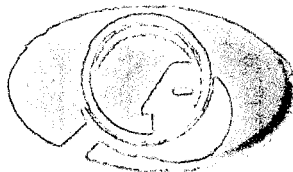
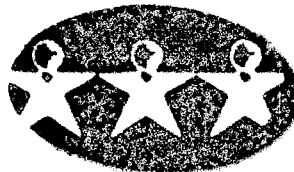


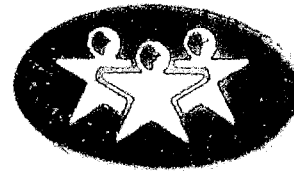
PFIZER LIMITED



Customer Focus



Teamwork



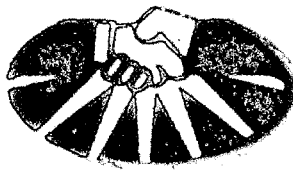
Leadership



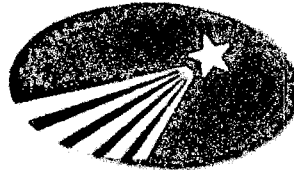
Innovation



Respect for People



Integrity



Performance



Community

A N N U A L R E P O R T 1 9 9 7 - 9 8



Values



Respect for People

Respect for People

We recognize that people are the cornerstone of Pfizer's success, we value our diversity as a source of strength, and we are proud of Pfizer's history of treating employees with respect and dignity.



Innovation

Innovation

Innovation is the key to improving health and sustaining Pfizer's growth and profitability.



Integrity

Integrity

We demand of ourselves and others the highest ethical standards, and our products and processes will be of the highest quality.



Leadership

Leadership

We believe that leaders empower those around them by sharing knowledge and rewarding outstanding individual effort. Leaders are those who step forward to achieve difficult goals, envisioning what needs to happen and motivating others.



Teamwork

Teamwork

We know that to be a successful company we must work together, frequently transcending organizational and geographical boundaries to meet the changing needs of our customers.



Customer Focus

Customer Focus

We are deeply committed to meeting the needs of our customers, and we constantly focus on customer satisfaction.



Community

Community

We play an active role in making every country and community in which we operate a better place to live and work, knowing that the ongoing vitality of our host nations and local communities has a direct impact on the long-term health of our business.



Performance

Performance

We strive for continuous improvement in our performance, measuring results carefully, and ensuring that integrity and respect for people are never compromised.

**BOARD OF DIRECTORS**

(As on March 1, 1999)

S. V. PILLAI

Chairman

R. A. SHAH

Vice Chairman

IAN R. YOUNG

Managing Director

C. P. ALDENHOVEN**K. F. BUNSHAH****M. W. HODIN (Dr.)**

— Alternate

: A. K. NEHRU**P. J. SANTORIELLA**

— Alternate

: K. HANDA**B. VALENTINI**

— Alternate

: B. BHATTACHARYA**PIERRE G. ETIENNE (Dr.)**

— Alternate

: B. M. GAGRAT (Dr.)**R. W. NORTON****A. B. THAKKAR**

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

ANNUAL REPORT**1997-98****CONTENTS**

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MANAGEMENT COMMITTEE**IAN R. YOUNG****B. BHATTACHARYA****R. CHANDRA (Dr.)****R. P. ERANDE****B. M. GAGRAT (Dr.)****K. HANDA****S. MADHOK****S. MUKHERJEE (Dr.)****A. K. NEHRU****S. RAMKRISHNA****H. WALDER**

Managing Director

Strategic Business Planning

Clinical Research

Information Technology

Pharmaceuticals

Finance

Animal Health

Medical Affairs

Manufacturing

Corporate Affairs

Personnel

SECRETARY**A. ANJENEYAN****REGISTERED OFFICE**

Pfizer Centre,
Patel Estate
Patel Estate Road
Off. S. V. Road
Jogeshwari (West)
Mumbai - 400 102.
Tel.: 022 678 5511
Fax: 022 678 1766

BANKERS

Central Bank of India, Mumbai
Citibank N.A., Mumbai
Deutsche Bank, Mumbai
Societe Generale, Mumbai
Banque National De Paris, Mumbai
ANZ Grindlays Bank Ltd., Mumbai

ANNUAL GENERAL MEETING

Monday, April 19, 1999
at 3 p.m.
at Birla Matushri Sabhagar
19 Sir Vithaldas Thackersey Marg
Mumbai - 400 020.

PLANTS AT

Navi Mumbai, Chandigarh &
Ankleshwar

AUDITORS

A.F. Ferguson & Co., Mumbai

OFFICES AT

Ahmedabad, Bangalore, Bhopal, Calcutta,
Chennai, Cochin, Delhi, Guwahati,
Lucknow, Ludhiana, Mumbai, Nagpur,
Patna, Pune, Secunderabad & Varanasi

SOLICITORS

Crawford Bayley & Co., Mumbai

REGISTRARS & TRANSFER AGENTS

Tata Consultancy Services
6, Lotus House,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.
Tel.: 203 9136
Fax: 201 6689



NOTICE

Notice is hereby given that the **48th Annual General Meeting** of Pfizer Limited will be held at the Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020, on **Monday, April 19, 1999 at 3:00 p.m.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 30th November 1998, the Audited Balance Sheet as at that date and the Reports of the Board of Directors and Auditors.
2. To declare Dividend for the year ended 30th November, 1998.
3. To appoint a Director in place of Mr. R.A. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P.J. Santoriella who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. R.W. Norton who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit to pass with or without modification the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the appointment of Dr. B.M. Gagrat as whole-time Director of the Company on his appointment as Alternate Director to Dr. Pierre Etienne ("Original Director"), to act for Dr. Pierre Etienne during his absence from the State of Maharashtra, being the State in which meetings of the Board of Directors are ordinarily held, with effect from September 29, 1998 and to his receiving remuneration, payment, perquisites, benefits and amenities as an whole-time Director of the Company from that date as given below :

- a) The aggregate of the salary and performance linked incentives, and/or bonus payable to Dr. B.M. Gagrat shall be subject to a maximum of Rs.15,00,000/- per annum.
- b) In addition to the above mentioned salary, performance linked incentives and/or bonus, Dr. B.M. Gagrat shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical

reimbursement, leave travel concession for self and family, club fees, medical insurance etc. and/or such other perquisites as may be determined by the Board of Directors from time to time, the aggregate value of such perquisites being subject to a maximum limit of Rs.7,50,000/- per annum. The limit for perquisites shall be in addition to the limit of Rs.15,00,000/- for salary, performance linked incentives and/or bonus mentioned above.

- c) If Company owned/leased accommodation is not provided, to Dr. Gagrat, besides House Rent Allowance, Dr. Gagrat shall be entitled to reimbursement of expenditure towards repairs, renovation, fittings etc. of such sum as may be determined by the Board of Directors from time to time upto a maximum limit of Rs.3,00,000/- per annum. The amount so reimbursed shall not be included in the limit of Rs.15,00,000/- in respect of salary, performance-linked incentives and/or bonus and the limit of Rs.7,50,000/- in respect of perquisites mentioned above.
- d) Provision for use of company's car for official duties and telephone at residence (including payment for local calls and long distance calls but excluding long distance personal calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- e) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or added together are not taxable under the Income-tax Act. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and encashment of leave accumulated but not availed either during or at the end of the tenure shall not be included in the limit of Rs.7,50,000/- for perquisites.
- f) Dr. Gagrat will also be entitled to such other benefits/amenities, and perquisites as are available to other senior executives of the Company and also as determined by the Board from time to time.
- g) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.
- h) In the absence or inadequacy of profits in any year, the remuneration payable as may be determined by the Board of Directors from time to time shall remain unchanged, subject to the approval of Central Government, if required.



- i) The Board of Directors may, in its discretion, pay to Dr. Gagrath lower remuneration than the maximum remuneration hereinbefore stipulated, and revise the same from time to time, within the maximum limits stipulated by this Resolution.

RESOLVED FURTHER that :

- i) if Dr. Pierre Etienne returns to the State, Dr. Gagrath shall be automatically reappointed as Alternate to Dr. Pierre Etienne, immediately upon Dr. Etienne leaving the said State, and
- ii) Dr. B.M. Gagrath shall also be deemed to be automatically reappointed as a whole-time Director of the Company and shall continue as whole-time Director of the Company, receiving his remuneration, perquisites, benefits and amenities as the Board may determine from time to time, but not exceeding the limits specified above;
- iii) the Board of Directors of the Company be and is hereby authorised from time to time to amend, alter or otherwise vary the terms and conditions of the appointment of the whole-time Director including remuneration provided that such remuneration shall not exceed the maximum limits for payment of remuneration as may be admissible within the overall limits specified in the Companies Act, 1956, as existing or as amended, modified or re-enacted from time to time by the Government of India, as the Board may deem fit.
- iv) the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interests of the Company".

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business mentioned in Item No.7 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from April 2, 1999 to April 19, 1999 (both days inclusive).

4. The dividend, when declared at the Annual General Meeting held on April 19, 1999 will be paid on and from May 5, 1999 to those members whose names appear on the Company's Register of Members on April 19, 1999.
5. Members are requested to intimate to the Company or its Registrars and Share Transfer Agents, Tata Consultancy Services not later than April 5, 1999 the changes, if any, in their registered addresses along with the pin code.
6. The Company has transferred on October 28, 1998 the unclaimed dividend pertaining to the financial year ended 31st March, 1995 which was declared at the Annual General Meeting held on 8-9-95 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978.
7. Members desirous of consolidating their folios are requested to send all the relevant share certificates to the Company or its Registrars and Share Transfer Agents, Tata Consultancy Services.
8. **Our equity shares are included in the SEBI specified scrips for settlement only in demat form for all investors, effective May 31, 1999. Members are requested to open a depository account in their names with a Depository Participant to dematerialise their holdings. This would be necessary for facilitating the transaction of our equity shares in all stock exchanges connected to the Depository System. Shareholders may either contact the Company or its Registrars and Share Transfer Agents, M/s. Tata Consultancy Services (TCS) for any clarifications needed in this behalf.**
9. **Members can avail of the nomination facility by filing Form 2B with the Company or its Registrars (TCS). Blank forms will be supplied on request.**
10. The shares of the Company are listed with The Stock Exchange, Mumbai. The necessary listing fees for the current year has already been paid.

By Order of the Board of Directors

A. ANJENEYAN
Secretary

Mumbai, February 17, 1999.

Registered Office :
Pfizer Centre,
Patel Estate, Patel Estate Road,
Off. S. V. Road,
Jogeshwari (West),
MUMBAI 400 102.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 7

Dr. B.M. Gagrath, Director, Pharmaceuticals was appointed as the Alternate Director to Dr. Pierre Etienne and also Director-Pharmaceutical Division in September 1998. Dr. B.M. Gagrath being a full time employee of the Company is also appointed as a Whole-Time Director.

Dr. Gagrath joined Pfizer in May 1989 as Plant Manager, Thane Plant, and then moved to head the Animal Health Division in December 1996. Dr. Gagrath has done his Post Graduation in Science (by Research) and has received his Doctorate Degree. He has published scientific papers in International journals and has additionally completed the post graduate Diploma in "Operations Management" as well as in Marketing. Dr. Gagrath will bring an all round experience to the role of Director Pharmaceuticals. He will be entitled to remuneration within the limits laid down in the Ordinary Resolution at item No. 7.

The Board recommends his appointment as an whole-time Director. Other than Dr. Gagrath, no other director may be deemed to be concerned or interested in this Resolution.

DOCUMENTS FOR INSPECTION

The documents referred to in the Notice and Explanatory Statement in item No. 7 above are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days until the date of the Annual General Meeting.

By Order of the Board of Directors

A. ANJENEYAN
Secretary

Mumbai, February 17, 1999.

Registered Office :
Pfizer Centre,
Patel Estate, Patel Estate Road,
Off. S. V. Road,
Jogeshwari (West),
MUMBAI 400 102.

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DIRECTORS' REPORT

To the Members

Your Directors are pleased to present this 48th Annual Report and the audited accounts of the Company for the year ended 30th November, 1998. The Report reviews the Company's diversified operations covering Pharmaceuticals, Nutritional and Healthcare Products, and Animal Health Products.

FINANCIAL RESULTS

	Year ended 30th November 1998	Rupees in Lakhs Eight months period ended 30th November 1997
Profit after tax	1258	1378
Add :		
• Transfer from Investment Allowance Reserve Account	—	22
• Balance of profit from prior years	4775	3902
Surplus available for appropriation	6033	5302
Appropriations :		
• Transfer to General Reserve	126	140
• Proposed Dividend	469	352
• Additional Income-tax on proposed Dividend	47	35
• Balance carried to Balance Sheet	5391	4775
	6033	5302

CORPORATE

The sales for the year ended November 30, 1998 is Rs. 233 crores. From an overall point of view, after adding the turnover of the wholly owned subsidiary, Duchem Laboratories Limited, aggregating Rs. 118 crores, the total sales at Rs. 351 crores reflect a growth of 9.4% as compared to the corresponding period of the previous year.

The profit after tax for this period after providing for extraordinary expenditure was Rs. 12.58 crores. The results for the previous period are for the eight month period and are therefore not comparable with that of the financial year under review.

DIVIDEND

Your Directors recommend that a Dividend at the rate of Rs. 4/- per share be declared for the year ended 30th November, 1998. The dividend will be paid after it is approved at the forthcoming Annual General Meeting.

REVIEW OF OPERATIONS

GENERAL

Pharmaceutical market growth in 1998 continued to remain lower than that in the earlier part of the decade. This continued slowdown is in correlation with the present recessionary trends in the general economy, and appears contrary to the earlier belief that the pharmaceutical industry was recession proof. However, stronger growth

was achieved in the second half of 1998, reflecting a marginal improvement in the market.

PHARMACEUTICALS

Independent sales audit data (ORG) indicate that for the year 1998 Pfizer retained the No. 5 position in the industry. Its growth in the same period in terms of sales to chemists was amongst the highest in the top 10 companies. Pfizer has six of its' leading products ranked amongst the top 250 products in the industry — the newest entrant being Minipress XL.

Minipress XL has the distinction of being one of the most successfully launched anti-hypertensives in the Indian market. The brand continues to perform exceedingly well in the market place. Minipress XL's market share has increased from 1.4% in 1997 to 2.3% in Quarter III '98 and has moved to the 11th position among the over 300 anti-hypertensives in this market.

Terramycin and Protinex continue to hold their leadership position in their respective market segments. Line extensions of Corex launched in the last two years have progressed satisfactorily and are amongst the top brands in their respective segments.

An increase in the size of our team of medical representatives over the last year has enabled us to increase our reach to the expanding medical fraternity and to maintain our competitive edge in the market. A comprehensive program, "Sales Force 2000", is currently



underway with the objective of maximizing the effectiveness of our team of well trained representatives, which is expected to yield significant returns in the coming years.

While we continue to invest in the continued growth of our in-line products, we also plan for the launch of a number of new products. These launches will be of products which we believe will be particularly appropriate for the Indian market.

ANIMAL HEALTH

The Pfizer Animal Health Division achieved in 1998, significantly improved market penetration both in the poultry and large animal segments. This was achieved through launch of Dectomax, a new long-acting endectocide and Virkon-S, a virucidal disinfectant, and by maintaining our leading positions in the anti-coccidial market with Coxistac and in the growth promoter market with Stafac. In all the therapeutic segments in which our Pfizer Animal Health Division competes, it has a leading market share with the No. 1 position in most cases.

PRODUCTION OPERATIONS

As part of manufacturing restructuring initiatives, the company decided to concentrate on formulation production at its Thane Manufacturing facility.

The Company has thus decided to cease operations of its Ankleshwar Plant by December 1999. Accordingly, additional provisions for depreciation of fixed assets and other payments to the employees has been charged to Profit and Loss account for the year under review. Kindly also refer note [14(a) & (b)] to the Statement of Accounts.

The fermentation plant at Chandigarh continues to produce Oxytetracycline and Salinomycin 350 for consumption in India and Chlorpropamide for export.

PFIZER INC.

Pfizer received numerous international accolades during 1998. Forbes magazine named Pfizer Inc. "Company of the Year" in its Platinum-400 ranking of companies. Fortune magazine named Pfizer as the world's most admired pharmaceutical company. A Scott-Levin survey of US pharmaceutical companies, rated Pfizer as industry leader in terms of overall image for 1998.

While Viagra commanded the headlines, in fact Pfizer has a pipeline of over 50 drugs, in various stages of human trials. This is probably the strongest new product pipeline in the industry. Viagra continues to boost Pfizer sales worldwide, with a number of countries granting registration and marketing approval during the year. Pfizer's established blockbuster products such as Norvasc, Cardura, Zolof and Zithromax continue to lead market growth. Trovan, with a record FDA approval for 14 indications, was an important recent addition to Pfizer's antibiotics range.

Pfizer has more than tripled research spending in eight years, to \$2.2 billion last year, or 18% of pharmaceutical sales. Pfizer's commitment to innovation and performance continues to generate unparalleled opportunities for growth.

New product investments made during the past decade will give Pfizer a leading position well into the twenty first century.

DIRECTORS

Mr. R. A. Shah, Mr. P. J. Santoriella and Mr. R. W. Norton retire by rotation and offer themselves for re-appointment.

Dr. B. M. Gagrath, the Head of the Pharmaceutical Division, was appointed as an Alternate Director to Dr. Pierre G. Etienne in September 1998. The consequential appointment as a whole-time Director is placed before the shareholders at the forthcoming Annual General Meeting.

PERSONNEL

The Company relocated its Head Office to Jogeshwari on January 8, 1998. This new building was inaugurated by Dr. Henry McKinnel, Executive Vice President, Pfizer Inc. and President, Pfizer Pharmaceuticals Group.

The company continues to invest in Training & Development of its employees, specifically focusing on building competencies to meet the need of the market competitive environment. The company is proud of its teams of Medical and Animal Health Representatives which are rated as amongst the best in the industry.

DUCHEM LABORATORIES LIMITED

The turnover of Duchem Laboratories Limited increased to Rs. 118 crores from Rs. 84 crores for the previous eight month period ended November 30, 1997. The operations reflect a profit before tax of Rs. 6 lakhs.

AUDITORS

M/s. A. F. Ferguson & Co., the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to continue to act as Auditors of the Company for the current year, if reappointed. Members are requested to re-appoint them and fix their remuneration.

On behalf of the Board of Directors

S. V. PILLAI
Chairman

Mumbai: January 27, 1999.



ANNEXURE I TO DIRECTORS' REPORT - PFIZER LIMITED

PARTICULARS PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

I. CONSERVATION OF ENERGY :

- a) Energy Conservation continues to receive top priority in the Company. Energy audits are carried out, consumption monitored, maintenance systems improved and distribution losses are reduced.

Specific Energy Conservation Measures are:

- Installation of Vapour Absorption System for refrigeration plant.
- Simplification of piping in fermentation plant resulting in saving in steam consumption.
- Optimum use of chilled water units to reduce running of refrigeration compressors.

- b) Additional proposals or activities, if any:

- Replacement of conventional type cooling tower fans by FRP fans.
- Replacement of existing chillers by centrifugal chillers.
- Automatic control of cooling tower fans.
- Replacement of chilled water pumps by energy efficient pumps.
- Flash mixers for hot water generation.
- Replacement of existing dehumidifiers by energy efficient ones.

- c) Impact of measures taken:

Energy conservation measures stated above have resulted in gradual savings.

Total energy consumption and energy conservation per unit of production:

As per Form A of the Annexure hereunder.

FORM A: FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO CONSUMPTION OF ENERGY

A. Power and Fuel consumption :

		Current Year 1-12-97 to 30-11-98	Previous Year 1-4-97 to 30-11-97
1. Electricity			
a) Purchased			
Unit (000's)	KWH	19654	14113
Total Amount (000's)	Rs.	70504	42032
Rate/Unit	Rs.	3.59	2.98

- b) Own Generation

- i) Through Diesel

Generator (000's)	KWH	882	759
Units/Litre of LDO	KWH	3.15	3.14
Marginal Cost/			
Unit (considering			
only LDO price)	Rs.	3.16	2.98

- ii) Through Steam Turbine Generator

— —

2. Coal

— —

3. a) Furnace Oil & LSHS

Quantity	KL	2552	1562
Total Amount (000's)	Rs.	16542	11342
Avg. Rate per KL	Rs.	6482	7261

- b) Natural Gas

Quantity	Cu.M.	171389	129392
Total Amount (000's)	Rs.	1536	896
Avg. Rate per Cu.M.	Rs.	8.96	6.92

4. Others/Internal Generation

Quantity		Nil	Nil
Total Cost		Nil	Nil
Rate/Unit		Nil	Nil

- B. Consumption per Unit

of production : Standard

Electricity (Units) } ... There is no specific standard
Furnace Oil (Litres) } ... as the consumption per unit depends on the product mix of basic drugs (from chemical and biochemical processes) and formulations (capsules, tablets, ointments, liquids and injectibles)

Coal

... Nil

II. TECHNOLOGY ABSORPTION :

EFFORTS MADE IN TECHNOLOGY ABSORPTION :

FORM B : FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D is carried out by the Company:

R&D is carried out in Chemical, Pharmaceutical, Clinical, Analytical and Engineering Development areas.

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

- (a) Product improvements, process development, import substitution, standardization of quality control of bulk drugs and formulations.



- (b) New application for drugs researched abroad, better dosage recommendations and improvements.

3. Future plan of action :

- Import substitution and resolving process problems encountered in basic chemical and fermentation manufacturing for quality and productivity.
- Optimization of process parameters with emphasis on cost control and rationalization.
- Studying feasibility of using new manufacturing technology in existing dosage forms.
- Development of new dosage formulations, pharmaceutical and animal health.

4. Expenditure on R&D :	Rs. in Lakhs
(i) Capital	85.87
(ii) Recurring	752.12
(iii) Total	837.99
(iv) Total R & D expenditure as percentage of total turnover	3.58

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts in brief made towards technology absorption, adaptation and innovation.

- The Company is allowed to use the patents and technical know-how of Pfizer Inc. U.S.A. Continuous adaptive research and development of products and processes with the objective of import substitution and cost containment in an inflationary environment is carried out.
- Clinical research to introduce new products researched abroad and to find their new applications, better dosage recommendations and improvements under Indian conditions is carried out.
- Development of ancillary technology for packaging materials and machinery is undertaken.

2. Benefits derived as a result of the above efforts :

Product improvement, cost reduction, import substitution, standardized analytical methods which are reflected in the productivity of resources and better quality and stability of products.

3. Technology imported during the last 5 years reckoned from the beginning of the financial year is given below :

Technology Imported	Year of Import	Has technology been fully absorbed
Tablet formulation of Amlodipine Besylate	1993	Yes
Import of high productive strains for Oxytetracycline fermentation	1994	Yes
Capsule formulation of Azithromycin dihydrate	1994	Yes
Manufacture of the active Substance Amlodipine Besylate	1997	Being absorbed
Manufacture of the active Substance — Azithromycin Dihydrate	1997-98	Being absorbed
Tablet formulation of Azithromycin dihydrate	1997-98	Being absorbed
Paediatric Powder formulation of Azithromycin dihydrate	1997-98	Being absorbed
Injectable formulation of Cefoperazone	1998	Being absorbed

FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Activities relating to exports: Initiatives taken to increase exports; development of new export markets for products and services and export plans.

The Company is at present exporting bulk drugs and formulations in bulk pack to Hongkong, Belgium and nutritional supplement to Sri Lanka. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. During the period under review :

- the foreign exchange earnings by the Company was Rs.1402.07 Lakhs.
- the foreign exchange expenditure (which includes import of raw materials, spares and remittance of dividends etc.) was Rs. 2217.24 Lakhs.

On behalf of the Board of Directors
S. V. PILLAI
Chairman

Mumbai: January 27, 1999.