

BOARD OF DIRECTORS**MUNIR SHAIKH***Chairman***VIVEK MOHAN***Managing Director***R A SHAH****ASHOK DAYAL****RANJAN KAPUR****MARIO DURANTE****JOHN BERRY****THOMAS DEE****SUDARSHAN JAIN***Whole Time Director***Company Secretary****Krupa Anandpara****Bankers**

Standard Chartered Bank

BNP Paribas

ICICI Bank Ltd

HDFC Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Wadia Ghandy & Co.

Crawford Bayley & Co.

Registered Office

3-4 Corporate Park

Sion Trombay Road

Mumbai 400 071

Factory

L-18/19, Verna Industrial Estate, Goa

Registrars & Share Transfer Agents

Sharepro Services (India) Private Limited

Satam Industrial Estate, 3rd Floor,

Above Bank of Baroda,

Cardinal Gracious Road, Chakala,

Andheri (East), Mumbai 400 099.

CORPORATE MANAGEMENT**VIVEK MOHAN***Managing Director***S JAIN***Director – Marketing***R SONALKER***Director – Finance***L NETI***Director – Operations***A BHATT***Director – Human Resources***DR Z MADAN***Director – Medical***U D CHINIWALA***Director – Risk & Financial Controlling***K M MARFATIA***Director – Legal & Secretarial***DR S J ACHARYA***Head – Quality***R VOHRA***Head – Strategy & Business Development***CONTENTS**

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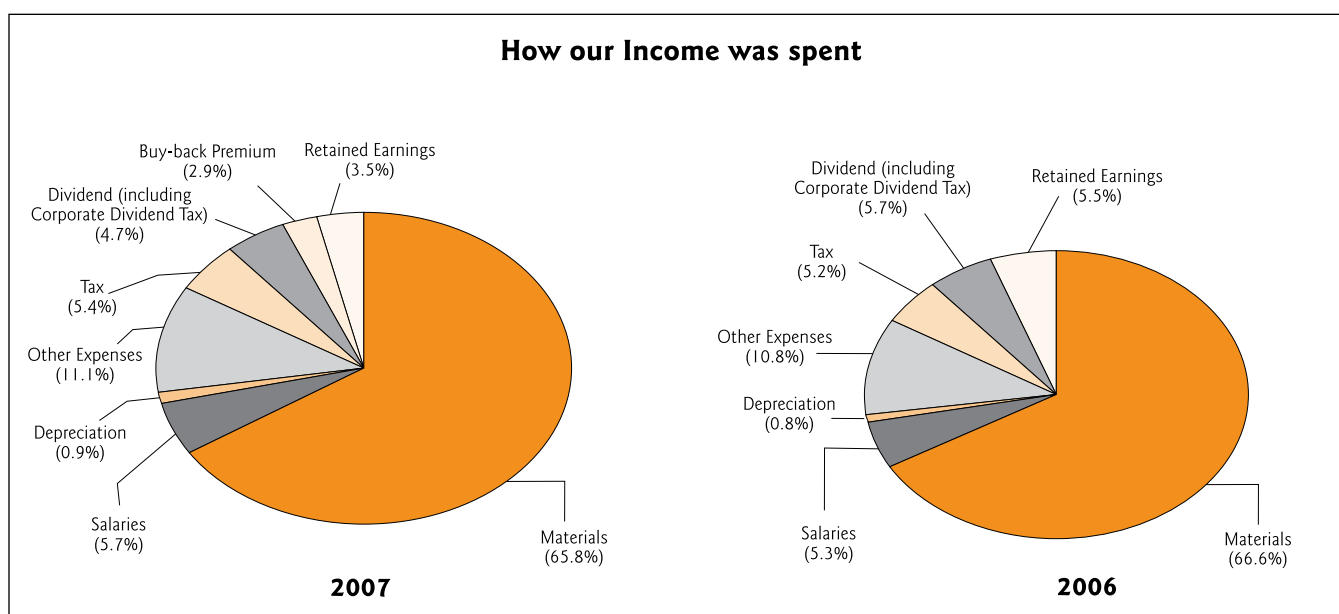
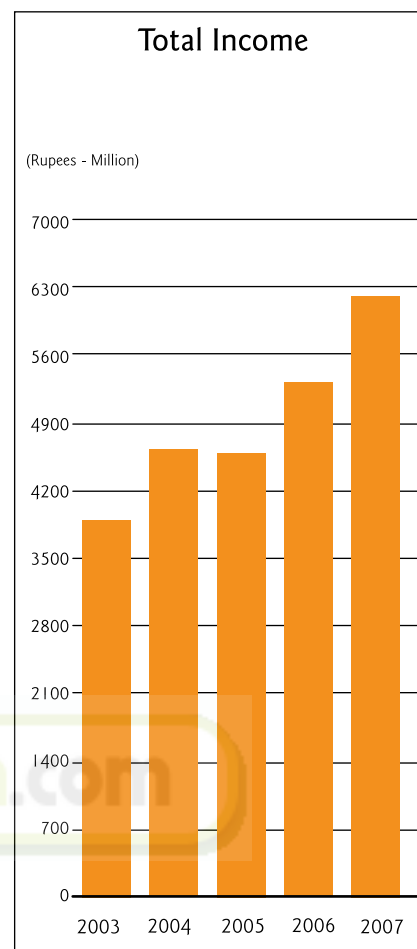
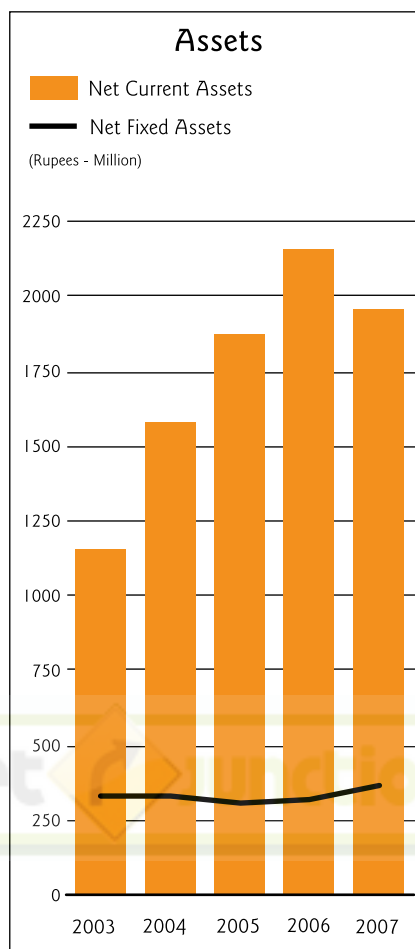
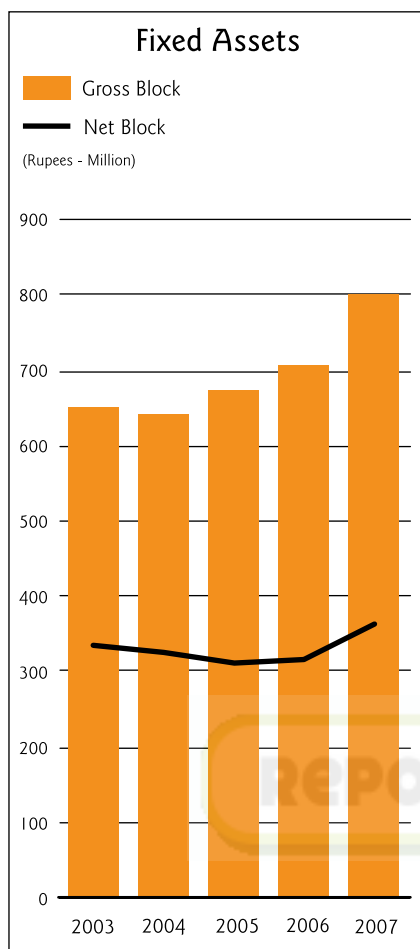
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Highlights

(Rupees in Millions)

	1998	1999	2000	2001 (11 months)	2002	2003	2004	2005	2006	2007
OPERATING RESULTS										
SALES AND OTHER INCOME	2734	3020	3643	3260	3694	3906	4626	4595	5308	6203
MATERIALS	1468	1642	1921	1914	2110	2218	2490	2958	3534	4085
SALARIES, BONUS AND STAFF WELFARE	171	161	199	186	204	228	244	250	282	353
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	573	699	740	468	478	464	474	476	573	689
DEPRECIATION	53	51	53	45	53	44	42	40	44	57
INTEREST	6	3	15	1	1	1	1	—	1	—
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	463	464	715	646	848	951	1375	871	874	1019
EXTRAORDINARY ITEM – EXPENDITURE/(INCOME)	134	(298)	(132)	—	31	—	—	—	—	—
PROVISION FOR TAXATION	59	76	125	159	259	271	352	280	276	335
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	270	686	722	487	558	680	1023	591	598	684
RETAINED EARNINGS	155	(44)	(115)	308	362	53	418	281	294	220
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	16.69	42.29	44.57	30.06	33.88	43.39	66.92	38.72	39.18	46.43
DIVIDEND PER SHARE (Rs)	6.5	40.5	45.0	10.0	12.0	35.0	35.0	17.5	17.5	17.5
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	675	700	710	730	642	649	642	676	706	801
FIXED ASSETS (Net)	485	462	434	417	360	335	325	312	315	363
ASSETS HELD FOR DISPOSAL (Net)	6	—	—	—	—	—	—	—	—	—
CURRENT ASSETS (Net)	759	744	560	899	1334	1152	1580	1871	2157	1957
TOTAL ASSETS	1250	1206	994	1316	1694	1487	1905	2183	2472	2320
FINANCED BY										
SHARE CAPITAL	162	162	162	162	162	153	153	153	153	145
RESERVES AND SURPLUS	1066	1021	791	1130	1509	1312	1730	2012	2305	2165
TOTAL SHAREHOLDERS' FUNDS	1228	1183	953	1292	1671	1465	1883	2165	2458	2310
BORROWINGS	22	23	41	24	23	22	22	18	14	10
DEBT : EQUITY	—	—	—	—	—	—	—	—	—	—
NUMBER OF SHAREHOLDERS	11607	13223	16156	14699	14356	13747	14792	14029	14905	14152

Abbott India Limited



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Notice

Notice is hereby given that the Sixty-Fourth Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, April 8, 2008 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at November 30, 2007 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr Munir Shaikh, who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr R A Shah, who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business:

6. To appoint a Director in place of Mr John Berry who was appointed as an Additional Director with effect from December 17, 2007, pursuant to Article 113 of the Articles of Association of the Company and who holds office upto this Annual General Meeting in terms of Section 260 of the Companies Act, 1956, but being eligible offers himself for re-appointment.
7. To appoint a Director in place of Mr Thomas Dee who was appointed as an Additional Director with effect from February 14, 2008, pursuant to Article 113 of the Articles of Association of the Company and who holds office upto the forthcoming Annual General Meeting in terms of Section 260 of the Companies Act, 1956, but being eligible offers himself for re-appointment.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 14, 2008

Registered Office:
3-4 Corporate Park
Sion Trombay Road
Mumbai 400 071

NOTES :

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- ii. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business set out at Item Nos. 6 and 7 above and the details of Directors in respect of Item Nos. 6 and 7 pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange are annexed hereto.
- iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, April 1, 2008 to Tuesday, April 8, 2008 (both days inclusive).
- iv. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before May 7, 2008 to the Members whose names appear on the Register of Members as on April 8, 2008 and to the Beneficial Owners of the shares as on March 31, 2008 as per details furnished by the Depositories for this purpose.
- v. Members are requested to immediately intimate changes, if any, in their registered addresses along with the pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective depository participants.
- vi. In order to avail the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars & Share Transfer Agents will not act on any direct request received from Members holding shares in dematerialised form for change/deletion of such bank details.
- vii. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed/unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly unclaimed dividend for the year ended December 31, 1999 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended December 31, 2000 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of fresh warrants/demand drafts.
- viii. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.
- ix. Members are requested to bring their copy of the Annual Report to the Meeting, as the same will not be distributed at the meeting.

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

Item No. 6

Mr John Berry was appointed as an Additional Director of the Company with effect from December 17, 2007. In terms of Section 260 of the Companies Act, 1956 ("the Act") Mr Berry holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Berry as a Director of the Company liable to retire by rotation.

Mr John Berry is currently Divisional Vice President and Associate General Counsel – Securities and Benefits, Abbott Laboratories, USA. He holds a Bachelors Degree in History and is a LL.M. in Taxation. He is a Juris Doctorate from Loyola University of Chicago.

Mr Berry's rich and varied experience will be of immense help to the Board and bear a good influence on the growth prospects of the Company. Your Board recommends his appointment as a Director of the Company.

None of the Directors, except Mr John Berry is concerned or interested in the resolution at Item No. 6 of the accompanying Notice.

Item No. 7

Mr Thomas Dee was appointed as an Additional Director with effect from February 14, 2008. In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Thomas Dee holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Dee as a Director of the Company liable to retire by rotation.

Mr Thomas Dee has qualified B. S. Accountancy from Northern Illinois University and is a certified Public Accountant. He is also MBA Kellogg School of Management from Northwestern University, Evanston. Mr Dee is currently Vice President Finance & Controller, Abbott International.

Mr Dee's extensive knowledge and financial expertise will be of immense help to the Company. Your Board recommends his appointment as a Director of the Company.

None of the Directors, except Mr Thomas Dee is concerned or interested in the resolution at Item No. 7 of the accompanying Notice.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai, February 14, 2008

Registered Office:
3-4 Corporate Park
Sion Trombay Road
Mumbai 400 071

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Details of the Directors seeking Appointment / Re-appointment at the Annual General Meeting
(Pursuant of Clause 49 IV(G) of the Listing Agreement)

Name of Director	Mr Munir Shaikh	Mr R A Shah	Mr John Berry	Mr Thomas Dee
Date of Birth	March 1, 1943	July 7, 1931	September 5, 1952	September 12, 1963
Date of Appointment	March 2, 2001	February 21, 1983	December 17, 2007	February 14, 2008
Expertise in specific Functional Area	Mr Shaikh has 39 years of experience with Abbott International and is a seasoned Abbott veteran. He has vast knowledge of the industry and is a consummate team player with an entrepreneurial flair. He is currently designated as Divisional Vice President of the Russia, India, China (RIC) Area.	Mr Shah is a leading Solicitor and a Senior Partner of M/s Crawford Bayley & Co. a firm of Solicitors and Advocates. He specializes in a broad spectrum of corporate laws.	Mr Berry is currently Divisional Vice President – Securities and Benefits with Abbott Laboratories, USA. He has expertise in handling legal matters.	Mr Dee has held several treasury and finance positions with Abbott Laboratories. He has rich and varied experience as well as financial expertise.
Qualifications	Fellow of the Institute of Chartered Accountants in England and Wales.	Solicitor	Bachelors degree in History from Northwestern University, LL.M. in Taxation from New York University and a Juris Doctorate from Loyola University of Chicago.	B.S. Accountancy from Northern Illinois University, Certified Public Accountant, MBA Kellogg School of Management, Northwestern University.
No. of Shares held in the Company (* in person/by relatives)	NIL	5098*	NIL	NIL
Other Directorships in Indian Cos.	—	Godfrey Philips India Ltd. (Philip Morris affiliate), Clariant Chemicals (I) Ltd., Pfizer Limited, Roche Scientific Co. (I) Pvt. Ltd., Colgate Palmolive India Ltd., Asian Paints (I) Ltd., The Associated Cement Companies Ltd., The Bombay Dyeing & Mfg. Co. Ltd., BASF India Ltd., Deepak Fertilizers & Petrochemicals Corp. Ltd., Lupin Limited, Nicholas Piramal India Ltd., Procter & Gamble Hygiene and Healthcare Ltd., Wockhardt Limited, Atul Limited, BASF Polyurethanes India Ltd., Century Enka Ltd. (Akzo affiliate), Modicare Limited, RPG Life Sciences Ltd., Schrader Duncan Ltd., Uhde India Ltd.	—	—
Chairman/Member of the Board Committees of other companies	—	Pfizer Limited, Colgate Palmolive (I) Ltd., The Bombay Dyeing & Mfg. Co. Ltd., Nicholas Piramal India Ltd., Clariant Chemicals (I) Ltd., BASF India Ltd., Procter & Gamble Hygiene and Healthcare Ltd., Century Enka Ltd. (Akzo affiliate), Wockhardt Limited.	—	—

Report of the Directors

TO THE MEMBERS

Your Directors have pleasure in presenting the Sixty-Fourth Annual Report and Audited Accounts of the Company for the year ended November 30, 2007.

Financial Results

(Rupees in Millions)

	Year ended Nov. 30, 2007	Year ended Nov. 30, 2006
Sales	5,943.2	5,102.4
Profit Before Tax	1,018.6	874.4
Profit After Tax	684.3	598.6
Balance brought forward	1,891.9	1,658.1
Profit available for appropriation	2,576.2	2,256.7
Appropriations:		
Dividend (Proposed)	253.3	267.4
Corporate Dividend Tax	48.5*	37.5
Reversal of Dividend for the year ended November 30, 2006, no longer payable consequent to Buy back	(14.1)	—
Adjusted against premium paid on Buy back	176.8	—
Transfer to Reserves	68.5	59.9
Balance carried forward	2,043.2	1,891.9

* includes Rs 5.5 Million for the year ended November 30, 2006.

Dividend

Your Directors recommend a dividend of Rs 17.50 per share on 14,472,740 fully paid-up Equity Shares of Rs 10 each of the Company for the year ended November 30, 2007. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 253.3 Million (Previous year: Rs 267.4 Million) and Corporate Dividend Tax of Rs 43.0 Million. The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on November 30, 2007 amounted to Rs 2,165.5 Million comprising of Amalgamation Reserve Rs 3.8 Million, Capital Reserve Rs 52.3 Million, Capital Redemption Reserve Rs 17.3 Million, Revenue Reserve Rs 48.9 Million and Surplus as per Profit & Loss Account amounting to Rs 2,043.2 Million.

Buyback

The Company, during the year under review, bought back 807,360 fully paid-up equity shares of Rs 10 each, at a price of Rs 650 per share via the tender offer route in terms of Sections 77A, 77AA and 77B of the Companies Act, 1956

(the Act) and Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Consequently, the paid up Equity Share Capital reduced to Rs 144.7 Million.

The Board proposed another buyback of shares at a price not exceeding Rs 650 per share by utilizing an amount of Rs 518.4 Million, which was approved by the shareholders through Postal Ballot on October 15, 2007. The Company has sought an exemption under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1998, as amended, which is awaited. The proposed buyback will commence upon receipt of necessary approvals.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 (the Act), your Directors state that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended November 30, 2007, and of the profit of the Company for that period, except for the following :
 - (a) As per the practise consistently followed by the Company, the depreciation on computers, photocopiers, facsimile machines, modems and appliances is provided at the rate of 80%. Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition. (See Schedule 16A – Significant Accounting Policies 4).
 - (b) The Accounting Standard – 15 (Revised 2005) "Employee Benefits" issued by The Institute of Chartered Accountants of India has been adopted by the Company effective December 1, 2006.
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. They have prepared the accompanying Annual Accounts for the year ended November 30, 2007, on a going concern basis.

Fixed Deposits

No fixed deposits were accepted during the year.

Information pursuant to Section 217 of the Companies Act, 1956

The information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is given in Annexure I and forms part of this Report.

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The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure II and forms part of this Report. As per the provisions of Section 219(1) (b)(iv) of the Companies Act, 1956, the Report and Accounts is being sent to the shareholders of the Company, excluding the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said statement may write to the Company at its Registered Office.

Directors

Mr Gregory Orleski and Mr Mark Masterson resigned as Directors of the Company effective September 21, 2007 and December 3, 2007 respectively. The Board placed on record its sincere appreciation for the valuable guidance and support rendered by them.

Mr John A Berry and Mr Thomas Dee are appointed as Additional Directors by the Board of Directors at its meetings held on December 17, 2007 and February 14, 2008, respectively. In terms of Section 260 of the Companies Act, 1956, they hold office upto the date of the forthcoming Annual General Meeting and being eligible, offer themselves for appointment.

Mr Munir Shaikh and Mr R A Shah retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors have pleasure in recommending their appointment.

Auditors

Messrs Deloitte, Haskins & Sells, Chartered Accountants, the Statutory Auditors, retire at this Annual General Meeting and are eligible for re-appointment.

Health, Safety and Environment

The Company continues to accord utmost priority to the areas of health, safety and environment. Compliance with relevant regulation and effective management of these issues is an integral part of the Company's operating philosophy.

i. Environment

The Company has in place a modern effluent treatment plant at the Goa unit, treating and discharging wastewater with parameters of treated effluent well below the limits set by the local Pollution Control Board. Water recycling activities have continuously been encouraged and implemented. The emissions from boiler and generator stacks are monitored regularly and are well below the limits set by the State Pollution Control Board. The treated effluent is recycled for horticulture within the site. The plant has initiated various energy saving measures with the resultant decrease in carbon footprint. The Company continuously endeavors to improve on environmental management to minimize the adverse environmental impact.

ii. Health and Safety

The Company gives prime importance to promoting health and safety of its employees. The Company has dedicated Safety officers and a Safety Committee in place, which includes representation from workmen and meets regularly to review issues impacting plant safety and employee health. Various key measures like conducting training programmes on various health and safety issues including dealing with epidemics, work safety, road safety, first-aid, etc have been implemented. Regular Health check up of the Plant employees is carried out. Automatic External Defibrillators are installed at the Plant and Headquarter Offices and training has been imparted to the employees for its use. Detailed first-aid training has also been imparted to the employees.

Routine audits for Environment, Health and Safety compliance are conducted with the assistance of personnel from Abbott's global team.

Technology Absorption and Development

Development of new formulations and dosage forms and modification of existing ones for lifecycle management, cost containment and improved productivity is an ongoing process. The Company is constantly engaged in activities of development and clinical research, which is carried out at the R & D Centre of the Company at Goa, which is duly approved by the Department of Scientific and Industrial Research. It continued to make significant contributions towards its assigned goals of product and process development, cost reduction through import substitution and new vendor development. The Company has continued to accelerate the pace of new products introduction in 2007 in its core therapeutic areas, namely Gastroenterology (Ganaton Total – a co formulated prokinetic and proton – pump inhibitor), Metabolics (Thyrowel – nutritional supplement for thyroid patients & Thyronorm 75) and Anti convulsant (Zonicare – add on anti epileptic). The laboratory is currently working on line extensions and product optimizations of various existing products manufactured.

Employees

Relations with the employees have remained cordial throughout the year. Your Board acknowledges and appreciates the efficiency and dedication shown by them.

Reports on Corporate Governance and Management Discussion & Analysis

A Report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto.

For and on behalf of the Board

Vivek Mohan Ashok Dayal
Managing Director Director

Mumbai : February 14, 2008

Abbott India Limited

Annexure I

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy:

(I) Energy conservation measures taken:

Fully automatic packaged type boilers having fuel efficiency in excess of 80% have been installed. Steam condensate is being recovered for re-use in boilers.

Power factor improvement capacitors have been installed for reducing the reactive power consumption.

Maximum demand controller has been installed for limiting development of peak demand.

(II) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:

Nil

(III) Impact of the measures at (I) and (II) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The installation of capacitors and maximum demand controller has resulted in lower maximum demand for power.

(IV) Total energy consumption and energy consumption per unit of production:

	2007	2006
A. Power & Fuel Consumption		
(a) Electricity		
(i) Purchased (Unit Millions)	3.1	2.4
Total amount (Rs. Millions)	26.7	20.5
Rate/Unit (Rs.)	8.61	8.53
(ii) Own Generation Through Diesel Generator	Cost of 'own generation' is not comparable as the generator sets were operated only for trial runs.	
Through Steam turbine/Generator	N.A.	N.A.

	2007	2006
(b) Coal	N.A.	N.A.
(c) Furnace Oil		
Quantity (kilo ltrs)	131.9	54.1
Total amount (Rs. Millions)	2.8	1.1
Average rate (Rs.)	21.22	20.98
(d) Others/Internal Generation	N.A.	N.A.

B. Consumption per Unit of Products

Since the Goa Plant manufactures different dosage forms it is not practical to apportion utility cost based on available records.

2. Technology Absorption:

Efforts made in Technology Absorption.

A. Following were the achievements of the Company's R&D Centre at Goa:

1. Development of new Pharmaceutical Products.
2. Establishing new technical capabilities.
3. Import substitutions and new vendor development.
4. Optimization, standardization and improvement of products and manufacturing processes.
5. Technical evaluation of off the shelf products, to ensure quality and stability.

The R&D Centre worked on new pharmaceutical products in the areas of liquid orals, tablets and capsules. It also undertook the quality improvement of existing products, manufacturing processes and new vendor evaluation & approval, to meet ever-changing regulatory, quality requirements and commercial advantage. Off the shelf products were technically evaluated and assessed to ensure their quality and stability.

B. Benefits derived as a result of the above R & D.

A well focused R&D effort has helped the Company in launching a number of new products in the Indian market. Manufacturing process optimization helped to bring in improved quality and efficiency. New vendor evaluation and approval has helped to reduce cost and to improve the efficiency of supply chain. R&D work has also resulted in improving the stability of some of the products.

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C. Future plan of action.

R&D activities will continue to focus on new product development, improvement in the existing formulations/process, improving operational efficiencies, new vendor evaluation & approval, technical evaluation and assessment to ensure quality of TPM's products.

D. Expenditure on R&D.

	Rs. in Millions
(a) Capital	4.4
(b) Recurring	31.1
(c) Total	<u>35.5</u>
(d) Total R&D expenditure as a percentage of total turnover	0.6%

E. Technology absorption, adaptation and innovation.

(a) Efforts, in brief, made towards technology absorption, adaptation and innovation.

The Company on an ongoing basis interacts with Abbott Laboratories Intl Co, USA, for technical expertise for products of high technology and pharmaceutical formulations.

(b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The Company has benefited substantially as a result of the emphasis on innovation. Such innovation has also resulted in the improvement of product quality.

(c) Imported technology (imported during the last five years reckoned from the beginning of the financial year).

Nil

3. Foreign Exchange Earnings and Outgo:

(I) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services, and export plans.

The total foreign exchange earned during the year amounted to Rs. 39.3 Million, which includes Rs. 4.4 Million towards other recoveries from the affiliates and Rs. 34.9 Million towards exports.

(II) Total foreign exchange used and earned.

A. Total foreign exchange used

	Rs. in Millions
(a) On import of raw materials, finished goods, consumable stores and capital goods	148.8
(b) Expenditure in foreign currencies for professional charges, sales promotion expenses, subscription, commission on export sales and business travel, etc.	11.9
(c) Remittance during the year in foreign currency on account of dividend	165.0

B. Total foreign exchange earned 39.3

For and on behalf of the Board

Vivek Mohan Ashok Dayal
Managing Director Director

Mumbai, February 14, 2008