



## The Will to Win

*Working for a healthier world™*

ANNUAL REPORT 2005 - 2006

At Pfizer India, 'Finding the way to lead' and 'Aspiring to Win' emerges from the spirit to excel, to evolve and rewrite the rules.

At Pfizer India, we are business centric. It's all about our Courage, Determination and Drive.

It is about the will to power ahead, to realize our dreams and ambitions, to emerge victorious. It is a continuous process and we have goals to achieve and milestones to cross.



*Working for a healthier world™*

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## Pfizer Limited: Ten Year Financial Summary

Amount – Rupees in Lakhs

	1997#	1998	1999	2000	2001	2002*	2003	2004‡	2005	2006
<b>Sources of Funds</b>										
Shareholders' Funds										
Share Capital	1172	1172	1172	2344*	2344	2344	2880	2880	2984	2984
Share Capital Suspense A/C						536	–	104	–	–
Reserves and Surplus	6694	7104	9541	11167	14645	27923	27960	31292	34672	40992
<b>Total Shareholders' Funds</b>	<b>7866</b>	<b>8276</b>	<b>10713</b>	<b>13511</b>	<b>16989</b>	<b>30803</b>	<b>30840</b>	<b>34276</b>	<b>37656</b>	<b>43976</b>
Borrowed Funds										
Secured Loans	84	156	–	–	–	–	–	–	–	–
Unsecured Loans	2002	1	1	–	–	–	–	1200	–	–
<b>Total</b>	<b>9952</b>	<b>8433</b>	<b>10714</b>	<b>13511</b>	<b>16989</b>	<b>30803</b>	<b>30840</b>	<b>35476</b>	<b>37656</b>	<b>43976</b>
<b>Application of Funds</b>										
Net Fixed Assets	3885	3678	3502	3728	4210	5696	6110	7564	7770	7156
Investments	324	346	324	324	324	529	324	324	–	–
Deferred Tax Asset (Net)	–	–	–	310	503	790	989	636	903	1436
Current Assets, Loans and Advances:										
Inventories	3286	4018	4486	5780	5644	8484	8658	7389	8983	9845
Sundry Debtors	2462	2317	3810	3918	5421	12341	5883	7174	8282	6963
Cash and Bank Balances (including amounts held on deposit accounts with banks)	234	820	2329	4609	5763	6840	8908	16110	20993	30651
Other Current Assets	–	–	–	–	–	–	45	137	214	422
Loan & Advances	4572	3923	3839	3529	4289	7260	8330	6840	6693	6778
<b>Total Current Assets, Loans and Advances</b>	<b>10554</b>	<b>11078</b>	<b>14464</b>	<b>17836</b>	<b>21117</b>	<b>34925</b>	<b>31824</b>	<b>37650</b>	<b>45165</b>	<b>54659</b>
Less: Current Liabilities and Provisions										
Current Liabilities	3857	5375	5439	6771	6312	11112	9619	11284	13404	14481
Provisions	1690	2047	2376	2366	2853	5244	4192	5421	6448	6128
<b>Net Current Assets</b>	<b>5007</b>	<b>3656</b>	<b>6649</b>	<b>8699</b>	<b>11952</b>	<b>18569</b>	<b>18013</b>	<b>20945</b>	<b>25313</b>	<b>34050</b>
Misc. Expenditure (Deferred Revenue Expenditure)										
Voluntary Retirement Scheme	736	753	239	–	–	5219	5404	6007	3670	1334
Commercial Rights	–	–	–	450	–	–	–	–	–	–
<b>Total Net Assets</b>	<b>9952</b>	<b>8433</b>	<b>10714</b>	<b>13511</b>	<b>16989</b>	<b>30803</b>	<b>30840</b>	<b>35476</b>	<b>37656</b>	<b>43976</b>
<b>Income</b>										
Gross Sales	14160	23343	28733	32719	36207	65127	55896	65966	69750	76586
Less: Excise Duty					3796	5719	3954	4884	5416	6039
Less: Sales Tax					2643	5165	4478	5304	4482	4312
<b>Net Sales</b>					<b>29768</b>	<b>54243</b>	<b>47464</b>	<b>55778</b>	<b>59852</b>	<b>66235</b>
Operating and other Income	2807	3744	5107	5162	6147	6007	4051	3924	4103	5940
<b>Total</b>	<b>16967</b>	<b>27087</b>	<b>33840</b>	<b>37881</b>	<b>35915</b>	<b>60250</b>	<b>51515</b>	<b>59702</b>	<b>63955</b>	<b>72175</b>
<b>Expenditure</b>										
Material Cost	4412	6997	8830	10066	10736	21978	19737	22370	20007	22356
Personnel Cost	3072	5712	4865	5056	5580	8784	7942	8255	10014	10234
Manufacturing and other expenses	6945	11313	14100	15774	11154	17183	16409	18564	19273	19733
Interest Expense	160	211	54	37	26	76	39	81	15	7
Depreciation	319	967	768	676	717	1064	1083	1026	1385	1307
<b>Total</b>	<b>14908</b>	<b>25200</b>	<b>28817</b>	<b>31609</b>	<b>28213</b>	<b>49065</b>	<b>45210</b>	<b>50296</b>	<b>50694</b>	<b>53637</b>
<b>Profit Before Taxation &amp; Exceptional Items</b>	<b>2059</b>	<b>1887</b>	<b>5223</b>	<b>6272</b>	<b>7702</b>	<b>11165</b>	<b>6305</b>	<b>9406</b>	<b>13261</b>	<b>18538</b>
<b>Exceptional items - (Expenses)/Income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1518</b>	<b>(1673)</b>	<b>(1922)</b>	<b>(2337)</b>	<b>(2337)</b>
<b>Profit Before Taxation</b>	<b>2059</b>	<b>1887</b>	<b>5223</b>	<b>6272</b>	<b>7702</b>	<b>12683</b>	<b>4632</b>	<b>7484</b>	<b>10924</b>	<b>16201</b>
<b>Taxation</b>	<b>681</b>	<b>629</b>	<b>2130</b>	<b>2518</b>	<b>2953</b>	<b>5089</b>	<b>1881</b>	<b>2932</b>	<b>4112</b>	<b>5628</b>
<b>Profit After Taxation</b>	<b>1378</b>	<b>1258</b>	<b>3093</b>	<b>3754</b>	<b>4749</b>	<b>7594</b>	<b>2751</b>	<b>4552</b>	<b>6812</b>	<b>10573</b>
Tax Provision as % of PBT	33.1	33.3	40.8	40.1	38.3	40.1	40.6	39.2	37.6	34.7
Net Profit as % of Sales	9.7	5.4	10.8	11.5	13.1	11.7	4.9	6.9	9.8	13.8
Earnings per share (Rs.)	11.76	10.73	26.39	16.02 @	20.26	26.37	9.55	15.25	22.83	35.43
Equity Dividend per share (Rs.)	3.00	4.00	5.00	4.00	5.00	7.50 +	7.50	10.00	10.00	12.50
Total Dividend Amount (Rs. in Lakhs)	352	469	586	938	1172	2160	2160	2984	2984	3730
Book Value per share (Rs.)	67.12	70.61	91.41	57.64 @	72.48	106.95	107.08	114.86	126.19	147.36

# 8 months period ended 30th November, 1997

\* Increase due to issue of Bonus Shares in the ratio 1:1

@ Diluted due to issue of Bonus Shares in the ratio of 1:1

+ Includes special dividend @ Rs. 2.50 per share

‡ Includes results of erstwhile Parke-Davis (India) Ltd. on its amalgamation with the Company

§ Includes results of erstwhile Pharmacia Healthcare Ltd. on its amalgamation with the Company



Working for a healthier world™

## BOARD OF DIRECTORS

R. A. Shah	Chairman
Kewal Handa	Managing Director
Pradip P. Shah	Director
Dr. Bomi M. Gagrath	Executive Director, Technical Operations

## EXECUTIVE COMMITTEE

Kewal Handa	Managing Director
Dr. Bomi M. Gagrath	Technical Operations
Gundu Rao	Finance
Sunil Madhok	Animal Health
Dipali Talwar	Legal
Yugesh Goutam	Human Resources
S. Venkatesh	Strategic Business Development
Venkat Iyer	Business Technology

COMPANY SECRETARY  
K. Subharaman

AUDITORS  
BSR & Co.

### REGISTERED OFFICE:

Pfizer Center, Patel Estate, Off S.V. Road, Jogeshwari (W),  
Mumbai 400 102. Tel.: 022 6693 2000, Fax.: 022 6693 2377, Email: [contactus.india@pfizer.com](mailto:contactus.india@pfizer.com)

### REGISTRARS & TRANSFER AGENTS:

Karvy Computershare Pvt. Ltd., 7, Andheri Industrial Estate  
Off Veera Desai Road, Andheri (W), Mumbai 400 053. Tel.: 022 66381746, 66381747  
Email: [ksreddy@karvy.com](mailto:ksreddy@karvy.com), [rkknair@karvy.com](mailto:rkknair@karvy.com)

## Notice

Notice is hereby given that the 56<sup>th</sup> Annual General Meeting of Pfizer Limited will be held at the Yeshwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai-400 021 on Thursday, March 22, 2007, 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 November 30, 2006, 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 November 30, 2006.
3. To appoint a Director in place of Dr. Bomi M. Gagrath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### Special Business

5. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED** that pursuant to the provisions of Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") consent of the Company be and is hereby accorded to the revision in the remuneration payable to Mr. Kewal Handa, the Managing Director, effective June 1, 2006, as given below:

#### A. Salary and Bonus / Performance Linked Incentives.

The aggregate of Salary and Bonus / Performance Linked Incentives payable to Mr. Kewal Handa, the Managing Director, shall be subject to a maximum limit of **Rs.1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum.**

- B. All the other terms and conditions of his appointment as approved by the shareholders at the 55<sup>th</sup> Annual General Meeting held on April 21, 2006 remain unaltered.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorised to amend, alter or otherwise vary the terms and conditions of the appointment of the Managing Director including remuneration from time to time, provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible within the overall limits specified in the Act, as existing or as amended, modified or re-enacted from time to time by the Government of India, as the Board of Directors of the Company may deem fit;

**RESOLVED FURTHER** that 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 this Resolution."

### NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of item 5 of Special Business is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from March 13, 2007 to March 22, 2007 (both days inclusive).
3. 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.

The Proxy duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

4. The members / proxies are requested to bring duly filled in Attendance Slips for attending the meeting.

#### 5. Re-appointment of Director retiring by rotation:

Dr. Bomi Gagrath was appointed as Director liable to retire by rotation by the shareholders at the 54<sup>th</sup> Annual General Meeting held on April 28, 2005. Dr. Gagrath is liable to retire by rotation at the 56<sup>th</sup> Annual General Meeting and, being eligible, offers himself for re-appointment.

The information required to be furnished under the Code of Corporate Governance is given below:

Dr. Bomi Gagrath holds Master's Degree in Science and a Ph.D from the University of Mumbai. He has published scientific papers in Bio-medical Sciences in International Journals of repute. In addition, he holds a Post Graduate Diploma in Operations Management from the Jamnalal Bajaj Institute of Management in Mumbai. He has completed a variety of Pfizer Training Programmes including the "Pfizer Leadership Development" programme in conjunction with the Harvard Business School.



Dr. Gagrat is 59 years old and is on the Pfizer Board for the last 9 years. Prior to joining Pfizer, Dr. Gagrat held a variety of positions of increasing responsibility in pharmaceutical manufacturing. Dr. Gagrat joined Pfizer in 1989 as Plant Manager at Thane Plant and subsequently was appointed as General Manager in 1994. In December 1996, he was designated as Vice President of the Animal Health Division in India. In September, 1998 Dr. Gagrat was appointed as Executive Director – Pharmaceuticals. Effective December 2002, Dr. Gagrat, assumed the responsibilities of Executive Director, Pfizer Global Manufacturing for the technical and manufacturing operations in India and was designated as Executive Director – Technical Operations.

Details of his other Directorships and Memberships in Committee are given below:

Name of the Company	Designation	Chairmanship/Membership of Board Committee
Duchem Laboratories Limited.	Director	NIL

Dr. Gagrat holds 200 equity shares of Rs. 10/- each in the Company.

6. The members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
7. Members (Beneficiaries) holding shares in dematerialized mode are requested to note that the bank details furnished by them to their respective Depository Participants will be printed on their Dividend Warrants, if not opted for Electronic Clearing Service (ECS). This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.
8. In compliance with Sections 205A & 205C of the Companies Act, 1956, unclaimed dividend for the year ended 1999 has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claim in respect of their unencashed dividend with regard to the said dividend. Unclaimed dividend for all the subsequent years will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company's Registrars and Transfer Agents, in respect of their outstanding dividends for the succeeding years.

Mumbai, January 20, 2007

Registered Office:

Pfizer Centre, Patel Estate, Off S. V. Road,  
Jogeshwari (West), Mumbai – 400102.

By order of the Board of Directors

**K SUBHARAMAN**  
Company Secretary

## Explanatory statement pursuant to section 173 of the Companies Act, 1956.

### ITEM NO. 5:

At the 55<sup>th</sup> Annual General Meeting held on April 21, 2006, the shareholders have approved the appointment of Mr. Kewal Handa as the Managing Director of the Company and the remuneration payable to him subject to a maximum limit of Rs.85,00,000/- p.a. towards salary and fixed allowances.

The Board of Directors have revised the aggregate of Salary and Bonus / Performance Linked Incentives payable to Mr. Handa to a maximum limit of Rs.1,80,00,000/- (Rupees One Crore Eighty Lakhs only) with effect from June 1, 2006. The perquisites which are computed with reference to the salary shall consequently, effective June 1, 2006, be computed with reference to the revised salary.

The above increase in limit for Salary and Bonus / Performance Linked Incentives is an enabling provision and the actual salary paid would be within the aforesaid limit.

The Board recommends this Resolution for the approval of the Members.

The above particulars may be treated as an Abstract pursuant to Section 302 of the Companies Act, 1956.

Mr. Kewal Handa is deemed to be interested in this Resolution as it concerns him. No other Director is concerned or interested in the passing of this Resolution.

Mumbai, January 20, 2007

Registered Office:

Pfizer Centre, Patel Estate, Off S. V. Road,  
Jogeshwari (West), Mumbai – 400102.

By order of the Board of Directors

**K SUBHARAMAN**  
Company Secretary

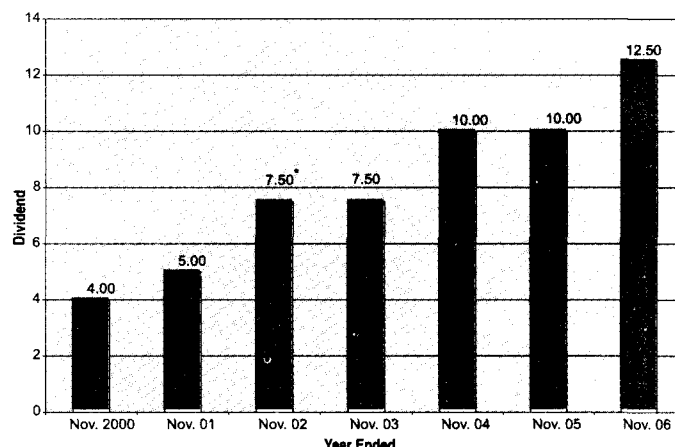
# DIRECTORS' REPORT including Management Discussion and Analysis Report

## TO THE MEMBERS

Your Directors have pleasure in presenting this 56<sup>th</sup> Annual Report together with the Audited Accounts for the year ended November 30, 2006. The Report reviews the Company's diversified operations covering Pharmaceutical and Animal Health Products.

## DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.12.50/- per share (125%) for the financial year ended November 30, 2006. The total amount of dividend for the year ended November 30, 2006 is Rs.3730 lakhs. The tax on distributed profits, payable by the Company would amount to Rs.523 lakhs.



## FINANCIAL RESULTS

Rupees in Lakhs

	Year ended November 30 2006	Year ended November 30 2005
Sales (Net of Excise Duty & Sales Tax)	66235	59852
Operating and other Income	5940	4103
Profit Before Tax and Exceptional Items	18538	13261
Exceptional Items (Expenses)/Income	(2337)	(2337)
Profit Before Tax	16201	10924
Less: Taxation		
- Current Tax	5855	4179
- Fringe Benefit Tax	307	201
- Deferred Tax (Credit)/Debit	(533)	(268)
Profit After Tax	10572	6812
Balance of Profit from Prior Years	22281	19585
<b>Surplus available for Appropriation</b>	<b>32853</b>	<b>26397</b>
<b>Appropriations:</b>		
Transfer to General Reserve	1100	685
Proposed Dividend	3730	2984
Tax on Dividend	523	419
Tax on Dividend for Previous Year	-	28
Balance carried to Balance Sheet	27500	22281
	<b>32853</b>	<b>26397</b>

Your Company recorded sales of Rs.66235 lakhs, an increase of 11% over Rs.59852 lakhs in the previous year. Your Company achieved a net profit of Rs.10572 lakhs as compared to Rs.6812 lakhs for the previous year showing an increase of 55%.

## CORPORATE

In compliance with Accounting Standard – No.21, your Company has attached the Consolidated Statement of Accounts giving therein the Consolidated Financial Statements relating to Pfizer Limited and Duchem Laboratories Limited.

## OUTLOOK

India's economy is poised on an ever increasing growth curve. With the Indian economy set to grow at 9.2%, rising foreign exchange reserves of close to US\$ 157 billion, a booming capital market, government estimated FDI flow of US\$ 12 billion in this fiscal, and

more than 25% surge in exports, India can be a leading destination for foreign investment.

### Pharma Industry In 2006 – An Overview

The past year was a period of consolidation for the pharmaceutical industry. Indian pharma companies and MNC pharma companies operating in India adopted different strategies. While MNC players are planning to gradually bring their blockbuster drugs to India due to the revised patent laws, the Indian companies are focused on acquisitions and explored in-licensing and marketing alliances.

The Indian Pharmaceutical Market estimated at Rs. 24,863 crores\*, grew strongly at 12.9% in 2006 with a volume contribution of 10%, new products contribution of 3% and a price growth that declined by 0.1%. The 2006 growth is high primarily on account of the significant dip in volumes in March-April 2005 when VAT was implemented in most of the Indian states. On the whole, Indian companies outgrew the market at 14.2%, while MNCs registered a healthy growth of 8.7%. Riding on an improved economy, the domestic market which has seen consistent single digit growths in the past five years, is forecasted to grow at a CAGR of 13.6% between 2006-2010, to become a Rs. 41,500 crore industry by 2010 (Source : ASSOCHAM and Cygnus research paper).

India is fast turning into the preferred manufacturing location for multinational drug manufacturers. The introduction of good clinical practices, talented medical faculty, rich patient pool, and the data processing infrastructure for bioinformatics has helped India make the most out of the outsourcing opportunities.

Although India remains a developing market, there is no denying that it represents vast untapped potential for global pharmaceutical companies. Both local and multinational drug manufacturers will eventually benefit from the market potential of India's population of over one billion.

Today, the Indian pharmaceutical industry stands at a crossroad. Attractive opportunities are emerging with generics in developed markets and the domestic market is becoming increasingly challenging. The rising prevalence of life-style related diseases coupled with improving healthcare awareness and purchasing power are driving the growth of the pharma market. The growth is further aided by the increasing presence of corporate hospitals and retail outlets as they expand from urban to semi-urban areas that include small towns. Some large conglomerates in India have already announced commitment of over Rs. 5000 crores in Pharmaceutical Industry, be it manufacturing, organised retailing or speciality hospitals. The government is also increasing its commitment in extending healthcare services to the poor and underprivileged to further augment the upward curve.

Despite the introduction of a product patent regime in 2005, ambiguity surrounds issues such as the scope of patentability, compulsory licensing, pre-grant opposition and data protection. All these factors continue to deter large scale FDIs that could accelerate growth of the Industry. This new regime, however, may represent unprecedented opportunities for many of the domestic pharmaceutical companies. So, the domestic industry will have to increase its spending on R&D if it wants to address these new opportunities and challenges.

Tighter controls on pricing envisioned in the New Drug policy (due to be implemented soon) may also affect margins and impact business.

On the international front, the industry still has some catching up to do in terms of quality assurance while, on the local market, pricing remains a problem. Though there has been a significant increase in the outsourcing activities, there is a need for regulatory reform in India to accelerate the outsourcing of their R&D activities to India. This is particularly urgent in the face of the strong competition from China, where the government has been proactively encouraging foreign investments in pharmaceuticals and biotechnology.

The industry is now awaiting developments following the January 2007 draft publication of the government's National Pharmaceuticals Policy for 2006. The document contains proposals for far-reaching initiatives aimed at boosting the domestic industry's global competitiveness, as well as improving the population's access to medicines.

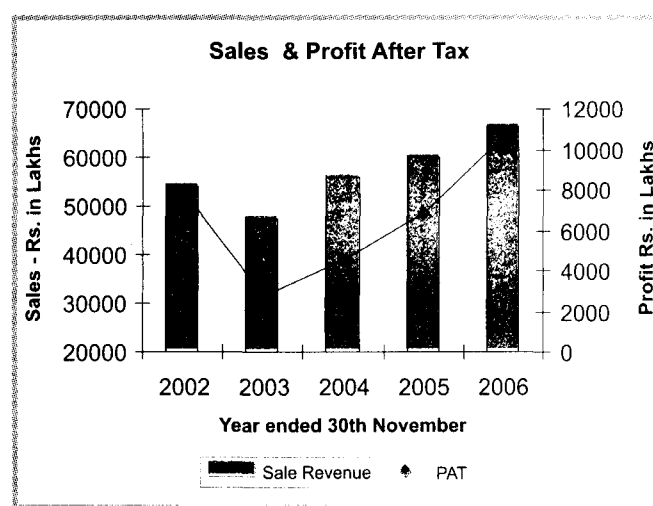
\* All market data based IMS Stockist Audit, December, 2006.

### Outlook and Implications

Despite the cumbersome regulatory procedures, the likelihood of 'Big Pharma' introducing new products in the country is high. 2006 has proved to be more of a testing ground for the Indian market. The regulatory delays and constant industry-government wrangling resulted in an overcast climate for many multinationals that have to wait for more clarity to emerge. While some uncertainty persists, there is also an element of urgency, with the recognition that if the wait proves too long, the market potential will be snatched away.

In domestic terms, the country's 'back office' culture - propagated by the IT services industry - has flowed into pharma, as Clinical Research and Manufacturing (CRAM) initiatives are high on the agenda of both large and medium-sized Indian pharma companies. During the last two years, most Indian companies have ramped up their capacities and invested in improving manufacturing standards. Assured in the knowledge that India has amongst the largest member of FDA-Approved facilities outside the United States, they are also preparing the ground for forays into markets such as Europe and the United States.

### REVIEW OF OPERATIONS



**BUSINESS SEGMENT: PHARMACEUTICALS DIVISION****Performance 2006**

Your Company has a market share of 2.7% and was ranked tenth in the pharmaceutical industry in 2006. Compared to the market growth rate of 12.9%, your Company grew by 11%, driven by strong sales of key brands, new launches and enhanced productivity of the therapy-focused field force. Your Company was among the fastest growing in the Top-10 Companies in the Industry.

The 'key brand' portfolio consisting of Corex, Becosules, Gelusil, Benadryl, Dolonex, Minipress XL, Amlogard, Magnex, Claribid and Daxid posted an impressive combined growth of 15.4%. Strategically targeted customer selection, coupled with high-science communication and promotional programs based on strong medical rationale were instrumental in growing these brands and maintaining leadership positions, in their respective therapeutic areas. Seven of your Company's brands were ranked among the Top-100 Industry brands. Corex & Becosules continue to rank among the Top-10 pharmaceutical brands nationally.

Our commitment has been to align with Pfizer Inc.'s portfolio, fuel organizational growth and deliver the latest medicines to the Indian population. In line with this commitment, your Company has launched three global brands in 2006, namely **Viagra™** - for erectile dysfunction, **Lyrica™** - for neuropathic pain and **Caduet™** - for treatment of hypertension associated with dyslipidemia. All three brands were received enthusiastically by the medical community and patients alike. Our efforts will remain focused on gaining wider acceptance for these new launches. In fact, Lyrica™ was ranked No. 2 among all new molecules launched in 2006 by IMS audit.

Your Company was among the select companies that won the prestigious 'Pharma Excellence Awards 2006', instituted by the Indian Express Group for excellence in 'Innovative Products of the Year' category. Your Company also had the distinction of being ranked #1 among all MNCs and #3 among all companies in the pharmaceutical sector, in the '2006 - Most Respected Companies Survey' conducted by Businessworld magazine.

**Marketing and Medical Initiatives**

During the course of the year, your Company's efforts were directed in building strong relationships with doctors and developing innovative programs to cater to them and their patient's medical needs. Our program - **Prime MD** was designed to create awareness among primary care physicians about diagnosis and treatment of depression. Prime MD was well received by the doctor community who have participated in conferences that were addressed by world renowned speakers. At these conferences the doctors were educated on the latest trends in medicine.

Another initiative that was highly appreciated was your Company's efforts in the field of Critical Care by therapy shaping, aimed at establishing the importance of selecting the right antibiotic for the treatment of serious infections based on locally generated sensitivity data. Patient Assistance Programs designed to improve patient compliance, and build brand loyalty through value added services were initiated to support all the three new products - Lyrica™,

Caduet™ and Viagra™. This has helped your Company to successfully distinguish its brands from increasing generic competition.

Your Company's commitment to Cardiovascular Care remained on track. **Healthy Heart™** - a disease management program conducted in alliance with the Apollo Hospital group was successfully rolled out to yet another location - Chennai. The initiative was aimed at providing patients quality cardiovascular healthcare based on international guidelines. It offered personalized treatment together with an emphasis on parameters such as compliance to treatment, access to hospital facilities, exclusive counseling through call center facilities and standard guidance on lifestyle and dietary modifications.

The **Consumer Health Division** continued to drive growth through aggressive promotion in the media as well as to doctors and retailers. An innovative strategy of product sampling at high consumer traffic points, such as shopping malls and multiplexes was used successfully to grab eye-balls for the popular mouthwash, **Listerine**. Following the global divestiture of the OTC business to Johnson & Johnson in December 2006, the completion of this process in India will take place in 2007. All efforts will be focused to ensure that this transition is smooth. The welfare of colleagues supporting this business will remain a high priority throughout the process.

**Field Force - A force to reckon with**

The field force continues to be the primary point of contact for all our valued customers. Your Company undertook various initiatives to ensure that the field force was adapting quickly to the changing business dynamics. 2006 witnessed the launch of the **Efficiency and Effectiveness (EnE)** initiative aimed at building excellence in the sales force and 'behind-the-scene' processes that drive it. EnE's core objective is to optimize alignment in the sales & marketing processes and thus enhance productivity of sales colleagues in *each* business call through focused communication and inputs, based on customer's pre-defined profile and needs. One of the key issues addressed through this program was the ever-growing need for information from demanding customers coupled with increasing restrictions in getting access to them. The pilot for this project was rolled out in two locations in the last quarter of 2006, and the national rollout will be completed in 2007.

**Training and Development**

New launches during the year called for brand new training tools. Innovative interactive sessions designed and administered by the in-house training division replaced the previous monologues on medical and marketing programs. This empowered your Company's sales teams to go out to the market place and confidently detail 'High Science Products' to doctors, and stay ahead of competition. OPTILEARN and OPTILEARN PLUS, the e-learning tools also continued to be successfully utilized to sharpen communication skills and upgrade product knowledge of the field force.

Another novel training method was the '**Preceptorship**' program. In this program, sales colleagues were provided with a unique opportunity to understand a clinician's perspective in treating patients, and in the process address their needs with greater focus.