

**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED 30TH JUNE, 2003**

(Rupees in million)

	Quarter Ended		Year Ended
	30.06.2003	30.06.2002	31.03.2003
1. Net Sales & Income from Operations	4542.3	4029.5	15727.8
2. Other Income	66.8	47.8	262.2
3. Total Expenditure			
a) (Increase)/decrease in Stock-in-trade	270.9	(212.8)	(773.0)
b) Consumption of Materials	1940.1	1978.8	7928.8
c) Staff Cost	236.0	196.8	734.6
d) Other Expenditure	1221.7	1244.0	4674.0
4. Interest	9.9	2.3	17.2
5. Depreciation	87.5	70.0	283.5
6. Profit (+)/Loss (-) before Tax (1+2-3-4-5)	843.0	798.2	3124.9
7. Provision for Taxation	171.0	191.9	647.5
8. Net Profit (+)/Loss (-) after Tax (6-7)	672.0	606.3	2477.4
9. Paid-up Equity Share Capital	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 *Not Annualised	*11.20	*10.11	41.31

**Notes :**

1.  
Provision for tax includes deferred taxation.
2.  
The Company is exclusively in the pharmaceutical business segment.
3.  
The second phase of the Company's manufacturing facilities at Goa commenced commercial production during the quarter ended 30th June, 2003.
4.  
The Directors at their meeting held today recommended payment of dividend of Rs.10/- per equity share of Rs.10/- each for the year 2002-2003 amounting to Rs.599.7 million.
5.  
The figures of the previous year have been regrouped to render them comparable with the figures of the current year.
6.  
No investor grievances were pending at the beginning of the quarter. During the quarter ended 30th June, 2003, 45 investor grievance letters were received and have been suitably replied.
7.  
The above results were taken on record at the meeting of the Board of Directors held on 28th July, 2003.

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

Mumbai  
28th  
July,  
2003

**M. K. Hamied**  
Joint Managing Director

### Financial Review - Quarter ended June 2003

#### Financial performance:

*(Rupees in million)*

	<b>Q1 FY0304</b>	<b>Q1 FY0203</b>	<b>% change</b>
Domestic	3053.8	2623.8	16.4%
Exports			
Formulations	883.9	507.1	74.3%

APIs	562.3	882.4	-36.3%
<b>Total</b>	<b>1446.2</b>	<b>1389.5</b>	<b>4.1%</b>
Other operating income	42.3	16.2	161.1%
<b>Total</b>	<b>4542.3</b>	<b>4029.5</b>	<b>12.7%</b>
Operating margin	19.2%	20.4%	
Profit before tax	18.6%	19.8%	
Profit after tax	14.8%	15.1%	

Domestic sales for the first quarter 2003 recorded an impressive growth of 16.4%, well above the single digit industry average. Formulation exports for the quarter was also excellent recording a growth of about 75%. However, exports of APIs were lower mainly on account of postponement of certain purchases by customers due to patent rulings. Profit margins were marginally lower as compared to the corresponding period last year. The Company expects to achieve an overall sales growth of 15-18% for FY0304 and profit margins are expected to be maintained at current levels.

The anti-biotics/anti-bacterials, anti-asthmatics & anti-hypertensives segment have shown good performance in the domestic segment. On the exports front, apart from the above, the anti-AIDS segment also showed good performance. New products introduced during the quarter included the recent launch of Tiova, a revolutionary dry powder inhaler.

Material cost (as a percent to sales) is higher on account of product mix mainly due to API exports where the margins have been lower as compared to the first quarter of last year.

Depreciation for the quarter is marginally higher due to commencement of second phase of Goa unit.

Provision for tax is comparatively lower on account of 80I benefits received by the Company.

Other operating income have increased during the quarter due to higher export benefits.

**Status of CFC-free inhaler exports to Europe:** CFC-free inhalers would be exported to Europe as soon as regulatory compliances are in place. It would be very difficult to predict the time-frame within which the Company is likely to receive the approvals.

