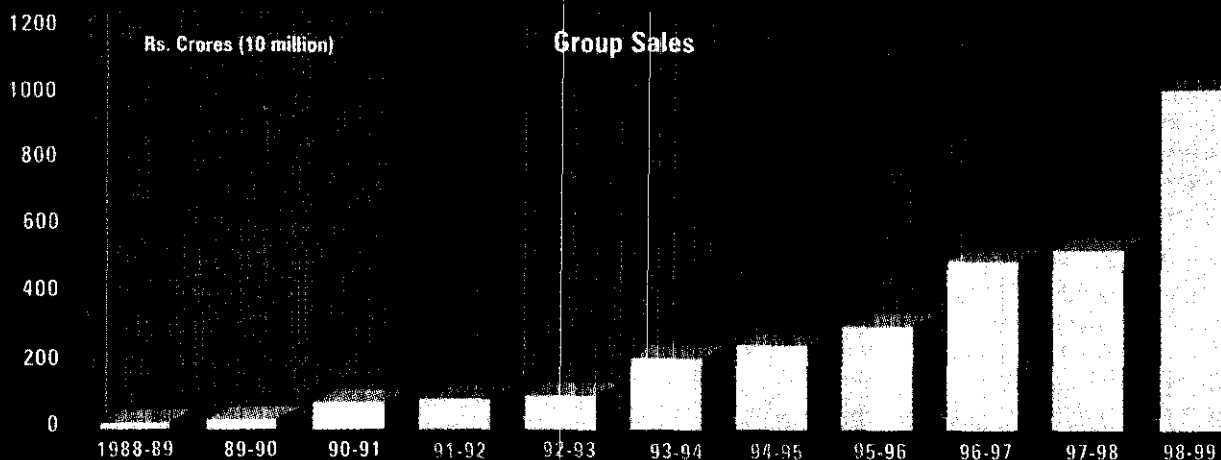


NICHOLAS PIRAMAL INDIA LIMITED

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**D**ear Shareowners and Corporate Colleagues. It is 11 years since our entry into the pharmaceutical business. In 1988, the Piramal Group took over Nicholas Laboratories India Limited. Nicholas' turnover in 1988, after 40 years of existence, was roughly Rs.19 crores (or Rs.190 million). This year, sales of your company alone touched Rs.441.8 crores (or Rs.4.4 billion) – a compound annual sales growth of 33% over the period. At 45%, the annual growth of post-tax profits is better still.

NPIL's individual sales are only a part of the story. One should look at NPIL and its affiliates – consisting of NPIL, Gujarat Glass, Global Bulk Drugs, and the various joint venture alliances where NPIL has an equity of 40% or more. In 1998-99, this group's healthcare sales have reached Rs.1017 crores (or Rs.10.17 billion). That is more than a fifty-fold expansion in 11 years. The consolidated sales (as per US GAAP) are Rs. 717.7 crores, (or Rs. 7.18 billion). That is almost a 38-fold increase in 11 years.

Whichever figure one chooses to look at shows a growth far beyond the average. I share these facts with you to bring to your notice the true measure of the success of our strategy – the quantum growth we have achieved in a short period and even more importantly the access we have ensured to the new products pipeline of our strategic alliance partners in the post-IPR era ahead.

### Creating corporate value

No doubt, such growth makes us happy at NPIL. But what makes us happier still is that we have achieved high growth without sacrificing shareholder value. In my last year's letter to you, I emphasised the need to pay special attention to the return on capital employed (ROCE). This continues to be one of our main *mantras*. In the previous year, the consolidated ROCE was 16.8%. This year, it has increased to 19.5%. More significantly, ROCE for NPIL on a stand-alone basis has increased from 24% to 26.5%. We are well positioned to generate a ROCE of around 30% in the coming year.

Today, most corporate analysts look at economic value added (EVA) to assess whether a company has generated

shareholder value. Simply put, EVA is the difference between return on capital and the cost of capital. A positive EVA shows that the company has added financial value for its investors; a negative one implies value loss.

The EVA generated by our pharmaceutical activities has increased from Rs.7.6 crores (Rs.76 million) in 1997-98 to Rs.14.9 crores (Rs.149 million) this year. It will be our endeavour to increase the EVA on a continuous basis.

Dividend is the traditional measuring rod of shareholder value. Our regular dividend for 1997-98 was Rs.4.50 per share. This year, it is proposed to be raised to Rs.5.50. We will continue this trend in future in line with profit growth.

By any yardstick – be it revenues, profits, market capitalisation, or return on shareholder funds – your company's track record in the past decade has consistently exceeded market averages. But that is not good enough. We have to raise our standards and give you even better performance.

### Our strategy

This short discussion on ROCE and EVA is a good launching pad for sharing with you some key aspects of NPIL's corporate strategy. There are four inter-connected elements – and all of them are designed to maximise long term shareholder value.

■ **Strategic spin-offs.** As you may be aware, on 1 April 1998, we spun off the flaconnage and bulk drugs division of NPIL into two separate companies – Gujarat Glass and

**Global Bulk Drugs.** Two key factors motivated these spin-offs. First, we at NPIL want to completely focus on the healthcare business and, therefore, have decided to carefully spin-off all tangential activities. Second, and no less important, we want to take out of NPIL's books all activities that have a large component of physical capital.

The strategy has worked. Your company's growth in ROCE and EVA reflect higher profits over a leaner capital base. This is what a healthy corporate 'workout' is all about – spinning off all superfluous capital, and then 'sweating' the lean capital to earn higher returns. Besides, we believe that today's and tomorrow's world will be driven by brands, R&D and intellectual capital. Given a choice between pure physical capital on the one hand, and brands, R&D and intellectual capital on the other, NPIL will veer to the latter.

In addition to all these strategic advantages, it will provide total transparency in the operations of each of our businesses – something that is very important from the point of view of shareholders and analysts.

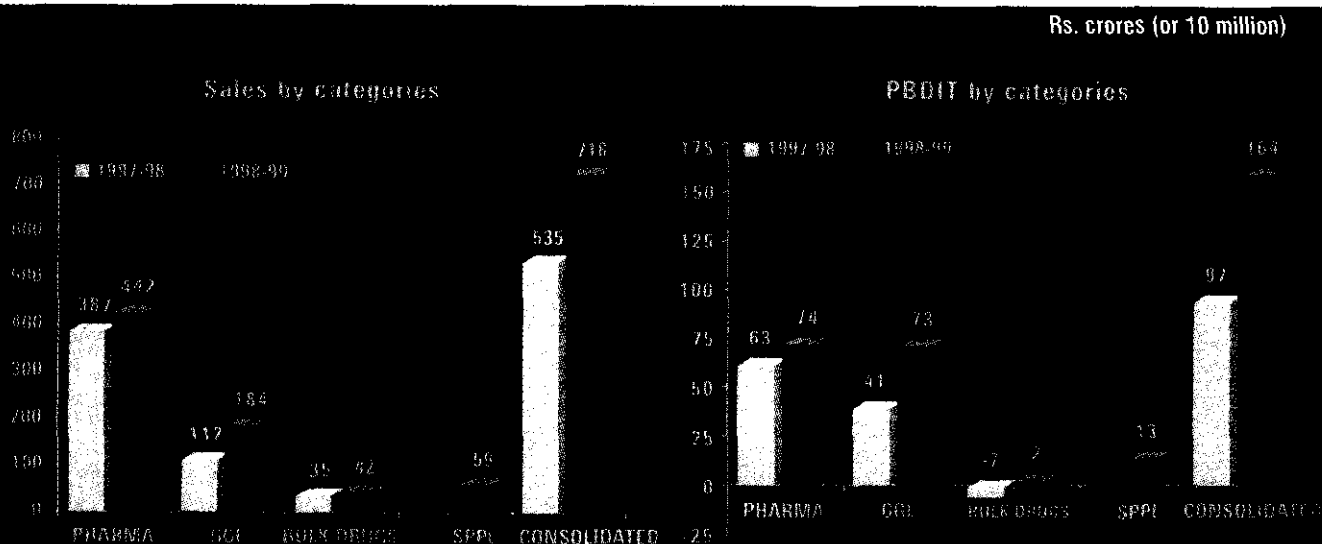
■ **Strategic Alliances.** At a time when many joint ventures in India are going through their crises, we at NPIL have been extremely fortunate with our various strategic alliances and joint ventures. Some of the world's most prestigious healthcare and pharma companies did exhaustive due diligence of all potential partners in India before finally choosing your company. We believe that their choice was driven by two factors: (i) NPIL's strengths in management, marketing, and distribution, and (ii) NPIL's reputation as a reliable partner – one that brings value to the table on a sustainable basis.

Our most important strategic alliance started with F. Hoffmann-La Roche in November 1993. Roche Products Limited in India was acquired by us with the intent of both the partners to launch in India new products from Roche's research pipeline. It has been a 'win-win' alliance all along. We have launched 16 products from the Roche

stable, and each has been successful. Within one year after formation, our joint venture Reckitt Piramal has become a market leader in the OTC segment. So has Allergan India Limited in the ophthalmic segment. All our other joint ventures and strategic alliances – Boots Piramal, Sarabhai-Piramal, Cytran, Nextar, Stryker, Solumiks Piramal, US Surgicals – have reaped benefits to all concerned. The future will see many more such alliances and joint ventures in strategic segments NPIL's quest for leadership in healthcare.

■ **Brands and new product pipelines.** Brand value is the name of the game – be it in products or services. It is a part of NPIL's corporate policy to acquire certain existing brands that fit with our growth pattern, strengthen its existing brands, and create brand awareness of every new product or service that it launches. During 1998-99, we launched 12 new products. NPIL's product pipeline will continue to deliver exciting new products.

■ **R&D and intellectual capital.** The first three legs of our corporate strategy focuses on creating value in the short and medium term. To be a world class player in healthcare, one has to invest heavily in the lifeline of this industry – R&D and intellectual capital. The acquisition of Hoechst's R&D unit in Mulund, Mumbai (now called the Quest Institute of Life Sciences) has provided us with state-of-the-art research facilities. The unit has over 100 highly experienced scientists, who have a very large number of patents filed in India to their credit. In the future, we will judiciously use some of the cash flows from its other activities to rapidly build even stronger R&D facilities. Our emphasis on organic growth, acquisitions, alliances and brands will enhance today's profits. And our systematic investment in R&D will be the key to creating tomorrow's profits.



## Corporate Governance

Corporate governance and transparency in operations are two fundamentals in NPIL's pursuit to become the most admired company in the eyes of all our stakeholders.

We are proud of the fact that we have lived up to the trust of our investors in full measure. This year, we have chosen to go several steps further. In this annual report, we have evaluated ourselves *vis-à-vis* the Confederation of Indian Industry's (CII) corporate governance recommendations (CII, *Desirable Corporate Governance: A Code*, April 1998). In addition, we have voluntarily disclosed information about the board of directors and on share performance that are in line with best international practices. This is not a one-off exercise. Every year will see NPIL implementing best practices of corporate governance.

As a first step in presenting our accounts as per US GAAP, the company has provided for the benefit of share holders a reconciliation between profits as arrived at by our current accounting standards and that under US GAAP, for year under review.

## Preparing for 2005

The days of isolationism in the drugs and pharmaceutical industry are over. Intellectual property rights and product patents will be the order of the day come 1st January 2005. Therefore, now is the time for all forward looking Indian pharmaceutical companies to invest in R&D and set the base for creating our own patents.

Research, however, does not come cheap. It carries high initial capital costs and uncertain success rates. The pharmaceutical industry urgently needs a positive approach from government to spur R&D. The industry can also do with less micro-managed controls. For instance, the government needs to urgently review its Drug Price Control Order (DPCO) to reduce bureaucratic controls, compensate fairly for inflation, and to prepare the industry to compete in the global marketplace.

## Our focus and vision

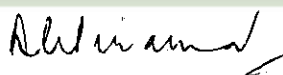
NPIL has defined a circle of competence for itself and intends to operate within this circle. Your company will place the greatest emphasis on pharmaceutical formulations – both ethical and over-the-counter – which we believe will yield the highest return. Simultaneously, we will build our R&D base and leverage it to take strategic positions at the frontiers of new technology.

Our vision is simple. *We want to become the most admired healthcare group in India.* To this end, we have set world class standards for our people, products and processes, partnerships and performance. We seek quantum growth, an emerging international presence, and enhanced shareholder value.

We are living through times of great upheavals in global economics. Developments in technology, biotechnology, and information technology are laying waste traditional principles of economic thought. As these technologies grow and account for a significant share of global output, the economic landscape will be radically different from the current economic order.

We believe that these changes open up an array of opportunities. We are excited about the future but have tempered our enthusiasm with prudence. We have adopted certain long term business principles, which we believe will stand us in good stead in the times to come.

The healthcare challenge in India remains very great with annual mortality in excess of ten million deaths each year. With your support, I am confident that your company will significantly contribute to reducing the disease burden in our country by providing high quality research and medicines. And become an industry leader in the process.



Chairman  
Nicholas Piramal India Ltd.



NPIL's has enjoyed rapid growth in sales and profits and has become an important player in India's healthcare sector. To sustain such growth in an increasingly competitive world, NPIL is, and will be, driven by four fundamental corporate strategies. These are:

- continuous introduction of new products, brands and healthcare services from a growing product pipeline;
- strategic partnerships with well known international and domestic players.
- strategic spin-offs of low value added businesses that are tangential to core healthcare activities; and
- sustained investment in high quality R&D.

Our objective is to use these strategies to become the most admired healthcare enterprise in India — a company that *not only grows and introduces new products, but also maximises corporate value for its investors and stakeholders.*

### New products, sales and marketing

NPIL alone launched 12 new brands in 1998-99, of which the notable ones are Recormon®, Accutrend®, Amexyl®, Exerge®, Fortovase® and Carvetrend®. This ignores the new products launched and marketed by our joint ventures and alliances.



**Dr. Francis J. Pinto**  
Chief Executive Officer

### New products launched by NPIL in 1998-99

Product	Indication
Recormon	Anaemia
Fortovase	AIDS
Cymevene	Cancer
Amexyl	Anti-bacterial
Syntaris	Respiratory
Orthobid Gel	NSAIDS*
Exerge and AO-7	Nutritional/Anti-oxidant
Carvetrend	Cardiovascular (CVS)
Ismo Retard	CVS
Accutrend	Diabetes
Gluformin	Diabetes
Diabetrol	Diabetes

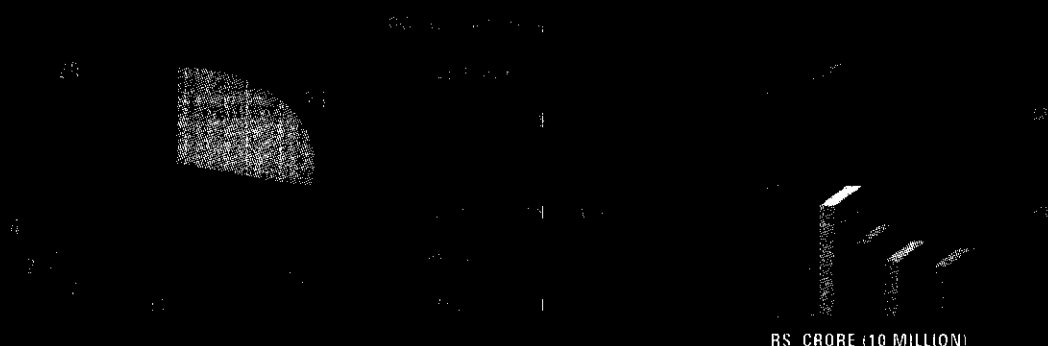
\* Non-steroidal anti-inflammatory drug

In the course of 1999, we shall be launching many more products. Among these will be a world renowned product like Gaviscon®. We expect at least seven NPIL products to be among the top 250 brands in India during 1999. A further five brands in the over-the-counter (OTC) sector, marketed through our alliance partners, should also qualify for this distinction.

The sales revenue of NPIL's top 10 products and the distribution of such revenue across product categories during 1998-99 are given in the charts below. Overall sales for the 100% owned NPIL entity (as distinct from alliances and joint-ventures) increased by 14% – from Rs.387.4 crores (Rs.3.8 billion) in 1997-98 to Rs.441.8 crores (Rs.4.4 billion) – with particularly strong growth in gastro-intensinals and NSAIDS. In the therapeutic segments, we are forecasting strong growth in anti-bacterials, cardiovasculars, nutritionals, anti-diabetics and gastro-intestinals. Accordingly, we have geared capacity to meet such growth.

Share of sales across therapeutic segments (%)

Sales of top 10 products



A part of our business focus is product pruning. During 1998-99, we identified 35 packs that were very minor products that were stagnant and had insignificant market share. These were eliminated and resulted in a one-time decline in 'other products'.

NPIL's speciality divisions have also performed very well in 1998-99. Biotek sales have increased by 70% compared to 1997-98, and Diagnostics by 31%. In both these high technology-high growth areas, NPIL is now a clear market leader in India. Their growth is expected to further accelerate in 1999-2000.

Much of this growth would not have occurred without NPIL's focus on three key drivers: (i) decentralisation, (ii) empowerment, and (iii) networking.

NPIL is decentralised at two levels – the strategic business units (SBUs) and the State Business Managers (SBMs). SBUs were set up last year. These focus on specific businesses or operational units, with clearly delegated responsibilities for sales, profits and development of human capital. SBUs have to keep a very tight watch on the monthly return on capital employed (ROCE) in the unit, provide enhanced training and development programmes, and need to focus on the logistics of modern supply chain management. SBUs have worked well at NPIL. These have increased the empowerment of managers, created a strong sense of ownership and healthy competition, and have driven growth, profits as well as innovation.

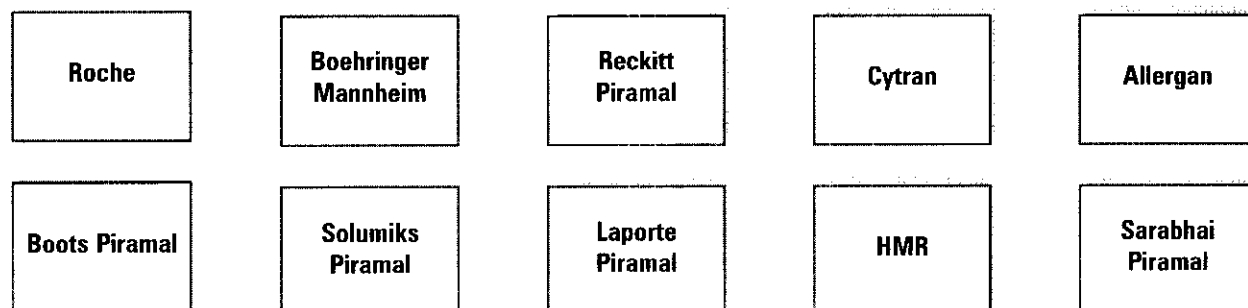
In 1998-99 NPIL took another step in managerial decentralisation. Each significantly large state within India was set up as a profit centre under the charge of State Business Managers (SBMs). Each SBM has sales, costs, profits, receivables, and HRD-related targets, and is expected to interact with the various SBUs at the centre to achieve these goals. In the pharmaceutical industry, state level profit centres like SBMs are probably unique to NPIL.

Information networking is critical to managing such a decentralised system. NPIL has a state-of-the-art management information system which is continuously improved upon in terms of hardware, software and throughput. In 1999-2000, we shall be introducing another novel concept called 'cyber-centres' in every state – for training, conferencing and analysing medical cases and procedures.

### Quality partnerships

The sunrise sector status of the healthcare industry reflects an increasing awareness of the importance of knowledge assets in the future. Such assets include patents, brands, databases, people, and various knowledge transmission networks. Critical to this process is building successful technological and knowledge based alliances. NPIL has been a pioneer in creating, preserving and enhancing world-wide alliances with a successful 'win-win' track record.

### Building partnerships that prosper...





- **Roche** is recognised as one of the world's leaders in healthcare research. Besides pharmaceutical and diagnostic systems, the group activities also span vitamins and fine chemicals. To strengthen new product flow, the Roche Scientific Company (India) Private Limited (RSCIPL), a 100% subsidiary of F. Hoffmann La Roche, was incorporated in India in April 1994 with the principal objective of registration of new chemical entities. With its strong nation-wide sales and distribution infrastructure, NPIL has successfully marketed these products. Between 1998 and now, over 16 new products from the Roche stable have been launched in the fields of Aids, cancer, epilepsy, malaria and osteoporosis, and brands like Neupogen®, Rocaltrol®, Roferon-A® and Invirase® command a leading share of the market.
- **Boehringer-Mannheim (BM)** is a world leader in diagnostics and patient care, having a quality range of cardiovascular, anti-diabetic and cholesterol reducing agents. NPIL acquired the Indian subsidiary of BM in December 1996. New products have been introduced, which have ensured market leadership in the diagnostic division. These include a range of diabetic patient care products and the novel anti-anaemic Recormon®, which is a recombinant form of erythropoietin, the hormone responsible for the maintenance of erythropoiesis. The drug binds to and activates receptors on erythroid progenitor cells, which then develop into mature erythrocytes. Recormon® has been established as an effective treatment – superior to alternative therapies – that significantly improves the quality of life, exercise capacity and overall well being of patients with anaemia of chronic renal failure.
- **Reckitt Piramal** came into being in October 1997, and linked NPIL with Reckitt & Colman Plc, one of the world's largest OTC players. Leading brands include Dettol®, Dispirin®, Saridon®, Polycrol®, Burnol® and Lactocalamine®. Reckitt Piramal India Limited (RPIL) was formed mainly for the purpose of marketing and distributing OTC products manufactured by Reckitt & Colman of India Ltd. NPIL holds 40% of the paid-up shares of RPIL with an equity investment of Rs.4 crores (Rs.40 million).
- **Allergan India Limited (AIL)** is a joint venture company with Allergan, a leading international player in eye care pharmaceuticals. NPIL holds 49% of the share capital of AIL. During 1998-99, AIL posted sales of Rs.26.29 crores (Rs.262.9 million). In 1999-2000, AIL will be poised to challenge for leadership in the eye care sector.
- **Boots Piramal Healthcare Limited (BPHL)** is the product of a joint venture agreement in September 1998 between Boots Plc and NPIL. In addition to having the largest retail pharmacy chain in UK, Boots is also well known in India and 150 other countries for its OTC healthcare products. The joint venture has been formed to market Boots' products and obtain licenses for manufacturing, marketing, distributing and advertising medicinal and healthcare OTC products in the segments of pain relief, upper respiratory tract and skincare. NPIL holds 40% equity in this joint venture, with the balance being held by Boots Plc. During the first eight months of operations since incorporation, BPHL notched sales of Rs.4.71 crores (Rs.47.1 million), and a post-tax profit of Rs.1.19 crores (Rs.11.9 million). Key brands from Boots Healthcare International were Strepsils®, Sweetex® and Icy®.
- **Sarabhai Piramal Pharmaceuticals Limited (SPPL)** came into being in December 1997 as a 50:50 joint venture between NPIL and Ambalal Sarabhai Enterprises Limited (ASEL). Its primary objective is to market and distribute ethical pharmaceutical products manufactured by SG Pharmaceuticals, a division of ASEL. For this purpose all ethical SG pharmaceutical brands have been acquired by SPPL. During 1998-99 – the first full year of SPPL's operations – the joint venture registered sales of Rs.58.74 crores (Rs.587.4 million) and a post-tax profit of Rs.3.80 crores (Rs.38 million).
- **Solumiks Piramal Limited (SPL)** has been formed to make a foray into the ayurvedic medicinal segment. It is a joint venture between NPIL and Shree Dhootapapeshwar Limited (SDL), in which NPIL owns 50% of equity capital of Rs.0.40 crores (Rs.4 million). The products manufactured by SDL will be sold by SPL, and SDL will provide the requisite personnel support to SPL. The joint venture commenced its operation in October 1998 and during the first six months for the period ended 31 March 1999 earned a revenue of Rs.2.78 crores (Rs.27.8 million).
- **Laporte Piramal Organics Limited (LPOL)** is a joint venture with Laporte, where NPIL has 49% shareholding. LPOL will be manufacturing and selling products of Cultor, a world-wide name in food additives. NPIL has agreed to provide the necessary infrastructure facilities such as land, buildings, plant and machinery for the purpose of manufacture by LPOL. The project is under implementation and is likely to be completed in the fourth quarter of the current financial year.

### Strategic Spin-offs

On 1 April 1998, the erstwhile glass (or flaconnage) and bulk drug divisions of NPIL were spun off into two separate subsidiaries.

The flaconnage division is now known as **Gujarat Glass Limited (GGL)**, in which 54% of the equity is held by NPIL and 46% by leading venture capital funds. NPIL has reaped two clear advantages from the spin-off. First, it has significantly increased cash inflow. This has reduced NPIL's debt burden and unlocked opportunities to raise resources to fund strategic acquisitions in the future. Second, and no less important, it has re-oriented NPIL towards its core competence and key objective – leadership in healthcare. The spin-off is no less beneficial to GGL. Now the company will be able to focus on its capital and technology intensive business, which includes expanding the packaging portfolio and overseas ventures.



During 1998-99, aided by the commissioning of its Jambusar plant, GGL posted sales of Rs.183.75 crores (Rs.1.8 billion) – a record increase 65% over the previous year. GGL's profit before tax was Rs.23.7 crores (Rs.237 million) and profit after tax was Rs.20.97 crores (Rs.209.7 million). It has consolidated its position in the pharma packaging market by capturing a 50% market share for vials and 38% for soda lime bottles.

The erstwhile bulk drugs division was also spun off on 1 April 1998 into **Global Bulk Drugs and Fine Chemicals Limited (GBDFCL)** – a 100% subsidiary of NPIL. Again, the idea was to separate bulk drugs from healthcare, and give greater focus to bulk drugs as a stand-alone business. At present, NPIL is at an advanced stage of negotiations with a North American company with a high level of expertise to come in as a partner in GBDFCL.

In spite of difficult market conditions in bulk drugs, GBDFCL managed to cut down its losses from Rs.13.38 crores (Rs.133.8 million) in 1997-98 to Rs.5.98 crores (Rs.59.8 million) in 1998-99. This is largely due to very focused restructuring of operations and improvement in production processes leading to higher yields. Indeed, the results would have been better but for an illegal and unjustified strike at the plant from 31 December 1998 to 20 March 1999 – which shut off almost one quarter's output. The strike has since been called off, and normal operations have commenced. GBDFCL is currently in the process of upgrading its facilities to conform to US FDA requirements.

## Research and Development

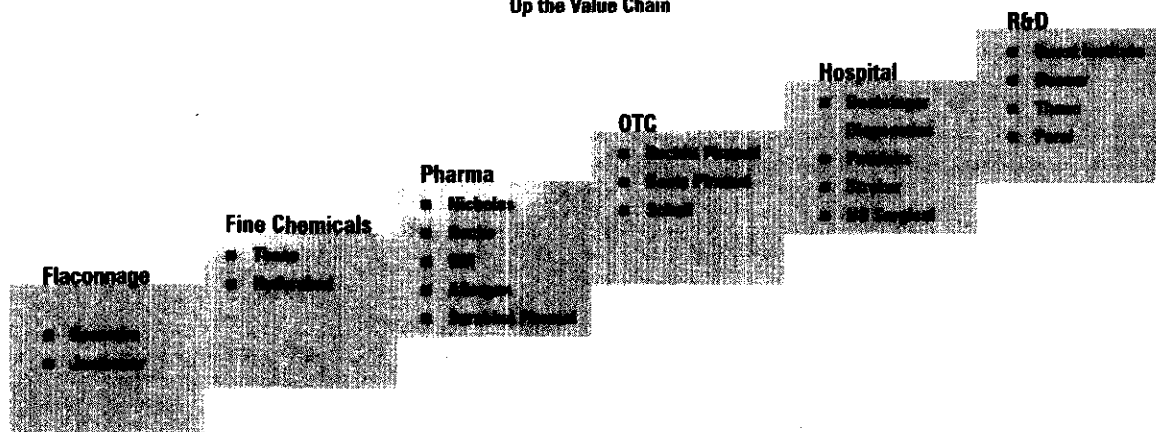
In keeping with the strategy of a major thrust on basic research – so critical to the knowledge-based pharmaceutical industry – NPIL acquired the basic research unit of Hoechst Marion Roussel, since renamed as the Quest Institute of Life Sciences (QILS).

We are indeed fortunate not only to acquire a state-of-the-art research facility at Mulund, Mumbai, but also to inherit the intellectual capital so vital in Discovery Research. The calibre of its research scientists is reflected in the 142 international patents to its credit. Consequently, NPIL is one of the best placed companies in India to take advantage of changes in the business environment, caused by India joining WTO and changes in the laws related to intellectual property. On the one hand, we have ready access to new patented products coming out of the global research of our MNC alliance partners such as F. Hoffmann-La Roche, Boehringer Mannheim, Reckitt Colman and Boots Healthcare International. On the other hand, with over 100 scientists under NPIL Chief Scientific Officer, Dr. Swati Piramal (a physician and Harvard graduate) and Dr. Bansilal (a research leader with over 20 years of experience), we are well placed to do in-house R&D.

QILS has set up three research platforms – discovery research, reverse engineering and product development of formulations. Over 20 research projects are already lined up and number of research alliances are under discussion. Of particular significance is the focus on medicinal plants and Indian bio-diversity, which NPIL considers a fertile arena in the search for new drugs. Completing the basic discovery unit are expanded facilities in bulk drugs, formulation development and a new clinical research centre, all located in Mumbai.

NPIL's business-driven R&D strategy owes much to our international scientific advisory board and in particular, the counsel of Dr. Ashok Ganguly (former head of Unilever Research) and Mr. N. Vaghul (Chairman of ICICI). Our research teams will also benefit from a strategic linkup with Massachusetts Institute of Technology (MIT). The company is the first Indian pharmaceutical company to join MIT's Industrial Liaison Programme (ILP). This programme enjoys the participation of over 200 of the world's largest corporations, including international pharmaceutical giants like Merck, Novartis and Warner Lambert. This relationship with MIT offers numerous advantages in terms of future technologies, knowledge sharing and collaborative research programmes – all relevant to India's quest for cures for malaria, infectious diseases and diabetes.

## Piramal Healthcare Horizons Up the Value Chain



## Financial highlights

Since NPIL hived off its flaconnage and bulk drug division from 1 April 1998, the results of the company for the year ended 31 March 1999 are not strictly comparable with that of the previous year. To facilitate easy comparison we have, with the results of the current year, also provided the results of 'Pharma division' for the previous year. That is a correct comparison between NPIL today (a pure pharma company) and the pharma business of the company for 1997-98.

Despite difficult and sluggish conditions in the market, NPIL's pharma business achieved a sales growth of 14% over that of the previous year - from Rs.387 crores (Rs.3.8 billion) in 1997-98 to Rs.442 crores (Rs.4.4 billion) in 1998-99.

Profit before tax in 1998-99 was Rs.50.85 crores (Rs.508.5 million) - an increase of 18% over the last year's level of Rs.42.9 crores (Rs.429 million). This was despite charging Rs.3.41 crores (Rs.34.1 million) of R&D expenditure. Increased profitability was achieved by better product mix, cost reduction and operating efficiency at all levels.

## Profit & Loss Account for the year 1998-99

Rs. Crores

	Year Ended 31.03.99	Year Ended 31.03.98 (Pharma Div.)	Year Ended 31.03.98 Total Company
<b>Sales &amp; Services</b>	<b>441.79</b>	<b>387.36</b>	<b>534.64</b>
<b>Growth %</b>	<b>14%</b>		
Other Income	7.03	5.16	8.08
Total Income	448.82	392.52	542.72
Total Expenditure	374.57	329.72	446.23
<b>PBIDT</b>	<b>74.25</b>	<b>62.80</b>	<b>96.49</b>
<b>% to sales</b>	<b>16.8%</b>	<b>16.2%</b>	<b>18.0%</b>
Interest	14.48	12.81	16.49
Depreciation	8.92	7.06	18.46
<b>PBT</b>	<b>50.85</b>	<b>42.93</b>	<b>61.54</b>
<b>% to sales</b>	<b>11.5%</b>	<b>11.1%</b>	<b>11.5%</b>
Tax	5.50	5.00	5.00
<b>PAT</b>	<b>45.35</b>	<b>37.93</b>	<b>56.54</b>
<b>% to sales</b>	<b>10.3%</b>	<b>9.8%</b>	<b>10.6%</b>
Growth	20.0%		

The return on capital employed (ROCE) has increased to 26.5% from 24% achieved last year reflecting better margins and efficient use of assets. Economic value added (EVA), or the difference between return on capital employed and the cost of capital employed, for the pharma business has increased to Rs.14.9 crores (Rs.149 million) in 1998-99 from Rs.7.6 crores (Rs.76 million) in 1997-98.

## Return on Capital Employed (ROCE %)

Rs. Crores

	<b>F-99</b>	<b>F-98 Pharma</b>
Average Net Fixed Assets	138.7	142.3
Average Net Current Assets	101.5	90.2
Average Capital Employed	240.3	232.5
PBIT	63.7	55.7
ROCE	26.5%	24.0%

Note: PBIT is excluding dividend and interest income and accordingly Average Net Current Asset excludes investments and interest bearing loans.