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Pfizer Limited, Annual Report 1999-2000

Board of Directors

R. A. Shah, Chairman

Hocine Sidi Said, Managing Director

Charles L. Sarris

B. Valentini

R. W. Norton

Daniel Cronin

James Hilboldt

M. W. Hodin (Dr.) – Alternate : A. K. Nehru

P. J. Santoriella – Alternate : K. Handa

Pierre G. Etienne (Dr.) – Alternate : B. M. Gagrat (Dr.)

Pradip P. Shah

Management committee

Hocine Sidi Said Managing Director

J. S. Bandopadhyay Information Technology

B. M. Gagrat (Dr.) Pharmaceuticals

K. Handa Finance

Chitra Lele (Dr.) Biometrics

S. Madhok Animal Health

S. Mukherjee (Dr.) Medical Affairs

A. K. Nehru Manufacturing

C. N. Potkar (Dr.) Clinical Study Management & Monitoring

S. Ramkrishna Corporate Affairs

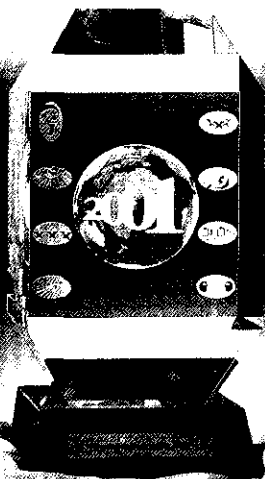
H. Walder Personnel

Secretary

A. Anjeneyan

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Pfizer — A Premier Pharmaceutical Company

Business India, a leading magazine, ranked Pfizer India amongst the most respected companies in India across all industries in 1999. We moved up to the 13th rank from 34th in 1997. This survey also ranked us high on parameters like Quality of Products & Services, Ethical Conduct and Quality of Personnel.

The best get better...

We gained our maiden entry into the



Ian Young and Team with the Millennium Trophy.

prestigious "Millennium Club" of Pfizer Inc. in 1999 with a sterling performance. We were amongst only 17 countries worldwide, and the only country from the Africa/Middle East/India/Pakistan (AfME) region.

...and the world knows it !



Accolades at the Zithromax Worldwide Refocus meeting, 2000.

Pfizer India Won the

Grand Prize for best promotional material.



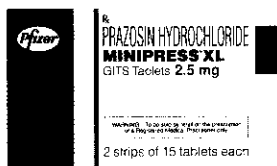
Magnex Launch Material, a Benchmark.

Distributed worldwide by

Centre of Excellence, Turkey.

Minipress XL sets an example

- The most successful antihypertensive launched.



- "New Indication Roll Out Plan" selected as Best Practice for use by Cardura in AfME region.

A responsible company

All medical products need stringent surveillance to ensure the well being of patients and also to help develop further safe and effective therapies.

Pfizer India has one of the best medical departments in the entire industry. The highly qualified and skilled doctors in this department demonstrate daily that Pfizer truly takes 'ownership' for the performance of its products. An extremely effective Safety Monitoring System ensures that data obtained by our 'eyes and ears' in the field, our sales force, is promptly acted upon. This entire process has predefined time frames, specific protocols and standard operating procedures.

Pfizer's Medical Information System (Medisys), is considered one of the

Brand leaders in the pharmaceutical industry

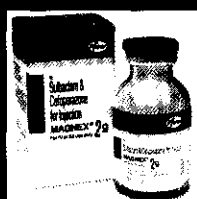
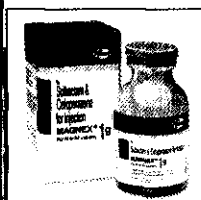
- Top 2 brands of the industry.
- 8 brands in the top 250

(ORG)

New launches

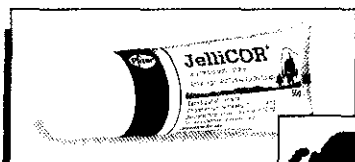
Hepashield and Magnex, launched last year, were ranked as No.1 and No.4 highest selling brands amongst 881 new brands launched by various companies.

(IMS-Health)



Local Drug Development

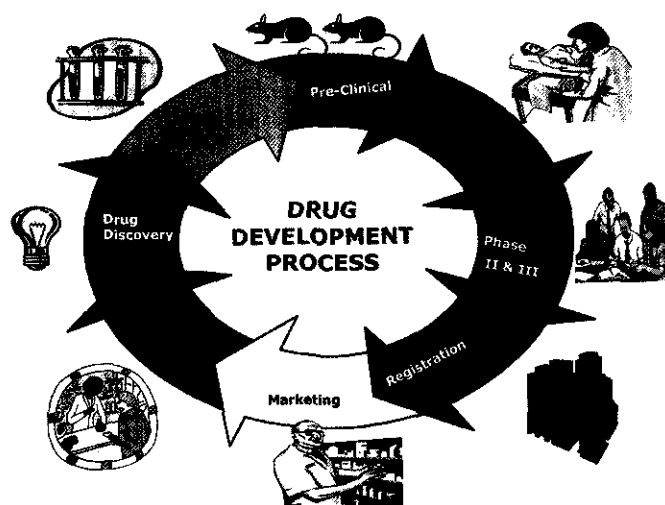
- JelliCOR – A novel strawberry flavoured cough jelly for the first time in India.



Animal Health Scores

Megamycin, an antibiotic used in large animals, grossed a turnover in excess of Rs.1.6. crores in the first year of its launch, setting a new record.

Megamycin*



most credible and accurate feedback mechanisms by doctors. This system addresses every query of the medical community, not only on our marketed products but, at times, also on related medical concerns. We are proud of the fact that our average turnaround time for such queries is a record in the industry. In 2000, 509 queries were adequately addressed, with a mean response time of less than 2 days!



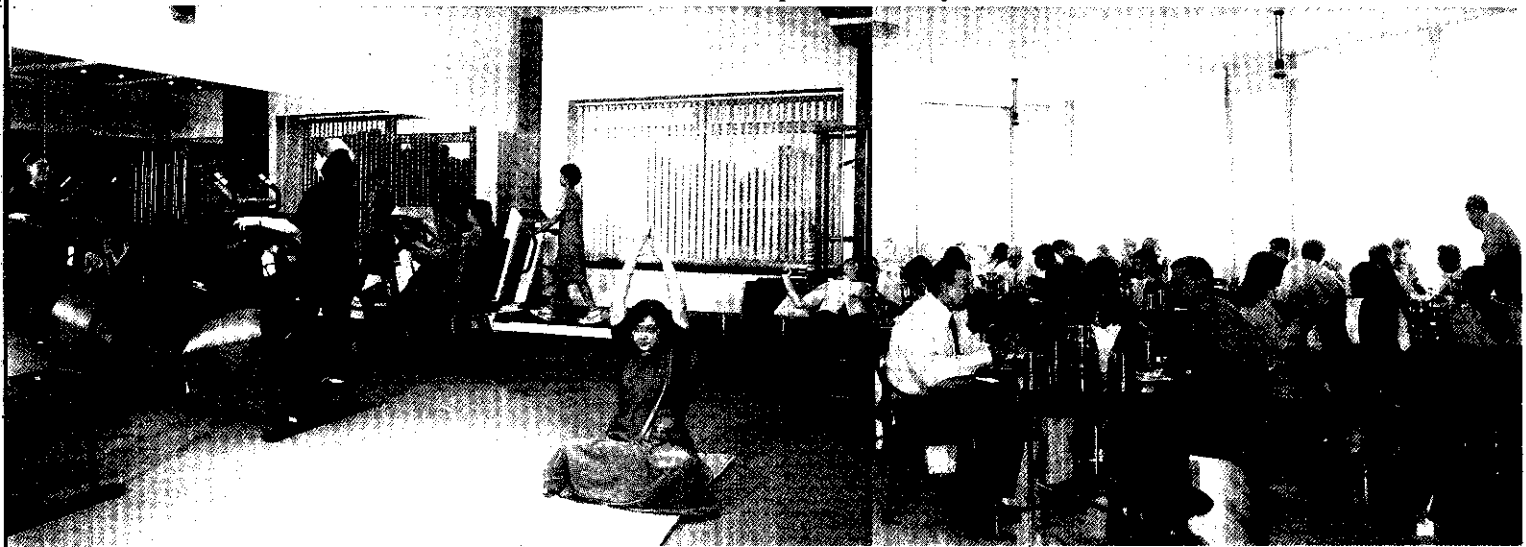
Putting India on the world's clinical research map

Pfizer's clinical research (CR) activity started in India in 1995, the first pharmaceutical company to do so. In five years, this group has set really high standards for industry to emulate – in clinical project management and in training of clinicians and investigators. During the past year, Pfizer India has helped

organize ten workshops on Good Clinical Practices (GCP) which imparted training to over 400 investigators, staff, ethics committee members and regulatory officials. The Clinical Study Management and Monitoring (CSMM) group has worked with over 1200 patients in various clinical development programs, in therapeutic areas such as CNS, infectious diseases and oncology. The department of Biometrics is an online extension of Pfizer's worldwide data management



operations. Its significant achievement is the lowest error rate it has consistently recorded in Pfizer Inc's global data capture operations.



Pfizer — A Premier Employer



Members of the Pfizer Field Force who have made outstanding and consistent contributions to the organisation.

A few years ago, Pfizer Inc. conducted a worldwide survey on Pfizer values amongst all its employees. 'Employee satisfaction' at Pfizer India was rated among the highest in this survey. Over 89 per cent of our employees said, *"I am proud to work for Pfizer"*.

Fifty years old and still...

Fifty years after coming to India, Pfizer has a number of employees with over 35 years of service, working with it. In all their career, they never had to dream of working anywhere else.

For 50 years, everyone at Pfizer India has come to work with the knowledge that we're not just in business, we are in business for life.



I. D. Shaikh with M. D. Mistry — both Pfizer veterans with over 35 years service

...growing

We know that being a premier employer is much more than just being a caring employer. Our employees need to grow, so we need

to grow. Our young employees have newer expectations. We know that being a premier employer means being alive to these expectations.

Give me more challenges

We don't strait-jacket our employees; we encourage their creative instincts. That's how we developed our own intranet site in the Pfizer world, which elicited comments from Pfizer Inc like "... found the material valuable, comprehensive and well-presented. I'm impressed by the technical aspects of the site."

Our internet site too, was developed by our own people. Do visit us at www.pfizerindia.com.



Chandigarh Plant

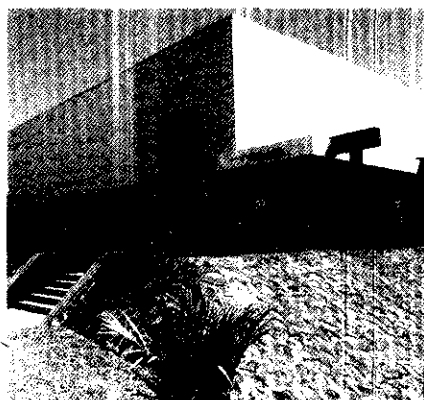
"We have a formula no other pharmaceutical company can duplicate. Our ingredient for success – our people."

Field productivity improved by 11% in 2000 despite heightened competition.

PC loans to over 350 employees.

100% of the field force underwent training during the year, including 118 managers who attended leadership programs.

1035 Kaizens received from the employees during the year



Thane Plant

"We love going to work"

Our employees spend much of their waking hours at work. A conducive environment and our workplace culture is what they look forward to every weekday morning.

This unbridled enthusiasm is best demonstrated in the number of Kaizens (improved work practices) our employees turn in year after year. At Pfizer India, we know what it takes to be an innovative creative company. It takes all kinds of people.

Our crème de la crème, our sales force, is the cynosure of the pharmaceutical industry in India. Its not just the doctors who believe so; you can even ask our competitors. Training, which starts with induction, never really ends for this elite team.

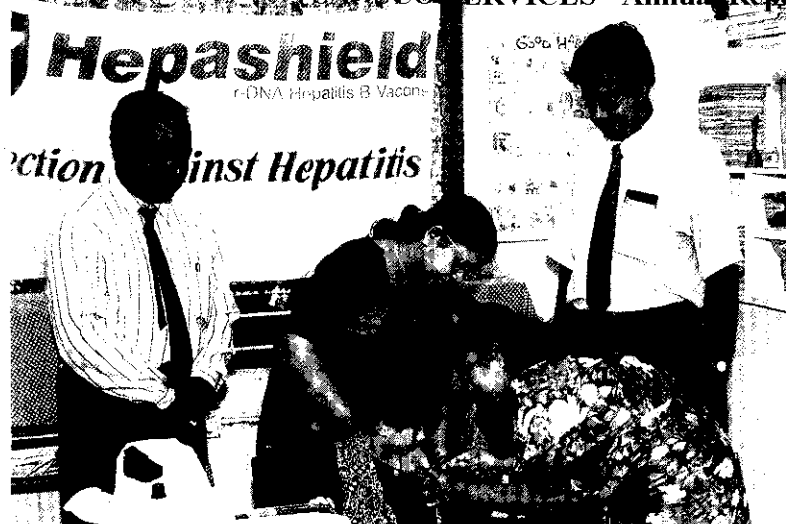
Our employees have a vast array of training opportunities. Besides all the

best programs available in India, we also regularly send our employees abroad for training. This includes training in product management, clinical operations and data management, etc. Many of our senior executives have excelled in the global management program (GMP) conducted by the Global Leadership Institute in the US every year.

But that's not all. Our managers have been invited to be faculty at several global training programs. Our IT experts have been invited to other Pfizer countries to help set up their systems. Our employees are encouraged to apply against international job postings within the Pfizer world; and we will not be sorry to lose our best employees to other Pfizer locations. That's the confidence that comes from being a premier employer.



New PSOs Training Program



Pfizer — The Partner of Choice

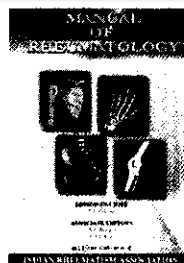
The secret of Pfizer Inc's success worldwide lies as much in being a partner of choice as it is in being the global leader in research. The blockbuster success of drugs like Lipitor, Celebrex and Aricept, all of which were discovered by other companies who chose Pfizer as their marketing ally, amply shows who is the most sought after partner-of-choice in the industry. Even in research, where Pfizer Inc will be spending US\$ 5 billion this year, the increasing amount of collaborative research with academic institutions, governments and other companies, proves that Pfizer is the 'partner of choice'.

Pfizer India proved that it is the best marketing partner in the Industry pharmaceutical milieu. In an arrangement where Pfizer marketed its own brand, with manufacturing done by Shantha Biotech, the new product

Hepashield became the market leader within six short months.

Our product is knowledge

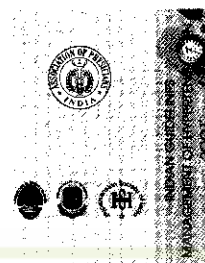
Our partnership with the medical profession goes beyond our product portfolio. We are providers of knowledge, and that's what we do best.



Pfizer India published the first ever Indian "Manual of Rheumatology" in partnership with the Indian Rheumatism Association (IRA). This is a valuable resource and reference for all the practicing rheumatologists, orthopedic surgeons, consulting physicians and post-graduates. Copies of this manual was supplied by Pfizer to South Africa.

Pfizer India sponsored the

development and publication of India's first ever "Guidelines for the Management of Hypertension".



These guidelines, developed by the Association of Physicians of India, along with the Cardiological

Society, Indian College of Physicians and Hypertension Society, keeps in mind the difference in culture, lifestyles and food habits of Indians. The book was released by the Prime Minister at a special function of APICON on January 20, 2001.

The development of our internet site also enables us to explore B2B possibilities. The internet will provide value added services to doctors. The net will finally bring all our partners closer to us: our vendors and suppliers, our tollers, our CFAs and depots, our sales offices and eventually our stockists and retailers.

"Pfizer delights its customers – is not just a cliché, we simply do it all the time."

Community — our partner of choice

We constantly seek new ways to help the community at large. A social commitment program on the sale of Protinex enabled us to contribute Rs.35 lakhs to CRY for the development of under privileged children.

You are aware that the mobile medicare van given by Pfizer to HelpAge India, did yeoman work in rural Orissa after it was hit by the super cyclone last year. The van continues to provide medical assistance to the remote areas of Orissa.

Recently, yet another natural calamity of horrific proportions hit the people of Gujarat. Pfizer employees there showed remarkable presence of mind and grit in helping the victims of the earthquake. In a moving

demonstration of solidarity, Pfizer employees from across the world joined our employees in contributing funds for the relief efforts.

Pfizer Japan was the first country to respond with a contribution of Yen 4 million (around Rs.16 lakhs). Pfizer Inc. has already supported UNICEF and CARE International for their relief work, with a donation of US\$ 50000/- (RS.23 lakhs). They have pledged further support for a reconstruction project that we propose to fund. Pfizer India has committed Rs.10 lakhs to the projects, including Rs.2 lakhs already donated as medicines. The company also matched the voluntary contribution of its employees and this generated another Rs.14 lakhs. All these funds will be used to finance a project to build dwelling units for the dispossessed victims of the earthquake.



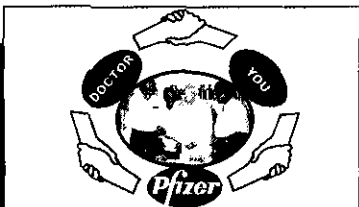
Success of AnyTime Magnamycin (ATM)

- Availability of a life saving product round the clock
- Value added customer service



Pharmacist Bonding Program

- Enhancing Customer Loyalty





Directors' Report

To the Members

Your Directors are pleased to present this 50th Annual Report and the audited accounts of the Company for the year ended 30th November, 2000. The Report reviews the Company's diversified operations covering Pharmaceuticals, Nutritional and Healthcare Products, and Animal Health Products.

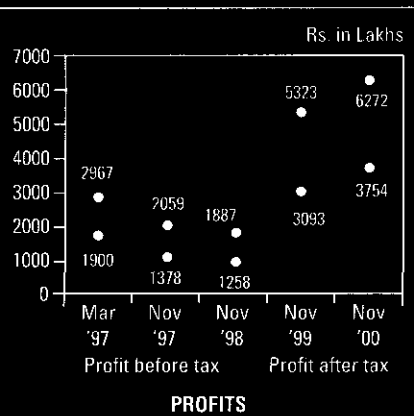
Financial Results

Rupees in Lakhs

	Year ended 30th November 2000	Year ended 30th November 1999
Profit after tax	3754	3093
Add :		
Prior year's Excess Tax Provision written back	193	—
Balance of profit from prior years	7519	5391
Surplus available for appropriation	<u>11466</u>	<u>8484</u>
Appropriations :		
Transfer to General Reserve	400	310
Proposed Dividend	938	586
Additional Income-tax on proposed Dividend	212	64
Surcharge on tax on distributed profits for the previous year.	—	5
Balance carried to Balance Sheet	<u>9916</u>	<u>7519</u>
	<u>11466</u>	<u>8484</u>

Corporate

The sales for the year ended November 30, 2000 is Rs.327 crores. From an overall point of view, after adding the turnover of the wholly owned subsidiary, Duchem Laboratories Limited, aggregating Rs. 112 crores, the total sales at Rs. 439 crores reflect a growth of 11% over the previous year.



The profit after tax for the year is Rs.37.54 crores.

Share Capital

The Paid-up Equity Share Capital of your Company increased to Rs. 23.44 crores pursuant to issue of Bonus Equity Shares in the proportion of one equity share for every one equity share held. The Record date for this purpose was fixed as June 28, 2000. The Bonus equity shares were allotted on July 13, 2000. The despatch of share certificates and the credit to the 'demat account' of the shareholders were completed by August 2000. The Bonus equity shares were listed at the Stock Exchange, Mumbai on August 18, 2000 and at the National Stock Exchange shortly thereafter.

Dividend

Your Directors recommend a Dividend at the rate of Rs. 4 per share be declared for the year ended 30th November, 2000 on the post bonus issue equity capital on *pari-passu* basis. The dividend will be paid after it is approved at the forthcoming Annual General Meeting.



Review of Operations

General

The pharmaceutical industry in India has been in the limelight of public attention, ever since it was declared as the new vehicle for economic growth in India. The Prime Minister, the visiting US President Clinton, and a host of other luminaries declared that the future of India lay in its knowledge-led industries; and sharing the platform with the pioneering software industry, was pharmaceuticals and bio-technology. This prediction was also reflected in the stock market movements. Few steps have been taken towards greater deregulation of the pharmaceutical industry. Much more needs to happen.

Further developments in the pharmaceutical industry are strongly

