

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST MARCH, 2004

(Rupees in million)

		Quarter Ended		Year Ended	
		31.03.2004	31.03.2003	31.03.2004	31.03.20 (Audited)
1	Net Sales & Income from Operations	5993.8	3881.5	20600.1	15727.8
2	Other Income	109.5	110.7	345.1	262.2
3	Total Expenditure				
	a) (Increase)/decrease in Stock-in-trade	51.1	(248.7)	287.4	(773.0)
	b) Consumption of Materials	2938.3	2234.5	9565.2	7928.8
	c) Staff Cost	258.2	191.3	939.4	734.6
	d) Other Expenditure	1454.3	1233.9	5648.1	4674.0
4	Interest	34.0	8.8	102.4	17.2
5	Depreciation	100.0	66.7	365.0	283.5
6	Profit (+)/Loss (-) before Tax (1+2-3-4-5)	1267.4	505.7	4037.7	3124.9
7	Provision for Taxation				
	- Current Tax	216.7	28.6	780.0	482.9
	- Deferred Tax	33.3	9.8	120.0	164.6
8	Net Profit (+)/Loss (-) (6-7)	1017.4	467.3	3137.7	2477.4
9	Paid-up Equity Share Capital	599.7	599.7	599.7	599.7
10	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)				9997.9
11	Earning per Share	*16.96	*7.79	52.32	41.31
	*Not Annualised				
12	Aggregate of Non-Promoter Shareholding	3540603	3530418	3540603	35304187
	- Number of Shares	59.04	58.87	59.04	58.87
	- Percentage of Shareholding				

Notes :

1. The Company is exclusively in the pharmaceutical business segment.
2. The figures of the previous year have been regrouped to render them comparable with the figures of current year.
3. No investor grievances were pending at the beginning of the quarter. During the quarter ended 31st March, 2004, 64 investor grievances were received. As of that date all grievances excluding one, received on 31.03.04, have been suitably replied.
4. The Company had challenged the inclusion of the drugs – Salbutamol, Theophylline, Ciprofloxacin and Norfloxacin within the ambit of price control. The petition filed by the Company had been decided in favour of the Company by the Bombay High Court, which held that the said drugs were outside the ambit of price control. However, on the appeal filed by the government, the Supreme Court has remanded the matter to the Bombay High Court for further and more detailed examination in light of the principles laid down by the Supreme Court. The Supreme Court had also permitted the government to recover 50% of the amount that they had claimed was overcharged. The government had sent notices to the Company demanding an aggregate of Rs.1803.7 million in respect of the said drugs, which according to them was 50% of the amount allegedly overcharged by the Company till July, 2003. The Company had replied that the same were not payable in view of the interim orders obtained by the Company in different proceedings in the Karnataka High Court and the Allahabad High Court. Subsequently, the Allahabad High Court has ruled that the prices fixed by the government in respect of the said drugs were illegal and void. In view of the above, the Company has been advised that the demand notices of the government are not valid and hence not payable.
5. The above results were taken on record at the meeting of the Board of Directors held on 21st April, 2004.

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

Mumbai
21st April, 2004

Dr. Y. K. Hamied
Chairman & Managing Director

Financial Review - Quarter ended March 2004

Financial performance:

(Rupees in million)

	Q4 FY0304	Q4 FY0203	% change	FY0304	FY0203	% change
Domestic	2642.2	1974.5	34%	11599.7	9837.7	18%
Exports						
Formulations	1498.3	1155.2	30%	4275.7	3123.1	37%
APIs	<u>1319.6</u>	<u>666.6</u>	98%	<u>3891.2</u>	<u>2537.1</u>	53%
Total Exports	2817.9	1821.8	55%	8166.9	5660.2	44%

% of exports to total sales	52%	48%		41%	37%	
Total Sales	5460.1	3796.3	44%	19766.6	15497.9	28%
Other operating income	533.7	85.2	526%	833.5	229.9	263%
Income from Operations	5993.8	3881.5	54%	20600.1	15727.8	31%
Operating margin	1291.9	470.5	175%	4160	3163.4	32%
% to operating income	22%	12%		20%	20%	
Profit before tax	1267.4	505.7	151%	4037.7	3124.9	29%
% to operating income	21%	13%		20%	20%	
Profit after tax	1017.4	467.3	118%	3137.7	2477.4	27%
% to operating income	17%	12%		15%	16%	

It is heartening to note that the company has crossed another important milestone by achieving sales and operating income of more than Rs. 2000 crores. The total turnover for the fourth quarter 2003-04 witnessed a robust growth of 44% over the corresponding period in the previous year. Notably, the export turnover has increased significantly - a growth of 55% and export of APIs in particular, has almost doubled during the current quarter. In addition, the domestic segment has also performed well with a growth of 34% during the current quarter.

All major segments have performed well in the domestic market. In the exports markets, apart from other segments, the anti-asthmatics, anti-AIDS, anti-depressants and cardiovascular segments have shown good performance.

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 operating margin has increased to 22% mainly on account of increased exports and also because of optimization of operating expenses such as manufacturing expenses, factory overheads etc. due to increased activities.

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

The increase in interest cost is due to certain borrowings for short-term purposes.

Depreciation has increased due to higher capital expenditure of Rs. 45 crores for the year.

Although the tax liability as a percentage to profits appears to have increased in the current quarter, this ratio for the 12-month period is comparable to the corresponding period in the previous year after making allowances for lower deductions available for the current year on account of export profits.

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