,059.17	676.41	1,186.94
Profit after tax	566.16	259.01	329.24	825.17	607.89	974.94

*Made*

6. The Consolidated Statement of Assets and Liabilities is as under:

Particulars	₹ in crore)	
	As at	As at
	30-09-2017	31-03-2017
	Unaudited	Audited
<b>A. ASSETS</b>		
<b>1. Non-Current Assets</b>		
(a) Property, plant and equipment	5,257.44	5,008.69
(b) Capital work-in-progress	558.26	719.23
(c) Investment property	1.04	1.74
(d) Goodwill	2,686.41	2,678.43
(e) Other intangible assets	1,611.56	1,784.88
(f) Intangible assets under development	991.05	963.75
(g) Investment in associate	10.43	12.40
(h) Financial assets		
(i) Investments	124.02	123.22
(ii) Loans	33.18	39.48
(iii) Other financial assets	80.47	113.77
(i) Current tax assets (net)	197.36	241.21
(j) Deferred tax assets (net)	140.62	168.13
(k) Other non-current assets	231.00	292.20
<b>Total Non-Current Assets</b>	<b>11,922.84</b>	<b>12,147.13</b>
<b>2. Current Asset</b>		
(a) Inventories	3,622.44	3,485.28
(b) Financial assets		
(i) Investments	1,561.10	837.39
(ii) Trade receivable	3,299.02	2,497.42
(iii) Cash and cash equivalents	789.04	610.35
(iv) Bank balances other than cash and cash equivalents	18.15	13.86
(v) Loans	8.78	9.53
(vi) Other financial assets	286.23	392.37
(c) Other current assets	1,087.16	890.81
<b>Total Current Assets</b>	<b>10,671.92</b>	<b>8,737.01</b>
<b>3. Assets Classified as Held for Sale (net)</b>	<b>-</b>	<b>69.06</b>
<b>Total Assets</b>	<b>22,594.76</b>	<b>20,953.20</b>
<b>B. EQUITY &amp; LIABILITIES</b>		
<b>1. Equity</b>		
(a) Share capital	160.94	160.90
(b) Other equity	13,132.62	12,364.52
<b>Equity attributable to Owner</b>	<b>13,293.56</b>	<b>12,525.42</b>
<b>Non-controlling interest</b>	<b>385.10</b>	<b>438.23</b>
<b>Total Equity</b>	<b>13,678.66</b>	<b>12,963.65</b>
<b>Liabilities</b>		
<b>2. Non-Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,648.57	3,645.36
(ii) Other financial liabilities	50.06	45.06
(b) Provisions	142.95	140.52
(c) Deferred tax liabilities (net)	695.70	756.89
(d) Other non-current liabilities	90.44	93.65
<b>Total Non-current Liabilities</b>	<b>4,627.72</b>	<b>4,681.48</b>
<b>3. Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,135.69	467.23
(ii) Trade payables	1,758.87	1,571.14
(iii) Other financial liabilities	655.82	657.43
(b) Other current liabilities	300.87	266.36
(c) Provisions	413.45	321.90
(d) Current tax liabilities (Net)	23.68	24.01
<b>Total Current Liabilities</b>	<b>4,288.38</b>	<b>3,308.07</b>
<b>Total Equity &amp; Liabilities</b>	<b>22,594.76</b>	<b>20,953.20</b>

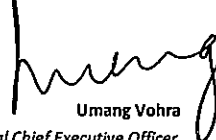
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7. The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.

8. 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 7<sup>th</sup> November 2017.

Mumbai  
7<sup>th</sup> November 2017

By order of the Board  
For CIPLA LIMITED



Umang Vohra

*Managing Director and Global Chief Executive Officer*

