

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

(Rupees in million)

	Quarter Ended		Nine Months Ended		Year Ended	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003	31.03.2004 (Audited)	
1	Gross Sales & Income from Operations	6413.8	5225.5	18307.9	14606.3	20554.1
	Less: Excise Duty	452.4	419.7	1238.5	1026.5	1323.9
	Net Sales & Income from Operations	5961.4	4805.8	17069.4	13579.8	19230.2
2	Other Income	411.8	88.5	604.9	235.6	355.7
3	Total Expenditure					
	a) (Increase)/decrease in Stock-in-trade	31.0	(244.7)	(186.1)	236.3	206.1
	b) Consumption of Materials	3082.2	2566.2	8943.0	6626.9	9663.0
	c) Staff Cost	284.6	225.6	848.4	681.2	952.5
	d) Other Expenditure	1358.8	1159.3	3872.9	3167.3	4216.8
4	Interest	12.4	39.7	65.6	68.4	103.9
5	Depreciation	127.5	90.0	382.5	265.0	402.8
6	Profit (+)/Loss (-) before Tax (1+2-3-4-5)	1476.7	1058.2	3748.0	2770.3	4040.8
7	Provision for Taxation					
	a) Current Tax	147.5	268.3	577.5	563.3	780.0
	b) Deferred Tax	72.5	36.7	162.5	86.7	97.5
8	Net Profit (+)/Loss (-) after Tax and before extra-ordinary item (6-7)	1256.7	753.2	3008.0	2120.3	3163.3
9	Extra-ordinary expenditure	-	-	-	-	96.4
10	Tax - prior years'	-	-	-	-	111.0
11	Profit available for appropriation (8-9-10)	1256.7	753.2	3008.0	2120.3	2955.9
12	Paid-up Equity Share Capital	599.7	599.7	599.7	599.7	599.7
13	Reserves excluding Revaluation Reserves					11938.9

14	Earning per Share (Rs.) * Not Annualised	*4.19	*2.51	*10.03	*7.07	9.86
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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 the current year.
3. One investor grievance was pending at the beginning of the quarter. During the quarter ended 31st December, 2004, 73 investor grievances were received. As of that date all grievances except four 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 had ruled that the prices fixed by the government in respect of the said drugs were illegal and void. An appeal filed by the government against this ruling has since been admitted by the Supreme Court. The Company has been advised that the demand notices of the government are not valid and hence not payable in view of the High Court Orders.
5. The above results were taken on record at the meeting of the Board of Directors held on 18th January, 2005.

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

Mumbai
18th January, 2005

Dr. Y. K. Hamied
Chairman & Managing Director

Financial Review - Quarter ended December 2004

Financial performance:

(Rupees in million)

	Quarter Ended			Nine Months Ended		
	31.12.2004	31.12.2003	% change	31.12.2004	31.12.2003	% change
Domestic	3354.2	2995.5	12.0%	10517.8	8957.5	17.4%
Exports - Formulations	2078.8	997.6	108.4%	5075.6	2777.4	82.7%
APIs	773.9	1068.9	-27.6%	2225.5	2571.6	-13.5%
Total Exports	2852.7	2066.5	38.0%	7301.1	5349.0	36.5%
% of exports to total sales	46.0%	40.8%		41.0%	37.4%	
Total Sales	6206.9	5062.0	22.6%	17818.9	14306.5	24.6%
Other operating income						
Technology knowhow/fees	143.4	101.9		313.7	135.8	
Others	63.5	61.6		175.2	164.1	
Total	206.9	163.5	26.5%	489.0	299.8	63.1%
Income from Operations	6413.8	5225.5	22.7%	18307.9	14606.3	25.3%
Operating margin	1204.8	1099.4	12.5%	3591.2	2868.1	25.2%
% to income from operations	18.8%	21.0%		19.6%	19.6%	
Profit before tax	1476.7	1058.2	39.5%	3748.0	2770.3	35.3%
% to income from operations	23.0%	20.3%		20.5%	19.0%	
Profit after tax	1256.7	753.2	66.8%	3008.0	2120.3	41.9%
% to income from operations	19.6%	14.4%		16.4%	14.5%	

While domestic sales for the third quarter 2004 recorded a growth of 12%, export sales for the same period grew by 38%.

As compared to the corresponding quarter of last year, material cost (as a percent to sales) is higher due to product mix and lower API exports. This also accounts for lower operating margins.

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

The increase in other expenses is mainly on account of increased selling expenditure including costs incurred for national conferences, television campaigns and commission to agents.

Provision for tax is lower during the current quarter due to lower tax liability on capital gains and optimization of tax incentives for Goa unit operations.

During the current quarter, other income has increased on account of profits on investments.