

06<sup>th</sup> February, 2019

(1) BSE Ltd  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

(2) National Stock Exchange of India Ltd  
Listing Department  
Exchange Plaza, 5<sup>th</sup> floor,  
Plot no. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051

**Scrip Code: 500087**

**Scrip Code: CIPLA EQ**

(3) SOCIETE DE LA BOURSE DE LUXEMBOURG  
Societe Anonyme  
35A Boulevard Joseph II,  
L-1840 Luxembourg

Dear Sir/Madam,

**Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended 31<sup>st</sup> December, 2018**

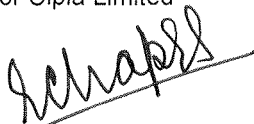
Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing unaudited financial results (standalone and consolidated) for the quarter and nine months ended 31<sup>st</sup> December, 2018, approved at the meeting of the Board of Directors of the Company held today i.e. 06<sup>th</sup> February, 2019.

The meeting of the Board of Directors of the Company commenced at 10.30 a.m. and concluded at 2.30 p.m.

Further, pursuant to Regulation 33 of the Listing Regulations, we are also enclosing limited review report (standalone and consolidated) signed by Walker Chandio & Co LLP, statutory auditors of the Company, for the quarter and nine months ended 31<sup>st</sup> December, 2018.

Thanking you,

Yours faithfully,  
For Cipla Limited



Rajendra Chopra  
Company Secretary

Encl.: as above

- cc: (1) Central Depository Services (India) Ltd.  
25<sup>th</sup> Floor, Marathon Futurex,  
N M Joshi Marg, Lower Parel (East),  
Mumbai - 400 013
- (2) National Securities Depository Ltd.  
Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai 400 013

Prepared by: Ashish Chauhan

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2018

(₹ in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2018	30-09-2018	31-12-2017	31-12-2018	31-12-2017	31-03-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Revenue from operations</b>						
a) Net sales/income from operations (Refer note 2 and 3)	2,754.08	3,035.62	2,892.44	8,692.37	8,473.54	11,004.44
b) Other operating income	81.12	59.09	77.51	225.11	245.93	440.37
<b>Total revenue from operations</b>	<b>2,835.20</b>	<b>3,094.71</b>	<b>2,969.95</b>	<b>8,917.48</b>	<b>8,719.47</b>	<b>11,444.81</b>
<b>2. Other income</b>	<b>76.95</b>	<b>300.11</b>	<b>40.94</b>	<b>483.13</b>	<b>272.00</b>	<b>334.88</b>
<b>3. Total income (1+2)</b>	<b>2,912.15</b>	<b>3,394.82</b>	<b>3,010.89</b>	<b>9,400.61</b>	<b>8,991.47</b>	<b>11,779.69</b>
<b>4. Expenses</b>						
a) Cost of materials consumed	771.48	764.56	908.78	2,301.74	2,541.12	3,303.31
b) Purchases of stock-in-trade	348.19	337.66	245.85	973.46	794.50	1,064.23
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(94.64)	58.43	(112.07)	64.04	(176.58)	(212.05)
d) Employee benefits expense	466.90	456.02	436.00	1,380.98	1,322.67	1,785.94
e) Finance costs	2.94	7.70	1.90	12.98	7.83	11.90
f) Depreciation, impairment and amortisation expense	148.58	141.04	137.88	425.10	396.64	529.61
g) Other expenses	857.19	905.98	811.99	2,582.44	2,465.56	3,307.83
<b>Total expenses</b>	<b>2,500.64</b>	<b>2,671.39</b>	<b>2,430.33</b>	<b>7,740.74</b>	<b>7,351.74</b>	<b>9,790.77</b>
<b>5. Profit (+)/loss (-) before exceptional item and tax (3-4)</b>	<b>411.51</b>	<b>723.43</b>	<b>580.56</b>	<b>1,659.87</b>	<b>1,639.73</b>	<b>1,988.92</b>
<b>6. Exceptional item</b>	-	-	-	-	-	77.52
<b>7. Profit (+)/loss (-) before tax (5-6)</b>	<b>411.51</b>	<b>723.43</b>	<b>580.56</b>	<b>1,659.87</b>	<b>1,639.73</b>	<b>1,911.40</b>
<b>8. Tax expense (net)</b>						
a) Current tax	107.58	131.28	157.14	352.00	368.57	431.33
b) Deferred tax	8.61	23.68	4.88	53.53	27.45	11.55
<b>Total tax expense</b>	<b>116.19</b>	<b>154.96</b>	<b>162.02</b>	<b>405.53</b>	<b>396.02</b>	<b>442.88</b>
<b>9. Net profit (+)/loss (-) after tax (7-8)</b>	<b>295.32</b>	<b>568.47</b>	<b>418.54</b>	<b>1,254.34</b>	<b>1,243.71</b>	<b>1,468.52</b>
<b>10. Other comprehensive income/(loss) for the period/year</b>						
a) (i) Items that will not be reclassified to profit or loss	(3.88)	9.14	8.32	6.72	3.83	2.71
(ii) Income tax on items that will not be reclassified to profit or loss	1.35	(3.20)	(2.89)	(2.35)	(1.33)	(0.94)
b) (i) Items that will be reclassified to profit or loss	86.76	(27.73)	7.64	21.33	9.67	0.72
(ii) Income tax on items that will be reclassified to profit or loss	(30.31)	9.68	(2.65)	(7.45)	(3.35)	(0.25)
<b>Other comprehensive income/(loss) for the period/year</b>	<b>53.92</b>	<b>(12.11)</b>	<b>10.42</b>	<b>18.25</b>	<b>8.82</b>	<b>2.24</b>
<b>11. Total comprehensive income/(loss) for the period/year (9+10)</b>	<b>349.24</b>	<b>556.36</b>	<b>428.96</b>	<b>1,272.59</b>	<b>1,252.53</b>	<b>1,470.76</b>
<b>12. Paid-up equity share capital (face value ₹ 2/- each) (Refer note 5)</b>	<b>161.13</b>	<b>161.05</b>	<b>160.99</b>	<b>161.13</b>	<b>160.99</b>	<b>161.02</b>
<b>13. Other equity</b>	-	-	-	-	-	13,952.50
<b>14. Earnings per share (face value ₹ 2/- each)</b>						
a) Basic (₹)	*3.67	*7.06	*5.20	*15.58	*15.46	18.25
b) Diluted (₹)	*3.66	*7.05	*5.19	*15.54	*15.43	18.22

\*Not Annualised

## Notes:

1. The financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5<sup>th</sup> July, 2016.
2. After applicability of Goods and Services Tax (GST) w.e.f. 1<sup>st</sup> July, 2017, sales are required to be disclosed net of GST. Accordingly, the figures of income from operations for the nine months ended 31<sup>st</sup> December, 2018 are not comparable with the corresponding previous period.
3. Effective 1<sup>st</sup> April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative retrospective transition method. The effect on adoption of Ind AS 115 was insignificant on the financial results.
4. The Company had received various 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) Orders. The total demand against the Company as stated in NPPA public disclosure amounts to ₹ 2,636.09 Crore.

Out of the above, demand notices pertaining to a set of products being Norfloxacin, Ciprofloxacin, Salbutamol and Theophylline were challenged by the Company (i) in the Hon'ble Bombay High Court on the ground that bulk drugs contained in the said formulations are not amenable to price control, as they cannot be included in the ambit of price control based on the parameters contained in the Drug Policy, 1994 on which the DPCO, 1995 is based and (ii) 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 Union of India to the Supreme Court of India. The Supreme Court in its judgment of 1<sup>st</sup> August, 2003 restored the said writ petitions to the Bombay High Court with directions that the Court will have to consider the petitions afresh, having due regard to the observations made by the Supreme Court in its judgment. On the Union of India filing transfer petitions, the Supreme Court ordered transfer of the said petitions to the Bombay High Court to it for being heard with the appeal filed against the Allahabad High Court order. Subsequently, in its order of 20<sup>th</sup> July, 2016 the Supreme Court recalled its transfer order and remanded the petitions to Bombay High Court for hearing. While remanding the matter to Bombay High Court, the Hon'ble Supreme Court directed Cipla to deposit 50% of the overcharged amount with the NPPA as stated in its order of 1<sup>st</sup> August, 2003 which at that point of time was ₹ 350.15 Crore. Complying with the directions passed by the Hon'ble Supreme Court, Cipla has deposited an amount of ₹ 175.08 Crore which has been received and acknowledged by NPPA. Furthermore, the Company has not received any further notices post such transfer of cases to Bombay High Court. Meanwhile, 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 basis of fixation of retail prices. The said order was specific to fixation of retail prices without adhering to the formula/process laid down in DPCO, 1995. However, 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.

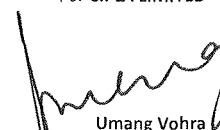
The Bombay High Court had, in expectation of NPPA filing its counter-statement on status of each petitioner's compliance with the 2003 and 2016 Hon'ble Supreme Court orders (on deposit of 50% of amount demanded) scheduled a hearing in the last week of January 2019; as matter did not reach for hearing, a fresh date will now be set by the 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 decision of Hon'ble Supreme Court dated 21<sup>st</sup> October, 2016 referred above was in favour of Union of India with respect to the appeals preferred by the Government challenging the Hon'ble Allahabad High Court order, 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 ₹ 1,736.00 Crore. It may be noted that NPPA in its public disclosure has stated the total demand amount against the Company in relation to the above said molecules to be ₹ 2,272.32 Crore (after adjusting deposit of ₹ 175.08 Crore), however, the Company has not received any further notices beyond an aggregate amount of ₹ 1,736.00 Crore.

For the balance demand (pertaining to set of products not part of the above mentioned writ proceedings in the Hon'ble Bombay High Court), basis the facts and legal advice, the Company carries a total provision of ₹ 96.77 Crore as of 31<sup>st</sup> December, 2018.

5. The paid-up equity share capital stands increased to ₹ 161.13 Crore (805,667,509 equity shares of ₹ 2 each) upon allotment of 439,657 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 31<sup>st</sup> December, 2018.
6. The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.
7. The above results have been reviewed and recommended to the Board of Directors by the Audit Committee, which were approved by the Board of Directors at its meeting held on 6<sup>th</sup> February, 2019. These results have been subjected to limited review by the statutory auditors.

By order of the Board  
For CIPLA LIMITED



Umang Vohra

Managing Director and Global Chief Executive Officer

Mumbai  
6<sup>th</sup> February, 2019



# Walker Chandiok & Co LLP

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**Walker Chandiok & Co LLP**

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Indiabulls Finance Centre,  
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Maharashtra, India

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## **Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date 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 standalone financial results ('Statement') of Cipla Limited ('the Company') for the quarter ended 31 December 2018 and the year to date results for the nine months period 1 April 2018 to 31 December 2018, 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 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.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Ashish Gupta**

Partner

Membership No. 504662

Place: New Delhi

Date: 6 February 2019

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER 2018**

(₹ in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2018	30-09-2018	31-12-2017	31-12-2018	31-12-2017	31-03-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Revenue from operations</b>						
a) Net sales/income from operations (Refer note 2 and 3)	3,906.20	3,947.93	3,834.49	11,699.97	11,255.05	14,750.86
b) Other operating income	101.34	63.97	79.33	258.46	266.23	468.39
<b>Total revenue from operations</b>	<b>4,007.54</b>	<b>4,011.90</b>	<b>3,913.82</b>	<b>11,958.43</b>	<b>11,521.28</b>	<b>15,219.25</b>
<b>2. Other income</b>	<b>78.53</b>	<b>132.57</b>	<b>52.93</b>	<b>381.21</b>	<b>317.64</b>	<b>357.65</b>
<b>3. Total income (1+2)</b>	<b>4,086.07</b>	<b>4,144.47</b>	<b>3,966.75</b>	<b>12,339.64</b>	<b>11,838.92</b>	<b>15,576.90</b>
<b>4. Expenses</b>						
a) Cost of materials consumed	1,077.05	1,086.78	1,197.38	3,115.04	3,353.90	4,497.16
b) Purchases of stock-in-trade	404.43	376.02	320.10	1,135.28	944.13	1,174.20
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18.81)	(50.67)	(139.08)	48.40	(189.87)	(232.94)
d) Employee benefits expense	717.87	712.21	657.34	2,144.06	1,991.09	2,690.10
e) Finance costs	44.19	44.37	9.15	123.65	79.03	114.23
f) Depreciation, impairment and amortisation expense	293.13	281.90	522.35	816.03	1,038.00	1,322.82
g) Other expenses	1,119.33	1,185.34	1,059.42	3,379.39	3,152.52	4,264.35
<b>Total expenses</b>	<b>3,637.19</b>	<b>3,635.95</b>	<b>3,626.66</b>	<b>10,761.85</b>	<b>10,368.80</b>	<b>13,829.92</b>
<b>5. Profit (+)/loss (-) before exceptional item and tax (3-4)</b>	<b>448.88</b>	<b>508.52</b>	<b>340.09</b>	<b>1,577.79</b>	<b>1,470.12</b>	<b>1,746.98</b>
<b>6. Exceptional item</b>	-	-	-	-	-	77.52
<b>7. Profit (+)/loss (-) before tax (5-6)</b>	<b>448.88</b>	<b>508.52</b>	<b>340.09</b>	<b>1,577.79</b>	<b>1,470.12</b>	<b>1,669.46</b>
<b>8. Tax expense (net)</b>						
a) Current tax	134.20	176.10	183.16	460.01	484.95	561.06
b) Deferred tax	(8.52)	(33.71)	(247.39)	(18.23)	(280.99)	(310.95)
<b>Total tax expense</b>	<b>125.68</b>	<b>142.39</b>	<b>(64.23)</b>	<b>441.78</b>	<b>203.96</b>	<b>250.11</b>
<b>9. Net profit (+)/loss (-) after tax before share of associates (7-8)</b>	<b>323.20</b>	<b>366.13</b>	<b>404.32</b>	<b>1,136.01</b>	<b>1,266.16</b>	<b>1,419.35</b>
<b>10. Share of profit (+)/ loss (-) of associates</b>	<b>(0.96)</b>	<b>0.78</b>	<b>(0.87)</b>	<b>(1.25)</b>	<b>(2.84)</b>	<b>(2.78)</b>
<b>11. Net profit (+)/ loss (-) for the period/year (9+10)</b>	<b>322.24</b>	<b>366.91</b>	<b>403.45</b>	<b>1,134.76</b>	<b>1,263.32</b>	<b>1,416.57</b>
<b>12. Profit for the period attributable to</b>						
a) Shareholders of the company	332.20	377.05	400.51	1,160.50	1,231.92	1,410.53
b) Non- controlling interest	(9.96)	(10.14)	2.94	(25.74)	31.40	6.04
<b>13. Other comprehensive income/(loss) for the period/year</b>						
a) (i) Items that will not be reclassified to profit or loss	(5.00)	9.93	9.14	7.78	5.51	28.41
(ii) Income tax on items that will not be reclassified to profit or loss	1.64	(3.44)	(3.12)	(2.75)	(1.86)	(4.11)
b) (i) Items that will be reclassified to profit or loss	(65.99)	59.93	112.40	(281.48)	132.35	382.73
(ii) Income tax on items that will be reclassified to profit or loss	(30.80)	8.98	(5.86)	(10.04)	(4.63)	(13.50)
<b>Other comprehensive income/(loss) for the period/year</b>	<b>(100.15)</b>	<b>75.40</b>	<b>112.56</b>	<b>(286.49)</b>	<b>131.37</b>	<b>393.53</b>
<b>14. Total comprehensive income/(loss) for the period/year (11+13)</b>	<b>222.09</b>	<b>442.31</b>	<b>516.01</b>	<b>848.27</b>	<b>1,394.69</b>	<b>1,810.10</b>
<b>15. Total comprehensive income attributable to</b>						
a) Shareholders of the company	230.16	440.32	520.59	853.48	1,365.56	1,764.52
b) Non- controlling interest	(8.07)	1.99	(4.58)	(5.21)	29.13	45.58
<b>16. Paid-up equity share capital (face value ₹2/- each) (Refer note 6)</b>	<b>161.13</b>	<b>161.05</b>	<b>160.99</b>	<b>161.13</b>	<b>160.99</b>	<b>161.02</b>
<b>17. Other equity</b>	-	-	-	-	-	14,068.17
<b>18. Earnings per share (face value ₹2/- each)</b>						
a) Basic (₹)	* 4.12	* 4.68	* 4.98	* 14.41	* 15.31	17.53
b) Diluted (₹)	* 4.12	* 4.67	* 4.97	* 14.38	* 15.28	17.50

\*Not Annualised

## Segment information

(₹ in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2018	30-09-2018	31-12-2017	31-12-2018	31-12-2017	31-03-2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment wise revenue and results</b>						
<b>Segment revenue: (Refer note 2 and 3)</b>						
a) Pharmaceuticals	3,970.79	3,979.86	3,885.75	11,862.95	11,444.96	15,110.03
b) New ventures	43.38	38.45	36.89	114.89	100.52	134.78
<b>Total segment revenue</b>	<b>4,014.17</b>	<b>4,018.31</b>	<b>3,922.64</b>	<b>11,977.84</b>	<b>11,545.48</b>	<b>15,244.81</b>
Less: Inter segment revenue	6.63	6.41	8.82	19.41	24.20	25.56
<b>Total revenue from operations</b>	<b>4,007.54</b>	<b>4,011.90</b>	<b>3,913.82</b>	<b>11,958.43</b>	<b>11,521.28</b>	<b>15,219.25</b>
<b>Segment result:</b>						
Profit/(loss) before tax and interest from each segment						
a) Pharmaceuticals	512.74	572.54	365.67	1,676.32	1,608.93	1,966.48
b) New ventures	(19.67)	(19.65)	(16.43)	25.12	(59.78)	(105.27)
<b>Total segment result</b>	<b>493.07</b>	<b>552.89</b>	<b>349.24</b>	<b>1,701.44</b>	<b>1,549.15</b>	<b>1,861.21</b>
Less: Finance costs	44.19	44.37	9.15	123.65	79.03	114.23
<b>Profit (+)/loss (-) before exceptional item and tax</b>	<b>448.88</b>	<b>508.52</b>	<b>340.09</b>	<b>1,577.79</b>	<b>1,470.12</b>	<b>1,746.98</b>
Less: Exceptional item	-	-	-	-	-	77.52
<b>Total Profit (+)/loss (-) before tax</b>	<b>448.88</b>	<b>508.52</b>	<b>340.09</b>	<b>1,577.79</b>	<b>1,470.12</b>	<b>1,669.46</b>

## Segment assets and liabilities

As certain 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 have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5<sup>th</sup> July, 2016.

2. After applicability of Goods and Services Tax (GST) w.e.f. 1<sup>st</sup> July, 2017, sales are required to be disclosed net of GST. Accordingly, the figures of income from operations for the nine months ended 31<sup>st</sup> December, 2018 are not comparable with the corresponding previous period.

3. Effective 1<sup>st</sup> April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative retrospective transition method. The effect on adoption of Ind AS 115 was insignificant on the financial results.

4. The Company had received various 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) Orders. The total demand against the Company as stated in NPPA public disclosure amounts to ₹ 2,636.09 Crore.

Out of the above, demand notices pertaining to a set of products being Norfloxacin, Ciprofloxacin, Salbutamol and Theophylline were challenged by the Company (i) in the Hon'ble Bombay High Court on the ground that bulk drugs contained in the said formulations are not amenable to price control, as they cannot be included in the ambit of price control based on the parameters contained in the Drug Policy, 1994 on which the DPCO, 1995 is based and (ii) 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 Union of India to the Supreme Court of India. The Supreme Court in its judgment of 1<sup>st</sup> August, 2003 restored the said writ petitions to the Bombay High Court with directions that the Court will have to consider the petitions afresh, having due regard to the observations made by the Supreme Court in its judgment. On the Union of India filing transfer petitions, the Supreme Court ordered transfer of the said petitions to the Bombay High Court to it for being heard with the appeal filed against the Allahabad High Court order. Subsequently, in its order of 20<sup>th</sup> July, 2016 the Supreme Court recalled its transfer order and remanded the petitions to Bombay High Court for hearing. While remanding the matter to Bombay High Court, the Hon'ble Supreme Court directed Cipla to deposit 50% of the overcharged amount with the NPPA as stated in its order of 1<sup>st</sup> August, 2003 which at that point of time was ₹ 350.15 Crore. Complying with the directions passed by the Hon'ble Supreme Court, Cipla has deposited an amount of ₹ 175.08 Crore which has been received and acknowledged by NPPA. Furthermore, the Company has not received any further notices post such transfer of cases to Bombay High Court. Meanwhile, 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 basis of fixation of retail prices. The said order was specific to fixation of retail prices without adhering to the formula/process laid down in DPCO, 1995. However, 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 Bombay High Court had, in expectation of NPPA filing its counter-statement on status of each petitioner's compliance with the 2003 and 2016 Hon'ble Supreme Court orders (on deposit of 50% of amount demanded) scheduled a hearing in the last week of January, 2019; as matter did not reach for hearing, a fresh date will now be set by the 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 decision of Hon'ble Supreme Court dated 21<sup>st</sup> October, 2016 referred above was in favour of Union of India with respect to the appeals preferred by the Government challenging the Hon'ble Allahabad High Court order, 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 ₹ 1,736.00 Crore. It may be noted that NPPA in its public disclosure has stated the total demand amount against the Company in relation to the above said molecules to be ₹ 2,272.32 Crore (after adjusting deposit of ₹ 175.08 Crore), however, the Company has not received any further notices beyond an aggregate amount of ₹ 1,736.00 Crore.

For the balance demand (pertaining to set of products not part of the above mentioned writ proceedings in the Hon'ble Bombay High Court), basis the facts and legal advice, the Company carries total provision of ₹ 96.77 Crore as of 31<sup>st</sup> December, 2018.

5. The Company's wholly owned subsidiary in South Africa, Cipla Medpro South Africa (Pty) Limited acquired 100% stake in Mirren (Pty) Limited, a South African company and obtained control on 22<sup>nd</sup> October, 2018. The purchase consideration has been allocated on a provisional basis based on management's estimates. The Company is in the process of making a final determination of the fair value of assets and liabilities. Finalisation of the purchase price allocation may result in certain adjustments to the provisional amounts to reflect the final valuation of assets acquired or liabilities assumed.

Particulars	(₹ in Crores)
Intangible assets, pending allocation	172.49
Net assets (other than Intangible assets)	50.11
Total purchase price consideration	222.60

6. The paid-up equity share capital stands increased to ₹ 161.13 Crore (805,667,509 equity shares of ₹ 2 each) upon allotment of 439,657 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 31<sup>st</sup> December, 2018.

7. The Unaudited Standalone financial results for the quarter and nine months ended 31<sup>st</sup> December, 2018 are available on the Company's website i.e. www.cipla.com under Investor Information section and on the stock exchange websites i.e. www.bseindia.com and www.nseindia.com. The key standalone financial information are as under:

Particulars	Quarter ended			Nine months ended		(₹ in Crores)
	31-12-2018	30-09-2018	31-12-2017	31-12-2018	31-12-2017	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	2,835.20	3,094.71	2,969.95	8,917.48	8,719.47	11,444.81
Profit before tax	411.51	723.43	580.56	1,659.87	1,639.73	1,911.40
Profit after tax	295.32	568.47	418.54	1,254.34	1,243.71	1,468.52

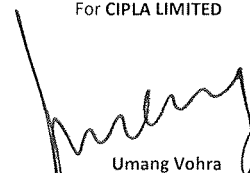
8. The figures of the previous year/period have been regrouped/recast to render them comparable with the figures of the current period.

9. The above results have been reviewed and recommended to the Board of Directors by the Audit Committee, which were approved by the Board of Directors at its meeting held on 6<sup>th</sup> February, 2019. These results have been subjected to limited review by the statutory auditors.

Mumbai  
6<sup>th</sup> February, 2019



By order of the Board  
For CIPLA LIMITED



Managing Director and Global Chief Executive Officer

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**Walker Chandiook & Co LLP**

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SB Marg, Elphinstone (W)  
Mumbai - 400 013  
Maharashtra, India

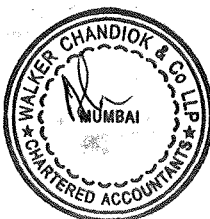
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## **Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of Cipla Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('Statement') of Cipla Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') and its associate (Refer Annexure A for the list of subsidiaries and associate included in the statement) for the quarter ended 31 December 2018 and the consolidated year to date results for the nine months period 1 April 2018 to 31 December 2018, 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 and upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards 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.





Cipla Limited

Independent Auditor's Review Report on Consolidated Quarterly Financial Results – 31 December 2018

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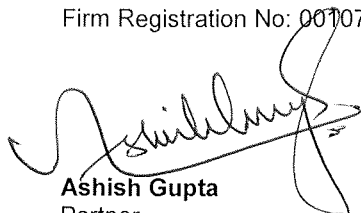
4. We did not review the financial results of 16 subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 565.33 crore, net loss (including other comprehensive income) of ₹ 16.61 crore for the quarter ended 31 December 2018 and the financial results of 17 subsidiaries whose financial results reflect total revenues of ₹ 1,647.80 crore, net loss (including other comprehensive income) of ₹ 35.94 crore for the nine months period ended 31 December 2018. These financial results have been reviewed by other auditors whose review report has been furnished to us by the management and our report in respect thereof is based solely on the review report of such other auditors.

Further, these subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under International Standard on Review Engagement (ISRE) applicable in their respective countries. The Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us. Our review report is not modified in respect of this matter.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Ashish Gupta**

Partner

Membership No. 504662

Place: New Delhi

Date: 6 February 2019

## Cipla Limited

### Independent Auditor's Review Report on Consolidated Quarterly Financial Results – 31 December 2018

#### Annexure A

1. Goldencross Pharma Private Limited, India
2. Meditab Specialities Private Limited, India
3. Cipla BioTec Private Limited, India
4. Jay Precision Pharmaceuticals Private Limited, India
5. Cipla Health Limited, India
6. Medispray Laboratories Private Limited, India
7. Sitec Labs Private Limited, India
8. Cipla Medpro South Africa (Proprietary) Limited, South Africa
9. Cipla Holding B.V., Netherlands
10. Cipla (EU) Limited, United Kingdom
11. Saba Investment Limited, United Arab Emirates
12. Cipla (UK) Limited, United Kingdom
13. Cipla Australia Pty. Limited, Australia
14. Meditab Holdings Limited, Mauritius
15. Cipla Ilac Ticaret Anonim Sirketi, Turkey
16. Cipla USA, Inc., United States of America
17. Cipla Kenya Limited, Kenya
18. Cipla Malaysia Sdn. Bhd., Malaysia
19. Cipla Europe NV, Belgium
20. Cipla Quality Chemical Industries Limited, Uganda
21. Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda., Brazil
22. Galilee Marketing Proprietary Limited, South Africa (liquidated on 11 October 2018)
23. Inyanga Trading 386 Proprietary Limited, South Africa
24. Xeragen Laboratories Proprietary Limited, South Africa (liquidated on 7 September 2018)
25. Cipla Medpro Holdings Proprietary Limited, South Africa
26. Cape to Cairo Exports Proprietary Limited, South Africa
27. Cipla Dibcare Proprietary Limited, South Africa
28. Cipla Life Sciences Proprietary Limited, South Africa
29. Cipla-Medpro Proprietary Limited, South Africa
30. Cipla-Medpro Distribution Centre Proprietary Limited, South Africa
31. Cipla Medpro Botswana Proprietary Limited, South Africa
32. Cipla Algerie, Algeria
33. Cipla Biotec South Africa (Pty) Limited, South Africa
34. Cipla Nutrition Proprietary Limited, South Africa
35. Medpro Pharmaceutica Proprietary Limited, South Africa
36. Med Man Care Proprietary Limited, South Africa (liquidated on 15 October 2018)
37. Breathe Free Lanka (Private) Limited, Sri Lanka
38. Medica Pharmaceutical Industries Company Limited, Yemen
39. Cipla (Mauritius) Limited, Mauritius
40. Cipla FZE, United Arab Emirates
41. Cipla Pharma Lanka (Private) Limited, Sri Lanka
42. Cipla Maroc SA, Morocco
43. Cipla Middle East Pharmaceuticals FZ-LLC, United Arab Emirates
44. Quality Chemicals Limited, Uganda
45. Cipla Philippines, Inc., Philippines
46. InvaGen Pharmaceuticals, Inc., United States of America
47. Exelan Pharmaceuticals, Inc., United States of America
48. Anmarate Proprietary Limited, South Africa
49. Cipla Technologies, LLC, United States of America
50. Cipla Gulf FZ-LLC, United Arab Emirates (incorporated on 10 October 2018)
51. Mirren (Pty) Ltd, South Africa (acquired on 22 October 2018)
52. Madison Pharmaceuticals Inc. (incorporated on 26 October, 2018)
53. Cipla Employee Stock Option Trust, India
54. Cipla Health Employees Stock Option Trust, India

#### List of associate as at 31 December 2018

1. Stempeutics Research Private Limited, India

