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 ant pharma...  
 G-IMS's Pharma...  
 la has garnered a...  
 with sales of R...  
 e (GSK).

## Pharma Market Shares

'04	Rank '03	
	2003	2004
Cipla	5.5	1
GSK	5.4	2
Ranbaxy	4.5	3
Nicholas Piramal	4.3	4
Sun Pharma	3.3	5

Source: ORG-IMS Pharmaceutical Report



Our ranking in the domestic market...  
 we have one of the largest product...  
 joint MD, Amar Lolla, told ET. I...  
 has just about outpaced the indu...  
 The company has over 1,000...  
 launched over 55 products i...  
 Asthalin is ranked seventh...  
 brands. Cipla's lead, howev...  
 Besides, the data is rest...  
 picture of a company's...  
 added up. GSK's spoke...  
 increased sales or v...  
 in revenue that...

# Cipla

## Sixty-Ninth Annual Report 2004-2005

## Cipla edges out GSK, tops the pillboard chart

### Co Corners 5.5% Share of Market

**L**ocal pharmaceutical major, Cipla, has edged ahead of South Korea's 28-year-olds to emerge as the leading player in the domestic retail pharmaceutical market for the third quarter. Cipla has garnered a 5.5% share of the market at the retail level, with sales of Rs 1,126 crore, compared to GSK's 5.4% share of Rs 1,120 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 596.14 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. This pushed its net profit 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 214.50 on Monday.

## Cipla net profit up 41%

**C**ipla Ltd reported a net profit of Rs 111.4 crore for the company's third quarter ended June 30, 2004, a growth of 41.5% compared to Rs 78.26 crore in the previous fiscal year. The board has recommended a dividend of Rs 1.50 per equity share of face value Rs 2 for the fiscal ended 2004-05.

### 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](http://www.cipla.com)



## CORPORATE NOTES

Reliance hikes stake in  
Swaraj Masals

Compendium times for IFC

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

Chief Executive, Goa



limited to plant and machinery while overheads like labour will be managed by a third party. The company has taken over lease factors buildings there and is in the process of installing machinery.

Cipla already has units set up in Mumbai, Karkumbh and Patalganga in Western India and at Lulla said the new unit is being set up to the standards of major international authorities like the US Food and Drug Administration and other agencies in the United Kingdom and South Africa.

On March 10, 2001, Cipla announced that it had acquired 100% ownership in the plant owned in the centre. It will design injectables, tablets and capsules at the plant and will be manufacturing drugs.

## 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.

The partnership will develop products for auto-immune disorders and will subsequently be broadened to include other areas such as cardio-vascular disease and cancer.

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.

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, California.

## CORP

a net profit of Rs

### Himatsing Q1 net up

HIMAT SINGKA Se recorded a 11.4% rise in net profit for the first quarter of 2005. Net profit stood at Rs 10.1 crore (Rs 10.1 crore) in Q1 2004. Net sales stood at Rs 30.8 crore (Rs 30.8 crore) in Q1 2004. The company's growth of 10% in Q1 2005 while fabric sales rose by 10% at Rs 26.9 crore (Rs 26.9 crore) in Q1 2004. The company's net profit rose by 10% at Rs 10.1 crore (Rs 10.1 crore) in Q1 2004.

## Express Pharma Pulse

### Express Pharma Pulse Awards

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

With a growth rate of 10% per annum, Cipla has outpaced the industry average growth rate of 4.4 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 line extensions including Duocor Ritalin and Ritalin for COPD. Duocor E kit for HIV management and a range of anti-cancer products with a unique delivery device for delivery of the drug. Apart from 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 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.

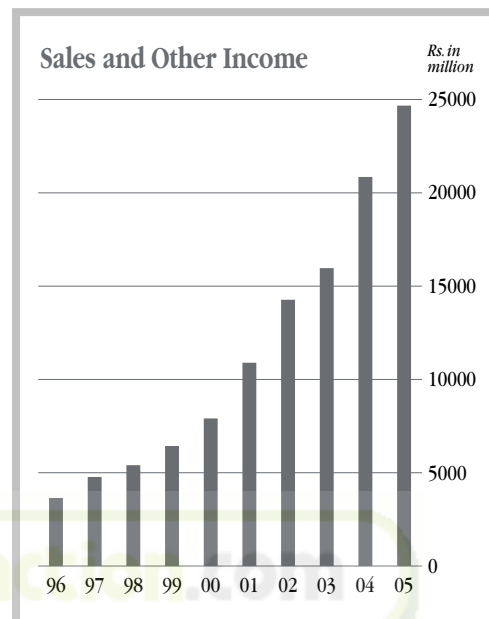
## MANAGEMENT REVIEW: 2004-05

### 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

Jaetha D'Souza  
Mumbai

**T**he Mumbai-based pharmaceutical company Cipla has tied up with the US company Pentech Pharma to develop a range of generic products for the US market, the company's top management said on the sidelines of Cipla's AGM here.

Pentech is engaged in developing drugs for chronic and acute life conditions. It has a pipeline of drugs for a number of diseases including cancer, hypertension, diabetes, asthma, etc. Cipla will provide funding for two products reviewed later and a more product.

Cipla

agreement under which Cipla will provide funding for two products reviewed later and a more product.

Under the agreement, Cipla will provide funding for two products reviewed later and a more product.

A new drug applied for Food & Drug Administration's review to get for sale in the US.

If on the export side, Cipla's business will grow.

## Exports give Cipla profit 28% boost

Our Mumbai Bureau  
24 APRIL

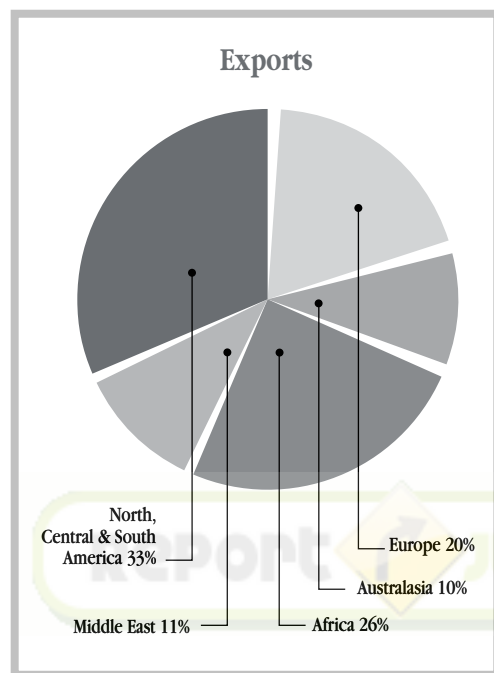
**S**TRONG growth in exports and a revival in the domestic market has lifted Cipla's net profit by 28 per cent to Rs 229.2 crore in 01-02. Net sales jumped 32 per cent to Rs 1,386.8 crore. A robust fourth quarter performance also served to perk up the full year's results. Net sales for the quarter rose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

Analyst expectations. But Cipla shares fell 1.2 per cent on profit booking. Exports played a key role in the full year, exports for the quarter up 48 per cent to Rs 375.9 crore, while for the quarter exports up 48 per cent to Rs 61.7 crore. Cipla's net profit for the quarter up 80 per cent to Rs 61.7 crore.



## 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
Zidovudine (Retrovir) 150mg Tablet	\$1.50	\$0.90	-40%
Zalcitabine (Cytosar) 300mg Tablet	\$1.50	\$0.90	-40%
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Zalcitabine (Cytosar) 300mg Tablet	\$1.50	\$0.90	-40%

# New List of Safe AIDS Drugs, Despite Industry Lobby

**Following AIDS, March 20** - In a move that would help bring down the price of AIDS medicines, the World Health Organization today released its first list of manufacturers of safe AIDS drugs. The list includes a large Indian producer of generic drugs, Cipla, and three smaller European ones. The document represents a setback for pharmaceutical companies who have been lobbying to keep their products off the list. The manufacturers of the drugs on the list are approved for use in the United States and it will encourage price controls in poor nations by setting health care standards. The list of manufacturers of generic drugs is a breakthrough, said William H. Miller, director of the World Health Organization's AIDS program.

one common AIDS cocktail. The World Health Organization also accepted Cipla's application for zalcitabine, cytosine, and cytosine sulfate for Kaposi's sarcoma, a skin cancer.

India recognizes patents on drug-making processes, not on products, so Cipla can make its own versions of drugs made in the West as long as it makes them using slightly different steps.

The International Federation of Pharmaceutical Manufacturers and Associations, a lobby on behalf of the pharmaceutical industry, would like to see the list of manufacturers of generic drugs removed.

Up to 100 more applications are being approved. The World Health Organization is looking for applicants to make their mark on the AIDS pill.

# Cipla's cheap AIDS pill as good as pricey brands

By David S. Mustard  
London, 5 May

**A** cheap three-drug generic AIDS pill from India is now in good use in many developing countries and may be used in India.

Lack of scientific evidence about the effectiveness of such generic drugs has been a major barrier to their use.

But a study from the International Agency for AIDS Research and Control (IARC) in Geneva, Switzerland, and Cipla's Foundation for AIDS Research in India, has found that 90 percent of HIV-infected patients from the United States who had taken the generic drugs for a year had no side effects.

Results of the study, involving 100 patients, were published in the *Lancet*.

The study found that the generic drugs were as effective as the branded drugs in the United States.

Cost of getting medicines made in three million people in the developing world by the end of 2005. A. Research and Education in Africa for AIDS Research and Education in Africa.

Industry analysts of AIDS, AMHO, and the World Health Organization are looking for applicants to make their mark on the AIDS pill.

The study found that the generic drugs were as effective as the branded drugs in the United States.

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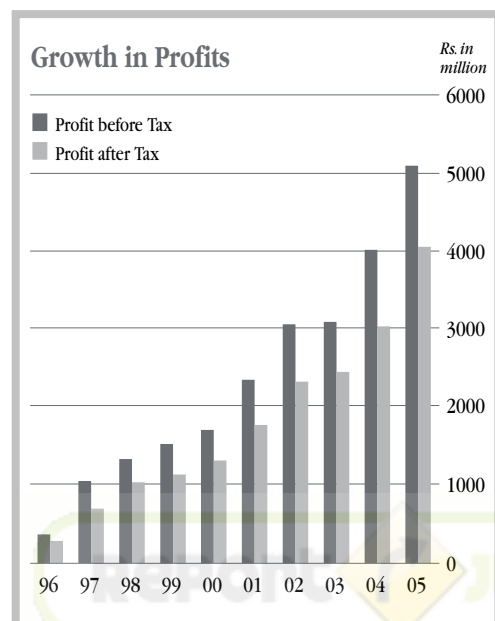
The study found that the generic drugs were as effective as the branded drugs in the United States.

Results of the study, involving 100 patients, were published in the *Lancet*.



## 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

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

[illegible]

...and the ...  
...the ...  
...the ...

Dr. Baker said that the first sign of a heart attack is a tight feeling in the chest. "It is a tight, squeezing, heavy, or crushing feeling in the middle of the chest, which can appear at any time of the day or night. When the symptoms become severe, the patient is usually in a great deal of distress and, suddenly, it is called a heart attack," said Dr. Baker. "In addition, there may be pain in the arms, shoulders, neck, jaw, or back, with breathing difficulty. Some people get these symptoms and do not know they can breathe more easily after treatment, he said.

De Dabchi said the virus, he added, has been circulating in the area since the 1970s, but it is not a new phenomenon.

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

## Cipla launches new programme against paediatric asthma

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Journal of Internal Medicine 255: 103–110

With its vision to steering attention about paediatric asthma and its prevention, AstraZeneca India has planned a reach children in the city and its vicinity. The company organised a seminar at Hotel Lake View, Bhopal on Saturday to disseminate information paediatric asthma and its cure and interacted with principals. Speaking on the occasion Dr Rashmi Dey said, "head of the department of paediatrics, Bhatinda Hospital said that 20 million school days have been lost due to paediatric asthma in India. However the said adequate data is not available in paediatric asthma in India. However the cases of the state. She said the number of patients is rising due to environmental pollution. She further said asthma is rising due to pollution in each family. "If one of the patients is suffering from asthma, there are 24 per cent chances that their kids will also suffer from asthma, disease." She said adding, "children should not be deprived of physical exercise to prevent it." She said "India has developed formulations and therapy for the treatment of asthma and continued therapy like yoga and albuterol medicines are the best for children to undergo."

She said quoting World Health Organisation figures that by 2020 asthma would be the one of the three most common behind death since it is growing on the rate of 50 per cent in every 10 years. The company also screened a film on the occasion. "Similar seminars are also planned for cities like Solapur, Vidisha, Indore," She said.

Smriti Ghosh, area manager of the company said, "Madhuri Seth principal of Scholar's Home Public School, Reetesh Jaiswal and Manish K...

...company was present on the occasion.

# Inhaler therapy key to asthma control

Ahead of World  
Asthma Day on May  
3, respiratory  
physicians make a  
case for  
uninterrupted use of  
inhaler therapy for  
good asthma  
control.