

...at pharma...
 ...IMS's Pharma...
 ...la has garnered...
 ...with sales of R...
 ...e (GSK).

Pharma Market Shares

| '04 | Rank '03 | |
|------------------|----------|--------------------|
| Cipla | 5.5 | 1 GSK |
| GSK | 5.4 | 2 Cipla |
| Ranbaxy | 4.5 | 3 Ranbaxy |
| Nicholas Piramal | 4.3 | 4 Nicholas Piramal |
| Sun Pharma | 3.3 | 5 Sun Pharma |

Source: ORG-IMS Pharmaceutical Report



Our ranking in the domestic market we have one of the largest product joint MD. Amar Lolla, told ET. has just about outpaced the industry. The company has over 1,000 brands. Cipla's lead, however, Asthalin is ranked seventh. Besides, the data is rest picture of a company's added up. GSK's spoke announced sales or revenue that

Cipla

Sixty-Ninth Annual Report 2004-2005

Cipla edges out GSK, tops the pillboard chart

Co Corners 5.5% Share of Market

Local pharmaceutical major Cipla has topped the domestic market of research-intensive drugs, edging out GSK's Pharmacia of Rs 1,358 crore. Cipla has garnered a 5.5% share level with sales of Rs 1,126 crore.

Cipla clocks 67% jump in net profit at Rs 126 crore

OUR CORPORATE BUREAU
Mumbai

Drug major Cipla Ltd has registered a rise in net profit of 66.9% to Rs 125.7 crore for the third quarter ended December 31 2004 from Rs 75.3 crore registered during the same period last year. The significant jump in the net profit is due to the rise in other income to Rs 41.2 crore from Rs 8.9 crore during the same period.

With the sharp rise in net profits, its earnings per share (EPS) for the quarter moved up sharply to Rs 4.19 from Rs 2.51 in the similar period of last year. The net sales and income from operations

(less excise duty) have touched Rs 506.14 crore from a low of Rs 480.58 crore.

Cipla improved its performance in the nine-month period also and its net sales improved by 25.7% to Rs 1,706.9 crore from Rs 1,358 crore in the corresponding nine months of 2003-04. Other income also moved significantly 156.7% to Rs 60.5 crore from Rs 23.6 crore. Cipla pushed its net profit up 41.7% to Rs 30 crore from Rs 21.2 crore. The Stock Exchange of India (SEI) saw Cipla stock rise by a 0.5% to Rs 204.45 per share on Monday.

Cipla net profit up 41%

Cipla Ltd reported a net profit of Rs 11.4 crore for the quarter ended June 30, a growth of 41.5% compared to Rs 7.26 crore in the previous quarter. The board has recommended a dividend of Rs 1.50 per equity share of face value Rs 2 for the fiscal year ended June 30, 2004.

Dollar rallies against yuan as impact against...

Cipla Limited

Founder

Dr. K.A. Hamied
(1898-1972)

Chairman & Managing Director

Dr. Y.K. Hamied

Joint Managing Directors

Mr. M.K. Hamied
Mr. Amar Lulla

Non-Executive Directors

Dr. M.K. Gurjar
Mr. V.C. Kotwal
Dr. H.R. Manchanda
Mr. S.A.A. Pinto
Mr. M.R. Raghavan
Mr. Ramesh Shroff

Bankers

Bank of Baroda
Canara Bank
Corporation Bank
Indian Overseas Bank
Standard Chartered Bank
The Hongkong & Shanghai Banking
Corporation Limited
Union Bank of India

Auditors

R.S. Bharucha & Co.
R.G.N. Price & Co.

Registered Office

Mumbai Central, Mumbai 400 008

Website

www.cipla.com

CORPORATE NOTES

Reliance hikes stake in Surala Maids

Reliance Industries Ltd. has increased its stake in Surala Maids, a leading manufacturer of industrial machinery, to 51% from 49%.

Comptroller files for IPO

The Comptroller of India has filed for an Initial Public Offering (IPO) to raise funds for the government.

Gen. Lulla's resignation

General Lulla has resigned from his post as the 14th Chief of the Army Staff, India.

CORPORATES & M

Cipla to set up Rs 100-cr manufacturing unit in Goa



Cipla is planning to set up a Rs 100 crore manufacturing unit in Goa. The unit will be managed by a third party. The company has taken over some factory buildings there and is in the process of installing machines.

Cipla signs R&D deal

Pharma major Cipla has entered into a research alliance with Bangalore-based biotech company Avestha Gengraine Technologies, to develop biopharmaceuticals and a new class of biotech products called targeted therapies.

with bioMerieux, a 1 bn euro French diagnostic giant. The companies will jointly develop a diagnostic kit based on the Affymetrix gene chip technology.

Avesthagen Gengraine started commercial operations in '01 and has since floated two other companies — Avesthagen, based in San Diego, Calif., and Avestha.

On March 14, Cipla said it will set up a major R&D unit in Goa. The unit will be managed by a third party. The company has taken over some factory buildings there and is in the process of installing machines.



Avesthagen, under the terms of the agreement, will focus on research and product development, while Cipla will concentrate on marketing and distribution.

This is the first research tie-up between a pharma major and a biotech company in India. Avesthagen struck a deal last year for tuberculosis treatment.

Express Pharma Pulse

Express Pharma Pulse Awards

This is our 20th year, and the awards are a good landmark to remember it by.

CORP
a net profit of Rs 11.4 crore for the first quarter of '05. Net profit was Rs 10.1 crore (Rs 10.8 crore) in 2004. Net sales stood at Rs 30.8 crore. It registered a 10% year-on-year growth of 10% at Rs 26.9 crore. Sales rose by 19% at Rs 26.9 crore through the first quarter.

WITH a growth rate of 10% per annum, Cipla has outpaced the industry, with a growth rate of 8.4 percent. In the domestic market, Cipla has over 100 products of which 55 were launched last year. The company has introduced several new products and has entered into several new partnerships and alliances, including Duoco Rotacaps and initiatives for Cipla-Dosier E kit for HIV management and a range of subcutaneous products with a unique in-house device for delivery of the

Spurred by the new products launched, Cipla has taken many new initiatives in the past year in the areas of manufacturing, research & development and marketing. The company came up with new manufacturing facilities in Goa and Baddi. It also entered into a research alliance with Bangalore-based biotech company Avestha Gengraine Technologies to develop biopharmaceutical products. A number of patents, local as well as international, were also filed.

DIRECTORS' REPORT

The Directors take pleasure in presenting the Sixty-Ninth Annual Report of the Company and Audited Accounts for the year ended 31st March 2005.

Financial Summary

| Year ended 31st March 2004 | | Year ended 31st March 2005 | Increase over previous year (%) |
|----------------------------------|---|----------------------------------|--|
| 20,910 | Sales and other income | 24,829 | 19 |
| 4,444 | Gross profit before depreciation and tax | 5,697 | 28 |
| 2,956 | Net profit for the year | 4,096 | 39 |
| - | Surplus brought forward from last balance sheet | 941 | |
| 2,956 | Profit available for appropriation | 5,037 | |
| Appropriations: | | | |
| 900 | Dividend | 1,050 | 17 |
| 115 | Tax on dividend | 149 | 30 |
| 1,000 | Transfer to general reserve | 1,500 | 50 |
| 941 | Surplus carried forward | 2,338 | |

In rupees million

Dividend

The Directors recommend a dividend of Rs. 3.50 per share on 29,98,70,233 equity shares of Rs.2 each.

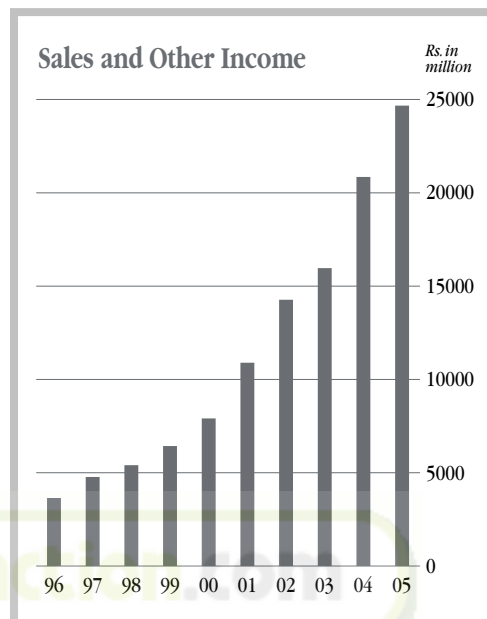
MANAGEMENT REVIEW: 2004-05

Industry Structure and Developments

The Indian pharmaceutical industry grew by 4.2 percent during the year 2004-05.

The introduction of The Patents (Amendment) Act, 2005, early this year brought in the product patent regime, which came into force on 1st January 2005. The domestic industry will need to gear itself to meet the challenges

of this new scenario and a spate of strategic realignment and consolidation activity within the industry is anticipated.



Performance Review

Sales for the year crossed Rs.23,250 million, recording an impressive 18 percent growth over the previous year. This was achieved despite depressed sales in the fourth quarter, mainly on account of confusion related to the implementation of value added tax (VAT) and the levy of excise duty on the maximum retail price (MRP) of formulations.

Cipla maintained its leadership in the domestic market, retaining its number one rank in the ORG IMS ratings (Retail Store Audit MAT March 2005).

Exports grew by 30 percent, exceeding Rs.10,500 million. Both active pharmaceutical ingredients (APIs) and formulations contributed to the growth in business in the international market. Overseas business now forms 45 percent of the Company's total turnover.

The Company received the Express Pharma Pulse Award for overall performance and jointly won the best exporter award.

Cipla in talks for 2 more alliances with US cos

D

Cipla ties up with Pentech Pharma, targets US market

Jaitha D'Souza
 MUMBAI, APRIL 21

The Mumbai-based Cipla has signed a tie-up with the US company Pentech Pharma to develop a range of generic products for the American market. The company's top management is looking for the addition of Cipla's R&D facilities in the US.

Pentech is engaged in developing drugs for chronic and acute care of life-threatening diseases including several dysfunction antibodies disease in its portfolio. Cipla will provide finished formulations for two products reviewed later and a more product.

Cipla...

agreement... Cipla... Pentech...
 Pentech... Cipla...
 Cipla... Pentech...



Exports give Cipla profit 28% boost

Our Mumbai Bureau
 BY ANIL

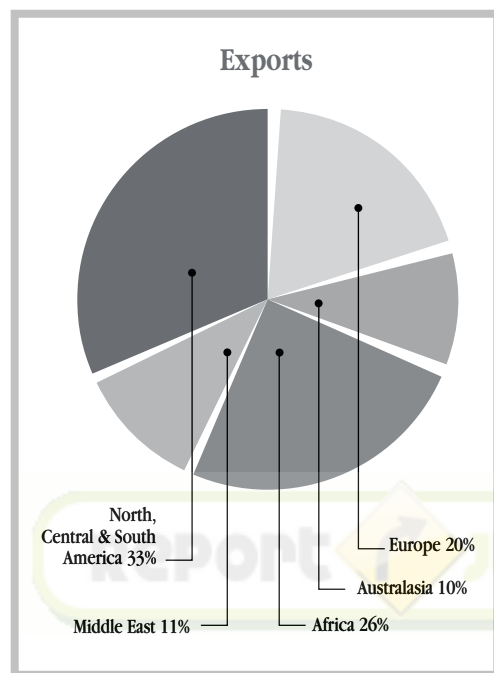
STRONG growth in exports and a revival in the domestic market has lifted Cipla's net profit by 28 per cent to Rs 229.2 crore in 01-02. Net sales jumped 32 per cent to Rs 1,386.8 crore. A robust fourth quarter performance also served to perk up the full year's results. Net sales for the quarter rose 48 per cent to Rs 375.9 crore while net profit jumped 80 per cent to Rs 61.7 crore.

Analyst expectations on the BSE on profit jumped sales and profits. But Cipla shares fell 1.2 per cent in the market. Exports played a major role for the quarter exports helped Cipla's net profit to rise 28 per cent to Rs 229.2 crore during the year.



DIRECTORS' REPORT *contd.*

The Company's strategic alliances with its international marketing partners progressed as envisioned.



Technical know-how/fees received during the year amounted to Rs.415 million.

The overall net profits of the Company at Rs.4096 million grew by 39 percent. This was mainly on account of improved product mix, optimisation of resources and higher non-operating income.

Products

The Company yet again took a lead in the introduction of many new products and APIs in the country. Some of the formulations had the unique distinction of being the first in the world in their respective therapeutic class. These were:

- Duova (tiotropium and formoterol inhaler and rotacaps) - Long-acting combination bronchodilator for COPD
- Duovir E Kit (lamivudine, zidovudine and efavirenz tablets) - Novel triple-drug fixed dose combination kit for HIV/AIDS

- Duonase (azelastine and fluticasone nasal spray) - New steroid-decongestant combination spray for allergic rhinitis
- Levolin (levosalbutamol inhaler, rotacaps, tablets and syrup) - The first chiral salbutamol bronchodilator for asthma in these dosage forms
- Mucinac (n-acetylcysteine effervescent tablets) - Mucolytic antioxidant
- Seroflo Multi-Haler (salmeterol and fluticasone) - The first single-action multi-dose dry powder inhaler (DPI) for asthma and COPD
- Voltanec (aceclofenac and beta-cyclodextrin tablets) - Fast acting non-steroidal anti-inflammatory drug

INFRASTRUCTURE

Manufacturing Facilities

The first phase of the new formulation plant at Baddi, Himachal Pradesh for the manufacture of tablets and capsules was completed and the unit commenced commercial production in April 2005. Facilities for manufacture of aerosols at this site are expected to be completed by December 2005. In addition, the Company expanded its Goa facilities and also set up new export oriented units (EOUs) at Kurkumbh and Bangalore.

Regulatory Approvals

A number of dosage forms and APIs manufactured in the Company's various plants continue to enjoy the approval of most major international regulatory agencies. These include the US FDA, MHRA UK, PIC Germany, MCC South Africa, TGA Australia, the WHO Geneva, Department of Health Canada, ANVISA Brazil and SIDC Slovak Republic.

Safety and Environment Care

As always, the Company maintained high standards of safety and environment preservation at all units. During the year, Cipla's Patalganga unit was awarded the 'Five Star' rating for the third consecutive

Cipla cuts triple-drug AIDS therapy prices by 39%

Aiding & Abetting: The Fourth Cut

| Drug | Old Price | New Price | % Change |
|------------------------------|-----------|-----------|----------|
| Didanosine (ddi) 200mg/300mg | \$1,200 | \$720 | -40% |
| Zalcitabine (ddC) 375mg | \$1,200 | \$720 | -40% |
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New List of Safe AIDS Drugs, Despite Industry Lobby

Facing AIDS, March 20 - In a move that could help bring down the price of AIDS medicines for poor countries, the World Health Organization today released its first list of manufacturers of safe AIDS drugs. The list includes a large Indian product of Cipla and three smaller European ones. The move represents a setback for only patent holders, a setback for only patent holders to decide what drugs to offer in their most expensive markets. The manufacturers of the drugs approved for the United Nations list will now be able to price their products in the poorest health care systems of the world. The list of manufacturers of generic AIDS drugs is a blow to the industry, said William W. Young, a spokesman for the World Health Organization.

one common AIDS cocktail. The health organization also accepted Cipla's application for cheaper versions, copy versions for bacterial infections, and combination pills for Kaposi's sarcoma, a skin cancer.

India recognizes patents on drug-making processes, not on products, so Cipla has a legal right there to make generics of chemicals made in the West as long as it makes them using slightly different manufacturing processes.

Up to 100 more applications were approved. The World Health Organization also asked for applications for 24 drugs for AIDS per day.

The International Federation of Pharmaceutical Manufacturers and Associations lobbies on behalf of the industry.

Cipla's cheap AIDS pill as good as pricey brands

Reuters
London, 5 July

A cheap three-drug generic AIDS pill should be widely used in 2002 as major drug manufacturers used to develop new drugs. Lack of scientific evidence about the effectiveness of such generic pills has held back their use in developing countries.

But a review from the International Agency for Biomedical Research and Science, the World Health Organization, said Cipla's generic AIDS pill was as good as the more expensive brands.

The review found that 90 percent of HIV infected patients in the poorest countries had been treated with the generic pill in the last six months.

But the study also found that only 40 percent of patients in the poorest countries had been treated with the generic pill in the last six months.

The study also found that only 40 percent of patients in the poorest countries had been treated with the generic pill in the last six months.

Cost of getting medicines to three million people in the developing world by the end of 2002. A. Research and Education in Medicine for AIDS Research and Education in Medicine. A commentary accompanying the review.

Industry analysts at ABN AMRO said the review was a slight negative for makers of patented drugs but the profitability of AIDS drugs was already being eroded by generic versions.

Steven at Cipla said there is no reason to doubt the quality of the generic pill. The WHO is judging the quality of the generic pill on the basis of the WHO's own studies.

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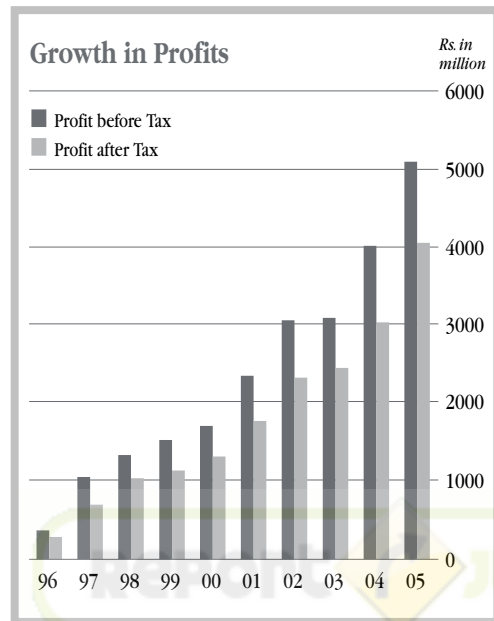
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DIRECTORS' REPORT *contd.*

year, while the Kurkumbh unit was awarded the coveted 'Sword of Honour' by the British Safety Council.



Internal Control Systems

The Company's internal control procedures are designed to keep pace with the organisation's growth in size and complexity of operations. These measures ensure compliance with various policies, practices and statutes. Cipla's internal audit teams carry out extensive audits across all functional areas, throughout the year and submit their reports to the Audit Committee of the Board of Directors.

Human Resources

In keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals, training of technical and marketing personnel continued to receive maximum attention. The Directors record their appreciation of the support and contribution of all employees towards the growth of the Company.

Particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956 forms part of

this report. Any shareholder interested in obtaining a copy may write to the Company Secretary at the Registered Office of the Company.

THREATS, RISKS & CONCERNS

Patents

The government has rushed through the amendments to the Indian Patents Act, 1970, first in the form of an ordinance and subsequently through a bill in parliament on 22nd March 2005. The government turned a deaf ear to earnest appeals from leading industry associations, international groups and non-government organisations for a national debate on various important issues of public health.

Many essential aspects of the new Patent Act such as the cut-off date for implementation and quantum of reasonable royalty, ever-greening of patents and the provisions relating to compulsory licensing are vague and ambiguous. This can work against the government's avowed objective of providing access to important medicines at affordable prices. The new patent legislation will certainly lead to numerous litigations. It will herald an era of monopoly in vital and life-saving drugs in general that would be detrimental to the interest of the consumer.

Given its strong technological base, extensive markets, wide range of products and an active product pipeline, Cipla is well equipped to meet the immediate challenges of the new patent regime. The Company will monitor the developments very closely and adapt its strategies to the changing environment.

Excise

The legislation to impose excise duty on the maximum retail price (MRP) instead of the transaction value will adversely impact the cost of outsourced formulations. This has led to the closure of a large number of small scale manufacturing units all over the country. As a logical step, most companies

Need to create awareness about Asthma and its control

International Day of the Girl
Asthma Day

More than 30 million people suffer from asthma in India and out of this only those in four million getting proper treatment in the form of inhalers and steroid tablets. This chronic lung disease is also increasing alarmingly in the country, as well as the world. World Asthma Day is celebrated on May 5 to create awareness about this disease and its control, said Dr Harish Babji on Monday.



Dr Babji said that breathing is a fight, taking in the clean air, fighting off germs, and exhaling is a fight, getting rid of the carbon dioxide. When you breathe in, you are also breathing in germs, which can cause asthma, especially if it is cold and suddenly, it is called an asthma attack, said Dr Babji, adding, there may be people who are breathing during sleep. Some people get up with symptoms and do not know they can breathe more easily.

Dr Babji was addressing the news persons at Hotel Metrolite on behalf of Cipla, the pharmaceutical company having the world's largest range of products to control asthma, on the eve of World Asthma Day.

Dr Babji said that a global increase in asthma has occurred in recent decades. In many areas, the rise of asthma has been seen as continuous, because urbanisation, he added.

Speaking about the causes of asthma, Dr Babji said that some are common to all sufferers while others vary. He said that viral infections like colds or flu, allergen, usually from pollen, petting, dust mites, exercising in cold weather, emotional reactions like excitement, fear or anger, irritants like smoke other kinds of air pollution, smoking, weather changes, additives to food like artificial food coloring, or specific food allergies and medications can

Dr Babji said that asthma is caused because the airways in the lungs become inflamed or irritated. This causes the airways to narrow and produce mucus. This mucus blocks the airways and makes it difficult to breathe. Dr Babji said that asthma is a chronic disease and it cannot be cured. However, it can be controlled with the right treatment. He said that the most common treatment for asthma is inhaled corticosteroids. These help to reduce the inflammation in the airways and prevent asthma attacks. He also said that there are other treatments like inhalers and oral medications. He said that it is important to see a doctor if you have asthma and to take your medication as prescribed.

Acceptance of rent after expiry of lease is no renewal: SC

Air hostess top 10 retail stores in India

Cipla launches new programme against paediatric asthma

The Children's Foundation
Hyderabad

With a view to creating awareness about paediatric asthma and its control, Cipla has launched a new programme against paediatric asthma. The company organised a seminar at Hotel Lake View, Hyderabad on Saturday to disseminate information paediatric asthma and its control, and interacted with principals. Speaking on the occasion Dr Rashmi Dey, head of the department of paediatrics, Gandhi Hospital said that 20 million school days have been lost due to paediatric asthma in India. However, she said adequate data is not available to put the figures of established asthma in the state. She said the number of patients is rising due to environmental pollution. She further said asthma, unlike other diseases, is common in each family. "If one of the patients is suffering from asthma, there are 25 per cent chances that their kids will also suffer from the disease," she said adding, "children should not be deprived of physical exercise to prevent it." She said Cipla has developed formulations and therapy for the treatment of asthma and grounded therapy like yoga and alleopathic medicines are the best for children to undergo.

She said quoting World Health Organisation figures that by 2020 asthma would be the cause of 30 per cent in every 10 years. The company also screened a film on the occasion. "Similar seminars are also planned for cities like Sehore, Vidisha, Indore." Shalini Ghosh, area manager of the company said. Madhuri Seth principal of Seelab's Home Public School, Reetesh Jaiswal and Manish K...

अस्थमा को हल्के ढंग से न लेने की सलाह दवा कंपनी ने आयोजित किया सेमिनार

अस्थमा एक गंभीर बीमारी है जो कोटों में फैल रही है। इसे नियंत्रित करने के लिए सही दवा और सलाह लेना आवश्यक है। दवा कंपनी ने आयोजित किया सेमिनार, जहाँ डॉक्टरों और रोगियों को अस्थमा के बारे में जानकारी दी गई। डॉक्टरों को बताया कि अस्थमा को हल्के ढंग से न लेने की सलाह देनी चाहिए। रोगियों को बताया कि अस्थमा को नियंत्रित करने के लिए दवा लेना और सलाह लेना आवश्यक है।

Inhaler therapy key to asthma control

Asthma incidence may rise from 45 to 50 per cent by 2020. Ahead of World Asthma Day on May 3, respiratory physicians make a case for uninterrupted use of inhaler therapy for good asthma control.