UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER ENDED 30TH JUNE, 2004

(Rupees in million)

	Quarter Ended		Year Ended
	30.06.2004	30.06.2003	31.03.2004 (Audited)
1. Sales & Income from Operations	5682.4	4542.3	20554.1
2. Other Income	118.9	66.8	355.7
3. Total Expenditure			
a) (Increase)/decrease in Stock-in-trade	(153.0)	270.9	206.1
b) Consumption of Materials	2859.2	1940.1	9663.0
c) Staff Cost	301.7	236.0	952.5
d) Other Expenditure	1607.1	1221.7	5540.7
4. Interest	13.7	9.9	103.9
5. Depreciation	130.0	87.5	402.8
6. Profit (+)/Loss (-) before Tax (1+2-3-4-5)	1042.6	843.0	4040.8
7. Provision for Taxation			
- Current Tax	225.0	147.0	780.0
- Deferred Tax	25.0	24.0	97.5
8. Net Profit (+)/Loss (-) after Tax and before extra-ordinary item (6-7)	792.6	672.0	3163.3
9. *Extra-ordinary expenditure	-	-	96.4
10. Tax - prior years'	-	-	111.0
11. Profit available for appropriation (8-9-10)	792.6	672.0	2955.9
12. Paid-up Equity Share Capital	599.7	599.7	599.7

13. Reserves excluding Revaluation Reserves(as per balance-sheet of previous accounting year)			11938.9
14. Earning per Share **Not Annualised	**2.64	**2.24	9.86

Notes :

1. The Company is exclusively in the pharmaceutical business segment.
2. Consequent to the approval of shareholders, the Company has sub-divided the face value of its equity shares from Rs.10 to Rs.2.
3. The Directors at their meeting held today recommended payment of dividend of Rs.3 per equity share (face value Rs.2) for the year 2003-2004 amounting to Rs.899.6 million.
4. No investor grievances were pending at the beginning of the quarter. During the quarter ended 30th June, 2004, 45 investor grievances were received and have been suitably replied.
5. *The Bombay High Court has approved a scheme of arrangement by an order dated 11th June, 2004. The Company has given effect to the scheme of arrangement in current financial statements from the appointed date i.e. 1st April, 2003. The Company has recorded in the books of account, the assets and liabilities at values appearing in the books of the demerged companies as on the appointed date. The amount of Rs.96.4 million representing the surplus of liabilities over the assets taken over and value of shares to be issued, has been debited to goodwill account and charged to Profit and Loss Account for the year ended 31st March, 2004 as an extra-ordinary item of expenditure.
6. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
7. The above results were taken on record at the meeting of the Board of Directors held on 23rd July, 2004

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

Mumbai
23rd July, 2004

M. K. Hamied
Joint Managing Director

Financial Review - Quarter ended June 2004

Financial performance:

(Rupees in million)

	Q1 FY0405	Q1 FY0304	% change
Domestic	3530.7	3053.8	15.6%
Exports			
Formulations	1417.6	883.9	60.4%
APIs	613.7	562.3	9.1%
Total Exports	**2031.3**	**1446.2**	**40.5%**
% of exports to total sales	36.5%	32.1%	
Total Sales	5562.0	4500.0	23.6%
Other operating income			
Technology knowhow/fees	73.1	8.6	
Others	47.3	33.7	
Total	**120.4**	**42.3**	**184.6%**
Income from Operations	5682.4	4542.3	25.1%
Operating margin	1067.4	873.6	22.2%
% to income from operations	18.8%	19.2%	
Profit before tax	1042.6	843.0	23.7%

% to income from operations	18.3%	18.6%	
Profit after tax	792.6	672.0	17.9%
% to income from operations	13.9%	14.8%	

The total turnover for the first quarter 2004-05 recorded an impressive growth of 25% over the corresponding period in the previous year. Export of formulations has also shown a notable growth of 60%. In addition, the domestic segment has also performed well with a growth of 16% during the current quarter.

Among the major segments, the anti-asthmatics, anti-biotics, cardiovascular, anti-AIDS and anti-diarrhoeals segments have shown good performance in the domestic market. In the exports markets, the anti-asthmatics, anti-biotics, anti-depressant, anti-fungal and anti-ulcerant segments have performed well.

Other operating income has increased during the quarter due to payments received for product development under various agreements with foreign partners & higher export benefits.

The increase in staff cost is commensurate with the increase in activities.

The net tax liability for the quarter has gone up as a percentage to profit before tax due to withdrawal of deduction available to the Company on account of export profits u/s 80 HHC of the Income Tax Act.

Other income has increased mainly on account of foreign exchange gains.