

...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 research magazine's pillboard chart for the third quarter ended December 31, 2004. The leading player in the domestic market research magazine's pillboard chart at the retail level with sales of Rs 1,126 crore (GSK).

# 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 41.7% to Rs 30 crore from Rs 21.2 crore. The Stock Exchange of India (SEI) Cipla stock rose a 0.5% to Rs 214.45 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, 2004, a growth of 41.5% compared to Rs 7.26 crore in the comparable quarter of the previous fiscal. The board has recommended a dividend of Rs 1.50 per equity share of face value Rs 2 for the fiscal ended June 30, 2004.

# Dollar rallies against yuan as yuan impact against

# **Cipla Limited**

## ***Founder***

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

## ***Chairman & Managing Director***

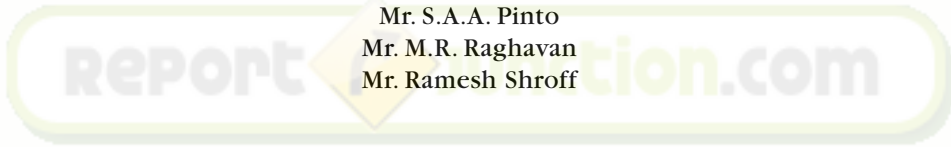
Dr. Y.K. Hamied

## ***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 Surala Maids

Reliance Industries Ltd. has increased its stake in Surala Maids, a leading domestic appliance manufacturer, 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

Gen. Lulla's resignation from the Indian Army has been accepted by the government.

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 machinery.

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.

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.

Express Pharma Pulse

Express Pharma Pulse Awards

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

CORPORATE

a net profit of Rs 11.4 crore for the first quarter of '05. Net profit rose 11.3 crore (Rs 10.1 crore) to Rs 11.4 crore.

Himatsingka Q1 net up 11%

HIMATSIINGKA Securities recorded a 11.4% rise in net profit for the first quarter of 2005. Net profit rose 11.3 crore (Rs 10.1 crore) to Rs 11.4 crore. Net sales stood at Rs 30.8 crore. It registered a 10% year-on-year growth of 10% at Rs 28.9 crore. Net sales rose by 10% at Rs 28.9 crore through the first quarter.

WITH a growth rate of 10% per cent, 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 injectables for Cipla. Dossar 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. 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	24,829	19
Sales and other income		
4,444	5,697	28
Gross profit before depreciation and tax		
2,956	4,096	39
Net profit for the year		
-	941	
Surplus brought forward from last balance sheet		
2,956	5,037	
Profit available for appropriation		
Appropriations:		
900	1,050	17
Dividend		
115	149	30
Tax on dividend		
1,000	1,500	50
Transfer to general reserve		
941	2,338	
Surplus carried forward		

*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.

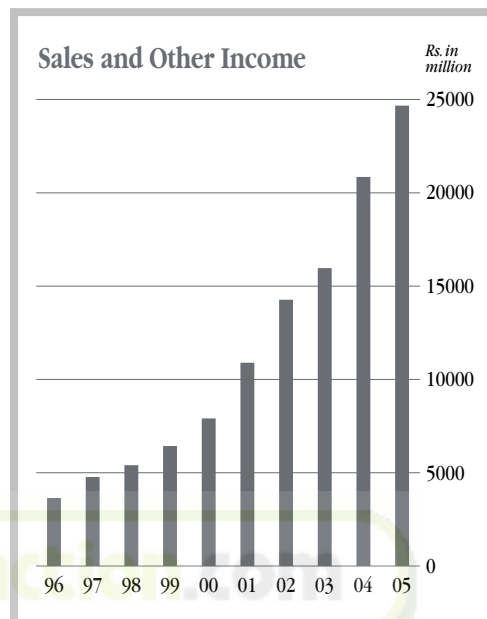
## MANAGEMENT REVIEW: 2004-05

### 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.

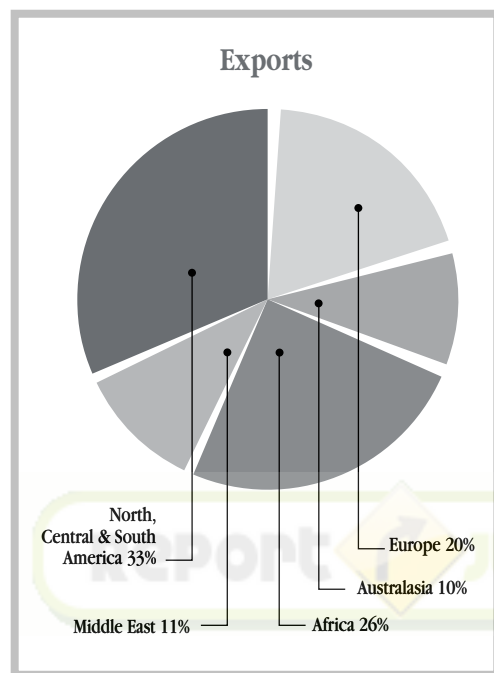
The Company received the Express Pharma Pulse Award for overall performance and jointly won the best exporter award.





## 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) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Caps	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%
Zalcitabine (ddc) Tab	1.00	0.61	-39%

# New List of Safe AIDS Drugs, Despite Industry Lobby

**Following 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 generic origin and three smaller European ones. The list also represents a setback for only patent holders or institutions who can interfere in their most expensive and profitable products. The manufacturers are approved for United Nations programs and it will encourage price control by poor nations to allow health care to hundreds of millions of people who are dying through lack of access to drugs, said William H. Miller, director of the World Health Organization's AIDS program.

one common AIDS cocktail. The health organization also accepted Cipla's application for cheaper versions, specifically for bacterial infections, opportunistic and cytomegalovirus, and zoster virus, 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 approval of 24 drugs for AIDS prevention.

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

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

By 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, according to a report from the World Health Organization.

Lack of scientific evidence about the effectiveness of such generic pills has undermined their use in some developing countries, the WHO says.

But a review from the International Agency for Biomedical Research and Science, the WHO's research arm, found that the effectiveness of such generic pills is similar to that of brand-name drugs.

The WHO says 90 percent of HIV infections are preventable through the use of such generic pills. The WHO says 90 percent of HIV infections are preventable through the use of such generic pills.

Cost of generic medicines is three million dollars in the developing world, by the end of 2002. A spokeswoman for the WHO Center for AIDS Research and Education in Malawi said in 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 is an already weak business.

Stevens at Cipla says there is never in his mind a better European drug available in India. He says the WHO is a better European drug available in India.

The WHO is a better European drug available in India. He says the WHO is a better European drug available in India.

When the WHO is a better European drug available in India. He says the WHO is a better European drug available in India.

When the WHO is a better European drug available in India. He says the WHO is a better European drug available in India.

When the WHO is a better European drug available in India. He says the WHO is a better European drug available in India.

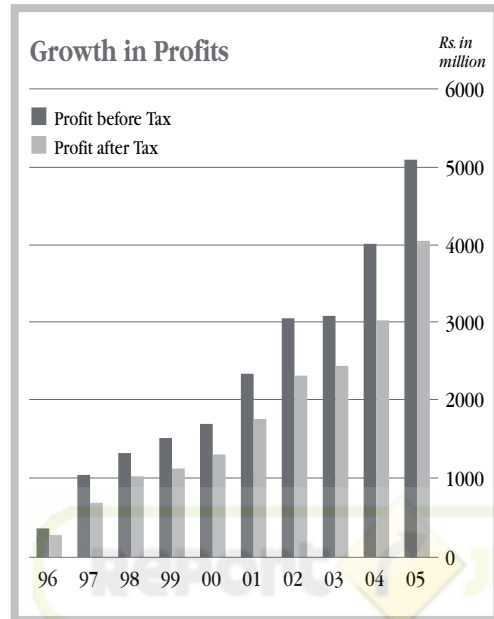
When the WHO is a better European drug available in India. He says the WHO is a better European drug available in India.

When the WHO is a better European drug available in India. He says the WHO is a better European drug available in India.



## 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

Newspaper Article  
KASHI, 11/11/11

At WHO, more than 20 million people suffer from asthma in India and out of this only those 10 have million, getting proper treatment in the form of inhalers and steroid inhalers. This chronic lung respiratory disease is growing alarmingly in the country, as well as the world. World Asthma Day is celebrated on 15th 2nd for asthma awareness about this disease and its control, said Dr Harish Babji on Monday.



Dr Harish Babji said that certain cases the disease could be hereditary too.

Dr Babji was addressing the news persons at Hotel Metalli on behalf of Cipla, the pharma central 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 urbanised, 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 the 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

cause asthma. He said that certain cases the disease could be hereditary too. Dr Babji said that breathing may a tight feeling, or the chest might ache, or you might find it difficult to breathe or you might cough, which can appear at any time, or you might feel as if you are choking. When symptoms become severe and suddenly, it is called an asthma attack, said Dr Babji adding, there may be coughing with breathing during sleep. Some people get asthma symptoms and do not realise they can breathe more easily, he said.

Dr Babji said that the best way to control asthma is to avoid allergens and use inhalers. He said that the symptoms of asthma are coughing, wheezing, chest tightness, and shortness of breath. He said that the best way to control asthma is to avoid allergens and use inhalers. He said that the symptoms of asthma are coughing, wheezing, chest tightness, and shortness of breath.

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

Apex court upholds 1100 retail stores in India

# Cipla launches new programme against paediatric asthma

The Times of India  
Mumbai, 11/11/11

With a view to creating awareness about paediatric asthma and its prevention, pharmaceuticals giant Cipla has planned a reach-out to children of the city and its vicinity. The company organised a seminar at Hotel Lake View, Bandra on Saturday to disseminate information paediatric asthma and its cause and management with principals. Speaking on the occasion Dr Rashmi Dey, head of the department of paediatrics, Hammersmith 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 common in the state. She said the number of patients is rising due to air pollution. She further said asthma, unlike other diseases, is common in each families. "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 allopathic 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 of deaths in every 10 years. The company also screened a film on the occasion. "Similar seminars are also planned for cities like Sehore, Vidisha, Indore." Shashwat Ghosh, area manager of the company said. Madhuri Seth principal of Sehera'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 को हल्के ढंग से न लेने की सलाह दवा कंपनी ने आयोजित किया सेमिनार... (The text is mostly illegible due to blurriness and angle.)

# 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.