Cipla

6th November, 2019

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

Scrip Code: 500087

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

Scrip Code: CIPLA

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

Sub: Outcome of Board Meeting

Dear Sir/Madam,

In furtherance to our intimation dated 6th November, 2019 under Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. the unaudited financial results for the quarter and half year ended 30th September, 2019, approved by the Board of Directors at its meeting held today, we wish to inform that the said Board meeting of the Company concluded at 3.30 p.m.

Kindly acknowledge the receipt.

Thank you,

Yours faithfully,
For Cipla Limited

CIPLA LIMITED MUMBAI

Rajendra Chopra
Company Secretary

Prepared by: Mandar Kurghode

Cipla

6th November, 2019

(1) BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
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Exchange Plaza, 5th floor,
Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: CIPLA

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

Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30th September, 2019

Dear Sir/Madam,

Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing herewith:

i. Unaudited financial results (standalone and consolidated) for the quarter and half year ended 30th September, 2019, approved at the meeting of the Board of Directors of the Company held today i.e. 6th November, 2019 and

ii. Limited review report (standalone and consolidated) signed by Walker Chandiok & Co LLP, statutory auditor of the Company, for the quarter and half year ended 30th September, 2019.

The meeting of the Board of Directors of the Company commenced at 10.00 a.m. and is still in progress.

Thanking you,

Yours faithfully,
For Cipla Limited

CIPLA LIMITED MUMBAI

Rajendra Chopra
Company Secretary

Encl.: as above

Prepared by: Mandar Kurghode

Cipla

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in Crores)

Particulars	Quarter ended			Half year ended		Year ended
	30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from operations						
a) Net sales/income from operations	4,264.24	3,894.46	3,947.93	8,158.70	7,793.77	15,970.97
b) Other operating revenue	131.54	94.56	63.97	226.10	157.12	391.44
Total revenue from operations	4,395.78	3,989.02	4,011.90	8,384.80	7,950.89	16,362.41
2. Other income	100.52	78.37	132.57	178.89	302.68	476.57
3. Total income (1+2)	4,496.30	4,067.39	4,144.47	8,563.69	8,253.57	16,838.98
4. Expenses						
a) Cost of materials consumed	1,125.69	1,104.48	1,086.78	2,230.17	2,037.99	4,285.04
b) Purchases of stock-in-trade	368.70	368.66	376.02	737.36	730.85	1,452.41
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(33.16)	(276.82)	(50.67)	(309.98)	67.21	47.04
d) Employee benefits expense	761.63	756.13	712.21	1,517.76	1,426.19	2,856.53
e) Finance costs	46.07	52.12	44.37	98.19	79.46	168.43
f) Depreciation, impairment and amortisation expense	282.96	268.00	281.90	550.96	522.90	1,326.31
g) Other expenses	1,263.42	1,131.93	1,185.34	2,395.35	2,260.06	4,624.08
Total expenses	3,815.31	3,404.50	3,635.95	7,219.81	7,124.66	14,759.84
5. Profit (+)/loss (-) before tax (3-4)	680.99	662.89	508.52	1,343.88	1,128.91	2,079.14
6. Tax expense (net)						
a) Current tax	184.32	290.79	176.10	475.11	325.81	747.70
b) Deferred tax (Refer note 5)	16.23	(98.55)	(33.71)	(82.32)	(9.71)	(178.17)
Total tax expense	200.55	192.24	142.39	392.79	316.10	569.53
7. Net profit (+)/loss (-) after tax before share of associates (5-6)	480.44	470.65	366.13	951.09	812.81	1,509.61
8. Share of profit (+)/ loss (-) of associates	(5.94)	(23.50)	0.78	(29.44)	(0.29)	(17.17)
9. Net profit (+)/ loss (-) for the period/year (7+8)	474.50	447.15	366.91	921.65	812.52	1,492.44
10. Profit for the period attributable to						
a) Shareholders of the company	471.35	478.19	377.05	949.54	828.30	1,527.70
b) Non- controlling interest	3.15	(31.04)	(10.14)	(27.89)	(15.78)	(35.26)
11. Other comprehensive income/(loss) for the period/year						
a) (i) Items that will not be reclassified to profit or loss	(3.84)	(9.64)	9.93	(13.48)	12.78	42.51
(ii) Income tax on items that will not be reclassified to profit or loss	1.50	3.39	(3.44)	4.89	(4.39)	(7.60)
b) (i) Items that will be reclassified to profit or loss	(95.82)	(6.33)	59.93	(102.15)	(215.49)	(312.63)
(ii) Income tax on items that will be reclassified to profit or loss	6.14	12.30	8.98	18.44	20.76	(12.22)
Other comprehensive income/(loss) for the period/year	(92.02)	(0.28)	75.40	(92.30)	(186.34)	(289.94)
12. Total comprehensive income/(loss) for the period/year (9+11)	382.48	446.87	442.31	829.35	626.18	1,202.50
13. Total comprehensive income attributable to						
a) Shareholders of the company	372.81	478.24	440.32	851.05	623.32	1,220.23
b) Non - controlling interest	9.67	(31.37)	1.99	(21.70)	2.86	(17.73)
14. Paid-up equity share capital (face value ₹2/- each) (Refer note 4)	161.22	161.17	161.05	161.22	161.05	161.14
15. Other equity	-	-	-	-	-	14,851.14
16. Earnings per share (face value ₹2/- each)						
a) Basic (₹)	*5.85	*5.93	*4.68	*11.78	*10.29	18.97
b) Diluted (₹)	*5.84	*5.93	*4.67	*11.77	*10.27	18.93

*Not Annualised

Cipla Ltd.

Regd. Office - Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, India.

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Segment information *(₹ in Crores)*

Particulars	Quarter ended			Half year ended		Year ended
	30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment wise revenue and results						
Segment revenue:						
a) Pharmaceuticals	**4,357.16**	3,959.93	3,979.86	**8,317.09**	7,892.16	16,231.21
b) New ventures	**46.99**	36.24	38.45	**83.23**	71.51	160.45
Total segment revenue	**4,404.15**	3,996.17	4,018.31	**8,400.32**	7,963.67	16,391.66
Less : Inter segment revenue	**8.37**	7.15	6.41	**15.52**	12.78	29.25
Total revenue from operations	**4,395.78**	**3,989.02**	**4,011.90**	**8,384.80**	**7,950.89**	**16,362.41**
Segment result:						
Profit/(loss) before tax and interest from each segment						
a) Pharmaceuticals	**784.42**	734.16	572.54	**1,518.58**	1,163.58	2,254.24
b) New ventures	**(57.36)**	(19.15)	(19.65)	**(76.51)**	44.79	(6.67)
Total segment result	**727.06**	**715.01**	**552.89**	**1,442.07**	**1,208.37**	**2,247.57**
Less: Finance costs	**46.07**	52.12	44.37	**98.19**	79.46	168.43
Total Profit (+)/loss (-) before tax	**680.99**	**662.89**	**508.52**	**1,343.88**	**1,128.91**	**2,079.14**

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 (as amended) and SEBI circular dated 5th July, 2016.

2. Effective 1st April, 2019, the Group has adopted Ind AS 116 "Leases" using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

On 1st April, 2019, the Group has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Also, the Group has elected not to apply the requirements of Ind AS 116 to short-term leases and certain leases for which the underlying asset is of low value. Accordingly, on transition to Ind AS 116, the Group recognised lease liabilities and corresponding equivalent ROU assets.

In the statement of profit and loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The adoption of this standard did not have any significant impact on the profit for the period and earnings per share.

3. 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 ₹ 2,655.38 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 Hon'ble Supreme Court of India. The Supreme Court in its judgment of 1st 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 20th 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 1st 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 21st 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 50% of amount demanded), re-scheduled the hearing for 5th June, 2019, but the same was not listed on that date and the next date of hearing is awaited.

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 21st 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.

In addition, Company had made provision of ₹ 100.48 Crore as of 30th September, 2019 for products not part of the referenced writ proceedings. Few demands for these products aggregating ₹ 80.41 Crore received recently, were challenged before the Hon'ble Bombay High Court and the recovery proceedings remain in abeyance in pursuance of the same and the matters are listed for hearing in the month of November 2019.

4. The paid-up equity share capital stands increased to ₹ 161.22 Crore (80,60,77,497 equity shares of ₹ 2 each) upon allotment of 2,49,072 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 30th September, 2019.

5. The Government of India, on 20th September, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115 BAA in the Income Tax Act, 1961, which provides an option to the Indian companies for paying tax at reduced rates (lower tax rate) as per the provisions/ conditions defined in the said section. Based on its evaluation, certain Indian components of the Group expects to avail lower tax rate only from a later financial year (31st March, 2021) and therefore has applied the lower tax rate of 25.17% in measurement of deferred taxes only to the extent that such deferred tax assets/ liabilities are expected to be realised/ settled in the periods during which the Company expects to be subject to lower tax rate. To the extent deferred tax assets/ liabilities are expected to be realised/ settled during the year ending 31st March, 2020, the normal tax rate of 34.994% or lower tax rate of 25.17%, as applicable, has been applied. Consequently, deferred tax liabilities (net) reversed by the Group as at 30th September, 2019 is not significant.

Cipla Ltd.

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6. Consolidated statement of assets and liabilities :

(₹ in Crores)

Particulars	As at 30-09-2019 Unaudited	As at 31-03-2019 Audited
A. ASSETS		
1. Non-Current Assets		
(a) Property, plant and equipment	**5,280.64**	5,114.35
(b) Capital work-in-progress	**326.11**	331.05
(c) Investment property	**61.18**	61.85
(d) Goodwill	**2,894.23**	2,869.14
(e) Intangible assets	**1,575.57**	1,563.02
(f) Intangible assets under development	**451.27**	345.13
(g) Investment in associates	**241.42**	234.49
(h) Financial assets		
(i) Investments	**198.43**	193.86
(ii) Loans	**51.61**	49.42
(iii) Others financial assets	**60.33**	93.21
(i) Income tax assets (net)	**357.38**	345.59
(j) Deferred tax assets (net)	**219.79**	201.41
(k) Other non-current assets	**159.56**	134.17
Total non-current assets	**11,877.52**	**11,536.69**
2. Current asset		
(a) Inventories	**4,486.34**	3,964.83
(b) Financial assets		
(i) Investments	**1,125.16**	2,125.79
(ii) Trade receivables	**3,919.68**	4,150.72
(iii) Cash and cash equivalents	**639.85**	508.36
(iv) Bank balances other than cash and cash equivalents	**462.37**	110.45
(v) Loans	**6.03**	6.28
(vi) Other financial assets	**539.27**	497.87
(c) Other current assets	**1,087.85**	1,060.33
	12,266.55	**12,424.63**
(d) Assets classified as held-for-sale	**2.00**	2.00
Total current assets	**12,268.55**	12,426.63
Total assets	**24,146.07**	**23,963.32**
B. EQUITY and LIABILITIES		
1. Equity		
(a) Share capital	**161.22**	161.14
(b) Other equity (Refer note 8)	**15,435.12**	14,851.14
Equity attributable to owner	**15,596.34**	15,012.28
Non-controlling interest	**313.36**	331.97
Total equity	**15,909.70**	**15,344.25**
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	**3,142.10**	3,830.07
(ii) Other financial liabilities (Refer note 8)	**277.58**	387.45
(b) Provisions	**128.42**	121.41
(c) Deferred tax liabilities (net)	**337.44**	425.32
(d) Other non-current liabilities	**67.92**	83.31
Total non-current liabilities	**3,953.46**	**4,847.56**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	**415.30**	486.16
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	**17.35**	28.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,099.40**	1,919.30
(iii) Other financial liabilities	**487.84**	398.43
(b) Other current liabilities	**187.31**	143.43
(c) Provisions	**853.46**	736.76
(d) Income tax liabilities (net)	**222.25**	58.74
Total current liabilities	**4,282.91**	**3,771.51**
Total liabilities	**8,236.37**	**8,619.07**
Total equity and liabilities	**24,146.07**	**23,963.32**

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7. Disclosure of statement of Cash Flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30th September, 2019

(₹ in Crores)

Particulars	Half year ended	
	30-09-2019	30-09-2018
	Unaudited	Unaudited
Cash flow from operating activities		
Profit before tax	1,343.88	1,128.91
Adjustments for :		
Depreciation, impairment and amortisation expense	550.96	522.90
Interest expense	98.19	79.46
Unrealised foreign exchange gain (net)	(21.23)	(61.78)
Share based payment expense	12.44	16.42
Allowances for credit loss (net)	96.45	10.91
Interest income	(36.21)	(13.89)
Dividend income	(0.02)	(34.44)
Sundry balance written back	(0.65)	2.86
Net gain on sale of current investment carried at fair value through profit or loss	(81.44)	(51.23)
Net gain on sale of non-current investments	-	(84.70)
Fair value loss/(gain) on financial instruments at fair value through profit or loss	20.73	(2.93)
Net (gain)/loss on sale/disposal of property, plant and equipment	(4.00)	(0.18)
Rent income	(4.06)	(2.15)
Operating profit before working capital changes	**1,975.04**	**1,510.16**
Adjustments for working capital:		
(Increase)in inventories	(521.50)	(114.83)
Decrease/(Increase) in trade and other receivables	29.31	(795.10)
Increase in trade payables and other liabilities	297.45	187.62
Cash generated from operations	**1,780.30**	**787.85**
Income taxes paid (including tax deducted at source)	(321.23)	(209.59)
Net cash flows generated from operating activities	**1,459.07**	**578.26**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advance/payables)	(205.55)	(164.82)
Purchase of intangible assets (including intangible asset under development)	(276.75)	(102.10)
Proceeds from sale of property, plant and equipment	6.71	0.18
Investment in associates	(24.32)	-
Proceeds from sale of non-current investments	-	84.70
Sale/(purchase) of current investments (net)	1,061.34	(390.39)
Change in other bank balance and cash not available for immediate use	(354.47)	104.53
Interest received	24.85	13.89
Dividend received	0.02	34.44
Rent received	4.06	2.15
Net cash flow generated from /(used in) investing activities	**235.89**	**(417.42)**
Cash flow from financing activities		
Proceeds from issue of equity shares (ESOSs)	0.08	0.03
Transaction with non-controlling interest (net)	(357.35)	154.07
(Repayment)/proceeds from current borrowings (net)	(37.51)	7.55
Proceeds from non-current borrowings	-	178.59
Repayment of non-current borrowings	(756.77)	(113.08)
Interest paid	(91.51)	(70.45)
Dividend paid	(241.77)	(241.56)
Tax paid on dividend	(43.59)	(42.53)
Payment of lease liabilities	(38.12)	-
Net cash used in financing activities	**(1,566.54)**	**(127.38)**
Net increase in cash and cash equivalents	**128.42**	**33.46**
Cash and cash equivalents at the beginning of the year	508.36	853.46
Exchange difference on translation of foreign currency cash and cash equivalents	3.07	11.95
Cash and cash equivalents at the end of the year	**639.85**	**898.87**

The above statement of cash flow has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7-Statement of Cash Flows.

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8. On 7th August, 2019, Cipla Limited (the Holding Company) has acquired non-controlling interest of 26.16% representing 534,658 Series A Compulsory Convertible Preference Shares of ₹ 50 each, 33,039 Series A1 Compulsory Convertible Preference Shares of ₹ 50 each and 1,000 equity shares of ₹ 10 each, on a fully diluted basis for a total cash consideration of ₹ 350 Crore of its Subsidiary, Cipla Health Limited. Accordingly, the related put option liability of ₹ 359.97 Crore (including ₹ 21.81 Crore for non-controlling interest) has been adjusted against the capital reserve.

9. The Unaudited standalone financial results for the quarter and half year ended 30th September, 2019 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 is as under:

(₹ in Crores)

Particulars	Quarter ended			Half year ended		Year ended
	30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	**3,370.18**	3,229.33	3,094.71	**6,599.51**	6,082.28	12,374.01
Profit before tax	**919.90**	978.33	723.43	**1,898.23**	1,248.36	2,492.83
Profit after tax	**737.38**	694.00	568.47	**1,431.38**	959.02	1,888.41

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

11. The above results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 6th November, 2019. These results have been subjected to limited review by the statutory auditor, except the cash flows for the half year ended on 30th September, 2018 which have not been subjected to auditor's review.

By order of the Board
For **CIPLA LIMITED**

Umang Vohra
Managing Director and Global Chief Executive Officer

Mumbai
6th November, 2019

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Independent Auditor's Review Report on Consolidated Unaudited 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 (as amended)

To the Board of Directors of Cipla Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Cipla Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure A for the list of subsidiaries and associates included in the Statement) for the quarter ended 30 September 2019 and the consolidated year to date results for the period 1 April 2019 to 30 September 2019, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subject to audit or review.

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Chartered Accountants

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

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

Cipla Limited
Independent Auditor's Review Report on Consolidated Unaudited 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 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We did not review the interim financial results of 16 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 2,402.68 crore as at 30 September 2019, total revenues of ₹ 651.09 crore and ₹ 1,243.94 crore, total net profit after tax of ₹ 31.97 crore and ₹ 56.10 crore, total comprehensive income of ₹ 35.14 crore and ₹ 58.52 crore, for the quarter and year-to-date period ended on 30 September 2019, respectively, and cash flows (net) of ₹ (9.05) for the period ended 30 September 2019, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 0.60 crore and ₹ 1.04 crore for the quarter and year-to-date period ended on 30 September 2019, respectively, as considered in the Statement, in respect of an associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

   Further, these subsidiaries and associate are located outside India, whose interim 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 Holding Company's management has converted the financial results of such subsidiaries and associate 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 Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

   Our conclusion is not modified in respect of this matter.

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

Ashish Gupta
Partner
Membership No. 504662

UDIN No: 19504662AAAABM2026

Place: Mumbai
Date: 06 November 2019

Cipla Limited
Independent Auditor's Review Report on Consolidated Unaudited 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 (as amended)

Annexure A

List of entities included in the Statement

I) Subsidiaries:

1. Goldencross Pharma Limited, India (formerly known as Goldencross Pharma Private Limited)
2. Meditab Specialities Limited, India (formerly known as Meditab Specialities Private Limited)
3. Cipla BioTec Limited, India (formerly known as Cipla BioTec Private Limited)
4. Jay Precision Pharmaceuticals Private Limited, India
5. Cipla Health Limited, India
6. Medispray Laboratories Private Limited, India
7. Sitec Labs Limited, India (formerly known as Sitec Labs Private Limited)
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. Tasfiye Halinde Cipla Ila9 Ticarret Anonim $irketi. Turkey (formerly known as Cipla Ilac Ticaret Anonim Sirketi) (liquidated w.e.f 7 October 2019)
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 (liquidated on 11 February 2019)

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Cipla Limited
Independent Auditor's Review Report on Consolidated Unaudited 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 (as amended)

Annexure A (Contd)

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 (incorporated on 22 October 2018)
52. Madison Pharmaceuticals Inc. United States of America (incorporated on 26 October 2018)
53. Cipla (Colombia) SAS, Colombia (incorporated on 25 April, 2019)
54. Cipla (China) Pharmaceutical Co., Ltd.,China (incorporated on 20 May, 2019)
55. Cipla Health Employees Stock Option Trust, India
56. Cipla Employee Stock Option Trust, India
57. Cipla (Jignasu) Pharmaceutical Co., Ltd. (incorporated on 8 August, 2019)

II) Associates:

1. Stempeutics Research Private Limited, India (w.e.f. 26 June 2019 stake is changed from 48.99% to 43.64%)
2. Avenue Therapeutics Inc. United States of America (acquired 33.33% stake on 8 February 2019)
3. Brandmed (Pty) Limited, South Africa (acquired 30% stake on 24 April 2019)

Cipla

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2019

(₹ in Crores)

Particulars	Quarter ended			Half year ended		Year ended
	30-09-2019	30-06-2019	30-09-2018	30-09-2019	30-09-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from operations						
a) Net sales/income from operations	**3,230.08**	3,126.21	3,035.62	**6,356.29**	5,938.29	11,968.44
b) Other operating revenue	**140.10**	103.12	59.09	**243.22**	143.99	405.57
Total revenue from operations	**3,370.18**	**3,229.33**	**3,094.71**	**6,599.51**	**6,082.28**	**12,374.01**
2. Other income (Refer note 7)	**312.75**	93.41	300.11	406.16	406.18	577.52
3. Total income (1+2)	**3,682.93**	**3,322.74**	**3,394.82**	**7,005.67**	**6,488.46**	**12,951.53**
4. Expenses						
a) Cost of materials consumed	**769.62**	767.89	764.56	**1,537.51**	1,530.26	3,112.25
b) Purchases of stock-in-trade	**320.06**	328.02	337.66	**648.08**	625.27	1,259.21
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**35.04**	(206.16)	58.43	**(171.12)**	158.68	136.70
d) Employee benefits expense	**479.54**	480.15	456.02	**959.69**	914.08	1,839.84
e) Finance costs	**9.87**	7.39	7.70	**17.26**	10.04	16.97
f) Depreciation, impairment and amortisation expense	**150.93**	145.29	141.04	**296.22**	276.52	569.72
g) Other expenses	**997.97**	821.83	905.98	**1,819.80**	1,725.25	3,524.01
Total expenses	**2,763.03**	**2,344.41**	**2,671.39**	**5,107.44**	**5,240.10**	**10,458.70**
5. Profit (+)/loss (-) before tax (3-4)	**919.90**	**978.33**	**723.43**	**1,898.23**	**1,248.36**	**2,492.83**
6. Tax expense (net)						
a) Current tax	**144.04**	257.26	131.28	**401.30**	244.42	576.43
b) Deferred tax (Refer note 8)	**38.48**	27.07	23.68	**65.55**	44.92	27.99
Total tax expense	**182.52**	**284.33**	**154.96**	**466.85**	**289.34**	**604.42**
7. Net profit (+)/loss (-) after tax for the period/year (5-6)	**737.38**	**694.00**	**568.47**	**1,431.38**	**959.02**	**1,888.41**
8. Other comprehensive income/(loss) for the period/year						
a) (i) Items that will not be reclassified to profit or loss	**(3.33)**	(9.39)	9.14	**(12.72)**	10.60	12.00
(ii) Income tax on items that will not be reclassified to profit or loss	**1.35**	3.28	(3.20)	**4.63**	(3.70)	(4.19)
b) (i) Items that will be reclassified to profit or loss	**(18.76)**	(30.28)	(27.73)	**(49.04)**	(65.43)	48.81
(ii) Income tax on items that will be reclassified to profit or loss	**6.60**	10.58	9.68	**17.18**	22.86	(17.06)
Other comprehensive income/(loss) for the period/year	**(14.14)**	(25.81)	(12.11)	**(39.95)**	(35.67)	39.56
9. Total comprehensive income/(loss) for the period/year (7+8)	**723.24**	668.19	556.36	**1,391.43**	923.35	1,927.97
10. Paid-up equity share capital (face value ₹ 2/- each) (Refer note 6)	**161.22**	161.17	161.05	**161.22**	161.05	161.14
11. Other equity	-	-	-	-	-	**15,620.77**
12. Earnings per share (face value ₹ 2/- each)						
a) Basic (₹)	***9.15**	*8.61	*7.06	***17.76**	*11.91	23.45
b) Diluted (₹)	***9.14**	*8.60	*7.05	***17.74**	*11.89	23.41
*Not Annualised						

Cipla Ltd.

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Notes:

1. Standalone statement of assets and liabilities :-

(₹ in Crores)

Particulars	As at 30-09-2019 Unaudited	As at 31-03-2019 Audited
A. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	3,960.03	3,992.13
(b) Capital work-in-progress	267.05	241.32
(c) Investment properties	61.18	61.85
(d) Intangible assets	126.05	135.33
(e) Intangible assets under development	59.87	56.01
(f) Financial assets		
(i) Investments (Refer note 9)	5,117.33	3,803.61
(ii) Loans	42.02	207.91
(iii) Others financial assets	4.96	4.77
(g) Income tax assets (net)	272.50	272.45
(h) Other non-current assets	178.47	164.78
Total non-current assets	**10,089.46**	**8,940.16**
2. Current asset		
(a) Inventories	3,161.61	2,868.41
(b) Financial assets		
(i) Investments	985.69	2,011.58
(ii) Trade receivables	3,810.78	3,168.73
(iii) Cash and cash equivalents	127.74	64.47
(iv) Bank balances other than cash and cash equivalents	461.26	110.09
(v) Loans	4.69	5.04
(vi) Other financial assets	411.25	379.63
(c) Other current assets	895.14	868.70
	9,858.16	**9,476.65**
(d) Assets classified as held-for-sale	2.00	2.00
Total current assets	**9,860.16**	**9,478.65**
Total assets	**19,949.62**	**18,418.81**
B. EQUITY and LIABILITIES		
1. Equity		
(a) Share capital	161.22	161.14
(b) Other equity	16,746.63	15,620.77
Total equity	**16,907.85**	**15,781.91**
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	115.37	53.36
(b) Provisions	102.95	108.12
(c) Deferred tax liabilities (net)	86.58	42.84
(d) Other non-current liabilities	60.67	64.50
Total non-current liabilities	**365.57**	**268.82**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	15.84	28.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,609.10	1,453.34
(ii) Other financial liabilities	243.86	222.68
(b) Other current liabilities	123.34	183.91
(c) Provisions	468.22	428.55
(d) Income tax liabilities (net)	215.84	51.59
Total current liabilities	**2,676.20**	**2,368.08**
Total liabilities	**3,041.77**	**2,636.90**
Total equity and liabilities	**19,949.62**	**18,418.81**

Cipla Ltd.

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2. Disclosure of statement of Cash Flows as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30th September, 2019

(₹ in Crores)

Particulars	Half year ended	
	30-09-2019	30-09-2018
	Unaudited	Unaudited
Cash flow from operating activities		
Profit before tax	**1,898.23**	**1,248.36**
Adjustments for :		
Depreciation, impairment and amortisation expense	296.22	276.52
Interest expense	17.26	10.04
Unrealised foreign exchange loss/(gain) (net)	(18.17)	0.60
Share based payment expense	10.24	15.41
Allowances for credit loss (net)	66.78	(3.46)
Interest income	(34.49)	(11.52)
Dividend income	(244.65)	(241.50)
Sundry balance written back	0.93	(1.46)
Corporate guarantee commission	(9.24)	(9.86)
Net gain on sale of current investments carried at fair value through profit or loss	(75.20)	(46.04)
Fair value gain on financial instruments at fair value through profit or loss	18.28	(2.59)
Net gain on sale/buy-back of non-current investments	-	(11.02)
Net (gain)/loss on sale/disposal of property, plant and equipment	(3.87)	0.59
Rent income	(3.94)	(1.78)
Operating profit before working capital changes	**1,918.38**	**1,222.29**
Adjustments for working capital:		
(Increase)/decrease in inventories	(293.20)	68.50
Increase in trade and other receivables	(730.42)	(476.23)
Increase in trade payables and other liabilities	21.30	67.32
Cash generated from operations	**916.06**	**881.88**
Income taxes paid (including tax deducted at source)	(237.10)	(132.18)
Net cash flows generated from operating activities	**678.96**	**749.70**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advance/payables)	(151.01)	(143.05)
Purchase of intangible assets (including intangible asset under development)	(25.45)	(9.43)
Proceeds from sale of property, plant and equipment	4.99	0.68
Investment in subsidiaries	(1,140.27)	(250.56)
Proceeds from sale/buy-back of investment in subsidiaries	-	105.91
Sale/ (purchase) of current investments (net)	1,082.81	(327.73)
Change in other bank balance and cash not available for immediate use	(350.82)	2.96
Interest received	18.93	11.52
Dividend received from subsidiaries	244.64	241.50
Dividend received from current investment	0.01	-
Rent received	3.94	1.78
Net cash flow used in investing activities	**(312.23)**	**(366.42)**
Cash flow from financing activities		
Proceeds from issue of equity shares (ESOSs)	0.08	0.03
Proceeds/ (repayment) from current borrowings (net)	-	(132.93)
Repayment of non-current borrowings	-	(0.07)
Interest paid	(5.73)	(5.56)
Payment of lease liabilities	(20.89)	-
Dividend paid	(241.77)	(241.57)
Tax paid on dividend	(34.23)	(40.40)
Net cash flow used in financing activities	**(302.54)**	**(420.50)**
Net increase/ (decrease) in cash and cash equivalents	**64.19**	**(37.22)**
Cash and cash equivalents at the beginning of the year	64.47	217.45
Exchange difference on translation of foreign currency cash and cash equivalents	(0.92)	(0.36)
Cash and cash equivalents at the end of the year	**127.74**	**179.87**

The above statement of cash flow has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7-Statement of Cash Flows.

Cipla Ltd.

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3. 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 (as amended) and SEBI circular dated 5th July, 2016.

4. Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

On 1st April, 2019, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments). Also, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and certain leases for which the underlying asset is of low value. Accordingly, on transition to Ind AS 116, the Company recognised lease liabilities and corresponding equivalent ROU assets.

In the statement of profit and loss for the current period, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The adoption of this standard did not have any significant impact on the profit for the period and earnings per share.

5. 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 ₹ 2,655.38 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 Hon'ble Supreme Court of India. The Supreme Court in its judgment of 1st 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 20th 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 1st 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 21st 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 50% of amount demanded), re-scheduled the hearing for 5th June, 2019, but the same was not listed on that date and the next date of hearing is awaited.

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 21st 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.

In addition, Company had made provision of ₹ 100.48 Crore as of 30th September, 2019 for products not part of the referenced writ proceedings. Few demands for these products aggregating ₹ 80.41 Crore received recently, were challenged before the Hon'ble Bombay High Court and the recovery proceedings remain in abeyance in pursuance of the same and the matters are listed for hearing in the month of November 2019.

6. The paid-up equity share capital stands increased to ₹ 161.22 Crore (80,60,77,497 equity shares of ₹ 2 each) upon allotment of 2,49,072 equity shares of ₹ 2 each pursuant to "ESOS 2013-A" during the quarter ended 30th September, 2019.

7. Other income for the quarter ended 30th September, 2019 includes ₹ 235.50 Crore, dividend received from subsidiary companies.

8. The Government of India, on 20th September, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115 BAA in the Income Tax Act, 1961, which provides an option to the Company for paying tax at reduced rates (lower tax rate) as per the provisions/ conditions defined in the said section. Based on its evaluation, the Company expects to avail lower tax rate only from a later financial year (31st March, 2021) and therefore has applied the lower tax rate of 25.17% in measurement of deferred taxes only to the extent that such deferred tax assets/ liabilities are expected to be realised/ settled in the periods during which the Company expects to be subject to lower tax rate. To the extent deferred tax assets/ liabilities are expected to be realised/ settled during the year ending 31st March, 2020, the normal tax rate of 34.994% or lower tax rate of 25.17%, as applicable, has been applied. Consequently, deferred tax liabilities (net) reversed by the Company as at 30th September, 2019 is not significant.

9. On 7th August, 2019, the Company has acquired non-controlling interest of 26.16% representing 534,658 Series A Compulsory Convertible Preference Shares of ₹ 50 each, 33,039 Series A1 Compulsory Convertible Preference Shares of ₹ 50 each and 1,000 equity shares of ₹ 10 each, on a fully diluted basis for a total cash consideration of ₹ 350 Crore of its Subsidiary, Cipla Health Limited.

Cipla Ltd.

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

11. The above results have been reviewed and recommended to the Board of Directors by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 6th November, 2019. These results have been subjected to limited review by statutory auditor, except the cash flows for the half year ended on 30th September, 2018 which have not been subjected to auditor's review.

By order of the Board
For **CIPLA LIMITED**

Umang Vohra
Managing Director and Global Chief Executive Officer

Mumbai
6th November, 2019

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Independent Auditor's Review Report on Standalone Unaudited 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 (as amended)

To the Board of Directors of Cipla Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Cipla Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 1 April 2019 to 30 September 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six month period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subject to audit or review.

2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

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

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

Cipla Limited
Independent Auditor's Review Report on Standalone Unaudited 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 (as amended)

4. 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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular, and other accounting principles generally accepted in India, 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 (as amended), 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

UDIN No: 19504662AAAABL7869

Place: Mumbai
Date: 06 November 2019