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Date : 10-05-2010

News / Story reproduced with thanks:- **Hindu Business Line**

Cipla in talks to increase alliances

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Cipla is looking to expand its alliances with other drug companies, in terms of product development and to enter new geographies, the Cipla Chief Executive, Mr Amar Lulla, told Business Line.

The company is in discussions with GlaxoSmithKline, Pfizer, and Teva, he reiterated, even as it looks at an eight per cent growth in the year ahead.

It is also set to acquire two manufacturing facilities from Meditab, he said, at a consideration of Rs 82 crore. The plants produced formulations (or finished drug forms) and bulk drugs and intermediates exclusively for Cipla, he said.

The formulation plant in Sikkim, to be acquired at Rs 51.38 crores, has the capacity to make tablets, capsules, oral liquids, injections, liquid and ointments, the company informed the Bombay Stock Exchange. Cipla is eligible for a 10-year tax holiday under the Income-Tax Act, 1961 beginning from the financial year 2009-10, it added.

The other plant, will be acquired at Rs 30.64 crore by way of slump sale arrangement, and is located at Kurkumbh (Pune). A US Food and Drug Authority approved plant, it makes bulk drugs and intermediates. The acquisitions are being done to exercise control over operations of these facilities, Cipla said. The promoter's family members are invested in the company that Cipla was buying the plants from, Mr Lulla clarified.

Financials

During the three months under review, Cipla's domestic sales grew by about 9 per cent and exports grew 5 per cent, the company said. Exports of formulations grew by more than 10 per cent, though exports of Active Pharmaceutical Ingredients have declined by about 14 per cent. The decline in exports of API is primarily due to seasonal variations, it added.

The company ended the year under review with sales of Rs 5,410 crore, as compared to Rs 5,021 crore. It clocked a net profit for the year, at Rs 1,082 crore, as against Rs 776 crore in the corresponding period last year.