

THE AUTUMN OF LIFE
GETS A SPRING IN ITS STEP.



Growing old, staying young with Pfizer.



Working together for a healthier world™

Ageing - A New Generation Issue

In many societies across the world, populations are ageing at unprecedented rates – the result of increased longevity and lower fertility rates. The elderly constitute nearly 8.25% of India's population. In terms of numbers, this comes to an estimated 99.87 million. According to the United Nations Population Division, by 2050, India will have 324 million people over 60. The vast majority of elders in India are economically dependent, and the cost of treating their health problems is often a burden on the entire household. Pfizer understands. For over six decades your Company has cared for the elderly, working consistently to make them healthier and fitter and more able to enjoy the warm glow of the golden years. Your Company is their proud companion in leading a fulfilled, enriched life by developing products that support ageing.

Pfizer - By Your Side, from Growth to Growing Old

For children and youth, Pfizer offers a host of products to prevent infections and help treat diseases that can have lifelong consequences. For the elders, Pfizer globally has products that aid healthy ageing in men and women.

Healthy Ageing

Come, step into a whole new world of Healthy Ageing with Pfizer!

'Healthy Ageing' is a thoughtful, sensitive and caring initiative developed by Pfizer to guarantee a fit and healthy life for the elderly. Pfizer's research and development team lays special emphasis on finding solutions to the problems of the elderly and the results are seen in the vast and effective range of advanced geriatric drugs that are rolled out across the world.

Get Old

Our new approach - 'Get Old' resonates with our core value of caring for society. 'Get Old' is about embracing life. It is about living longer, living together, living better. Your Company is alert to change and growth and continuously stays younger as it reinvents itself when it grows older.

'Get Old' is about celebrating life. Your Company lives this credo by remaining agile with each growing year. Blurred boundaries between ages make us leapfrog with innovation. Our wide range of products has been designed to take care of your entire life cycle.

Our portfolio offers unique solutions to healthy ageing. Be it in the area of non-communicable disease like hypertension or mental illness. Your Company is there to protect and shield. To take care and to trust. To ensure you live long and you live healthy. To prove that age is just a number and healthy living is not a mirage.

Together let us Embrace. Celebrate. Live. Rejoice.



You no longer have to be afraid of ageing. And neither do you have to face it alone. You have Pfizer constantly by your side. Leave it to us, a leader in geriatric medicine, to guide you through the process of growing older with our advanced solutions, treatment and medicines. Pfizer's care and support will empower and enable you to age in a fit, wholesome and happy way.



PFIZER SETS YOU FREE

Are you afraid your freedom of movement will be **restricted** due to Osteoporosis or Arthritis in your advanced years? Rest assured, we at Pfizer will liberate you from these fears through our expertise in the area of Geriatrics. Our goal to implement 'Healthy Ageing' around the world has inspired us to develop specialized medicines which will help you lead a fit and healthy life even when you are older. So, look forward to continuously enjoying the freedom of movement as you age.

Growing old, staying young with Pfizer.



PFIZER PUTS THE 'IN' BEFORE 'DEPENDENCE'!

Does the thought of having a seriously debilitating disease, and having to depend on someone else as a senior citizen, frustrate and scare you? We at Pfizer will give you the big dose of independence that you need! Our expertise in dealing with the elderly has motivated us to develop progressive medicines, which enables you to stay strong, healthy and independent, even as you grow older.

Growing old, staying young with Pfizer.

PFIZER BRINGS BACK THE VITALITY EVEN AS YOU GROW OLDER!

Are you anxious that the process of getting older will dampen your active and energetic life? Shut anxiety out of your mind and open the door to vitality with Pfizer! We have dedicated our research to enable 'Healthy Ageing' across the globe. With our treatments, products and expertise, you can look forward to a healthy, active physical and mental life! So, enjoy growing older without losing out on your vitality.

Growing old, staying young with Pfizer.



PFIZER RETURNS THE CONFIDENCE THAT HAD GOT LOST SOMEWHERE

Are old age ailments making you lose your pride? Trust us at Pfizer to put the confidence right back in you. Understanding your trepidation has driven us to implement a 'Healthy Ageing' initiative around the world. Our initiative promotes 'active ageing' through a range of advanced medicines insightfully developed to treat every ailment you could experience as you advance in your years.

Growing old, staying young with Pfizer.

Dear Members,

Change is the only constant in life and change we must for continuous growth and prosperity.

As I hand over the baton to Aijaz Tobacowalla, I am proud to see your Company's accelerated journey that thrives on integrity, respect and a passion for innovation. Your Company has some of the best talent and products in business.

In the challenging times that we face today with a dynamic, ever evolving external environment, your Company has pursued relentlessly to build a very strong foundation for itself in India. This foundation infuses in us the courage to face adversities. And your Company has overcome challenges to pursue its goal of helping build a healthier India.

Together, we have embarked on a journey to redefine the healthcare landscape of the country. Together, we have consolidated our business that has given us new products and have helped us expand. Together, we have put our faith in our people, whom we value the most.

The opportunities in the pharmaceutical sector have stimulated your Company to look at diverse solutions to propel our growth story. Our diversified strategy of new products coupled with our focus on innovative core products has worked well for your Company.

We remain focused on reassessing our strategies at every juncture and will not hesitate to bring in new dimensions to the growth story. We have taken a quantum leap in our expansion and remain committed to stretching over to new geographies. Our product portfolio for all ages including the elderly is our pledge of being with you at every step leading to a healthy you.

This is not the end of the journey but the beginning of a new path. I am grateful for your support and good wishes over the years. I know you are committed to your Company and I cherish that commitment. I look forward to your dedication and support in ensuring your Company continues the progress story in the years to come.



Regards

A handwritten signature in black ink, appearing to read 'Kewal Handa'.

Kewal Handa

Managing Director

Pfizer Limited

Contents

Notice	4
Directors' Report including Management Discussion and Analysis Report	14
Report on Corporate Governance	24
Auditors' Report	38
Balance Sheet	44
Profit and Loss Account	45
Cash Flow Statement	46
Notes	48

Ten Year Financial Summary

₹ in Lakhs

	Nov 2002 [±]	Nov 2003	Nov 2004 [§]	Nov 2005	Nov 2006	Nov 2007	Nov 2008	Nov 2009 [^]	Mar 2011 16 months	Mar 2012
Sources of Funds										
Shareholders' Fund										
Share Capital	2344	2880	2880	2984	2984	2984	2984	2984	2984	2984
Share Capital Suspense A/c	536	-	104	-	-	-	-	-	-	-
Reserves and Surplus	27923	27960	31292	34672	37589	61880	86972	96449	113360	127485
Total Shareholders' Funds	30803	30840	34276	37656	40573	64864	89956	99433	116344	130469
Borrowed Funds										
Secured Loans	-	-	-	-	-	-	-	-	-	-
Unsecured Loans	-	-	1200	-	-	-	-	-	-	-
Total	30803	30840	35476	37656	40573	64864	89956	99433	116344	130469
Application of Funds										
Net Fixed Assets	5696	6110	7564	7770	6675	7040	8306	9329	8621	3225
Investments	529	324	324	-	-	50	50	50	-	4749
Deferred Tax Asset (Net)	790	989	636	903	1436	1298	2267	2750	3554	3708
Current Assets, Loans and Advances;										
Inventories	8484	8658	7389	8983	9845	9506	12468	11337	15932	18324
Sundry Debtors	12341	5883	7174	8282	6901	6137	5973	6439	9819	14178
Cash and Bank Balances	6840	8908	16110	20993	30651	47979	54306	52740	57701	86627
Other Current Assets	-	45	137	214	903	817	1449	482	591	964
Loans & Advances	7260	8330	6840	6693	6821	13537	24795	37209	42127	25871
Total Currents Assets, Loans and Advances	34925	31824	37650	45165	55121	77976	98991	108207	126170	145964
Less: Current Liabilities and Provisions										
Current Liabilities	11112	9619	11284	13404	14495	10628	12214	13289	15719	16657
Provisions	5244	4192	5421	6448	9498	11165	7444	7614	6282	10520
Net Current Assets	18569	18013	20945	25313	31128	56183	79333	87304	104169	118787
Misc Expenditure (Deferred Revenue Expenditure)	-	-	-	-	-	-	-	-	-	-
Voluntary Retirement Schemes	5219	5404	6007	3670	1334	293	-	-	-	-
Total	30803	30840	35476	37656	40573	64864	89956	99433	116344	130469
Income										
Gross Sales	65127	55896	65966	69750	76586	77301	76482	81183	121501	105832
Less : Excise Duty	5719	3954	4884	5416	6039	6199	5409	3956	4545	4102
Less : Sales Tax	5165	4478	5304	4482	4312	3836	3302	-	-	-
Net Sales	54243	47464	55778	59852	66235	67266	67771	77227	116956	101730
Operating and Other Income	6007	4051	3924	4103	5953	34270	9342	10074	17579	16870
Total	60250	51515	59702	63955	72188	101536	77113	87301	134535	118600
Expenditure										
Material Cost	21978	19737	22370	20007	22356	23148	23759	28771	39049	35909
Personnel Cost	8784	7942	8255	10014	10234	10170	10210	12920	22699	18963
Manufacturing and Other Expenses	17183	16409	18564	19273	19746	20510	20966	22689	36823	34790
Interest Expense / Finance Cost	76	39	81	15	7	2	-	-	-	191
Depreciation and amortization	1064	1083	1026	1385	1307	958	1112	828	1200	956
Total	49085	45210	50296	50694	53650	54788	56047	65208	99771	90809
Profit Before Taxation and Exceptional Items	11165	6305	9406	13261	18538	46748	21066	22093	34764	27791
Exceptional Items -Net	1518	(1673)	(1922)	(2337)	(2337)	(1735)	20790	(1092)	(302)	(38)
Profit Before Taxation	12683	4632	7484	10924	16201	45013	41856	21001	34462	27753
Taxation	5089	1881	2932	4112	5628	11120	11944	7313	11828	9292
Profit After Taxation	7594	2751	4552	6812	10573	33893	29912	13688	22634	18461
Tax Provision as a % of PBT	40.1	40.6	39.2	37.6	34.7	24.7	28.5	34.8	34.3	33.5
Net Profit as a % of Sales	11.7	4.9	6.9	9.8	13.8	50.3#	44.1**	17.7	19.4	18.1
Earnings Per Share (₹)	26.37	9.55	15.25	22.83	35.43	113.58	100.24	45.87	75.85	61.87
Equity Dividend Per Share (₹)	7.50	7.50	10.00	10.00	22.50	27.50	12.50	12.50	16.50	12.50
Total Dividend Amount (₹ in Lakhs)	2160	2160	2984	2984	6714	8206	3730	3730	4924	3730
Book Value per share (₹)	106.95	107.08	114.86	126.19	135.95	217.37	301.46	333.22	389.84	437.17

± 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.

Includes profit on sale of Chandigarh property.

** Includes profit on sale of 4 consumer healthcare brands.

^ Includes results of erstwhile Duchem Laboratories Ltd. on its amalgamation with the Company.

Board of Directors (as on June 28, 2012)

R.A. Shah
Chairman

Kewal Handa
Managing Director

Pradip Shah
Director

Uday Khanna
Director

Vivek Dhariwal
Executive Director, Technical Operations

Sunil Madhok
Executive Director, Business Operations

Aijaz Tobaccowalla
Non-Executive Director

Registered Office:

Pfizer Limited
Pfizer Centre, Patel Estate
Off S.V. Road,
Jogeshwari (W),
Mumbai-400 102.
Tel: 022 6693 2000 Fax: 022 2678 4569
Email: contactus.india@pfizer.com

Registrar & Transfer Agents:

Kary Computershare Pvt. Ltd.,
UNIT: Pfizer Limited
Plot No. 17-24,
Vittalrao Nagar, Near Image Hospital,
Madhapur, Hyderabad 500 081.
Tel: 040 4465 5000 Fax: 040 2342 0814
Email: einward.ris@kary.com

SOLICITORS & ADVOCATES

Crawford Bayley & Co.
AZB & Partners

BANKERS

Deutsche Bank AG
HSBC Limited
Citibank N.A.
Standard Chartered Bank
ICICI Bank

Executive Committee

Kewal Handa
Managing Director

Vivek Dhariwal
Technical Operations

Sunil Madhok
Business Operations

Hiroo Mirchandani (Ms.)
Business Unit Head

Suresh Subramanian
Business Unit Head

Partha Ghosh
Commercial

C.N. Potkar (Dr.)
Medical & Regulatory Affairs

S. Sridhar
Finance

Alex Rajan
Human Resources

S. Venkatesh
Strategic & Business Development

Samir Kazi
Legal

Shiva Nair
Business Technology

Sarita Bahl (Ms.)
Public Affairs

Prajeet Nair
Company Secretary

Statutory Auditor
B S R & Co.

Cost Auditor
RA & Co.



Notice

Notice is hereby given that the 61st Annual General Meeting of the members of Pfizer Limited will be held at **Yashwantrao Chavan Pratishthan Auditorium, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Thursday, August 2, 2012, at 3.00 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, Profit and Loss Account for the financial year ended March 31, 2012 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2012.
3. To appoint a Director in place of Mr. Pradip Shah 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 Mr. Aijaz Tobaccowalla who holds office as Additional Director up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (“the Act”) and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

6. 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, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) read with Schedule XIII to the Act and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the appointment of Mr. Aijaz Tobaccowalla as the Managing Director of the Company for a period of 3 years with effect from August 16, 2012 and to his receiving remuneration, payments, perquisites and amenities from that date as given below:

A. Salary, Fixed Allowances and Bonus/Performance Linked Incentives:

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Mr. Aijaz Tobaccowalla shall be subject to a maximum limit of ₹ 4,00,00,000/- (Rupees Four Crore Only) per annum.

B. Perquisites, Benefits and Amenities:

In addition to the above Salary, Fixed Allowances and Bonus/Performance Linked Incentives, Mr. Aijaz Tobaccowalla shall be entitled to the following perquisites, benefits and amenities:

(a) Residential Accommodation:

Furnished residential accommodation together with amenities, facilities, utilities such as gas, water, electricity, etc., as may be approved by the Board of Directors of the Company from time to time.

(b) Conveyance:

Company maintained car(s) with chauffeur service for official and personal use.

(c) Communication expenses:

Reimbursement of expenses incurred towards phone and other communication and/or internet connectivity facility at residence.

(d) Medical Expenses:

Reimbursement of all medical expenses incurred by Mr. Tobaccowalla, his wife and children (family).

(e) Leave and Leave Passage:

Leave as per the rules of the Company. Leave Travel Assistance to Mr. Tobaccowalla and his family once in a year to his home country.

(f) Club Membership:

Entrance fees and monthly subscription fees for not more than two clubs.

(g) Children's Educational Expenses:

The educational expenses of the children, whether studying in India or abroad, would be borne by the Company.

(h) Relocation Expenses and Hardship Allowance:

Reimbursement of Relocation Expenses and Hardship Allowance as per the rules of the Company.

(i) Personal Accident Insurance, Group Term Assurance and Hospitalization Coverage:

As per the rules of the Company.

(j) Provident Fund:

Contribution to the Company's Provident Fund Scheme, in accordance with the rules of the Scheme.

(k) Reimbursement of Expenses:

Reimbursement of expenses incurred by Mr. Tobaccowalla for the purposes of the business of the Company.

(l) Such other benefits, amenities and perquisites as are available to other senior executives of the Company or as the Board of Directors of the Company may determine from time to time.

Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. Personal use of Company's car will be considered as perquisite. Perquisites shall be valued in accordance with Income-Tax Rules, 1962, wherever applicable.

C. Minimum Remuneration:

The remuneration determined by the Board of Directors of the Company within the limits specified in sub-paragraph A above, and the perquisites, benefits and amenities specified in sub-paragraph B above shall be paid and allowed to Mr. Tobaccowalla during his tenure of office as Managing Director of the Company, notwithstanding the absence or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Mr. Tobaccowalla lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limits stipulated. The terms of remuneration payable to Mr. Tobaccowalla shall be in compliance with the provisions of Sections 198, 269, 309 and 310 of the Act read with Schedule XIII to the Act.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, may consider, necessary, expedient or desirable, in order to give effect to this resolution."

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

“RESOLVED THAT Mr. Uday Khanna who holds office as Additional Director up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (“the Act”) and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mr. Sunil Madhok who holds office as Additional Director up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (“the Act”) and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. 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, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) read with Schedule XIII to the Act, consent of the Company be and is hereby accorded to the appointment of Mr. Sunil Madhok as a Whole-time Director designated as Executive Director, Business Operations of the Company for a period of 3 years with effect from May 21, 2012 or till the date of his retirement as per the rules of the Company, whichever is earlier, and to his receiving remuneration, payments, perquisites and amenities from that date as given below:

A. Salary, Fixed Allowances and Bonus/Performance Linked Incentives:

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Mr. Sunil Madhok shall be subject to a maximum limit of ₹ 1,50,00,000/- (Rupees One Crore and Fifty Lakhs Only) per annum.

B. Perquisites, Benefits and Amenities:

In addition to the above mentioned Salary, Fixed Allowances and Bonus/Performance Linked Incentives, Mr. Madhok shall be entitled to the following perquisites, benefits and amenities:

(a) Residential Accommodation:

Residential accommodation together with amenities, facilities, utilities such as gas, water, electricity, etc. as may be approved by the Board of Directors of the Company from time to time. In case the Company owned/leased accommodation is not provided, Mr. Madhok shall be entitled for House Rent Allowance subject to the maximum limit of ₹ 20,00,000/- (Rupees Twenty Lakhs Only) per annum.

(b) Conveyance:

Use of car for official and personal use, with the Company meeting all running, maintenance, repair and other expenses in respect thereof.

(c) Communication Expenses:

Mr. Madhok will be entitled to reimbursement of communication expenses as per the rules of the Company.

(d) Medical Expenses:

Reimbursement of medical expenses incurred for Mr. Madhok, his wife and children (family) as per the rules of the Company.

(e) Leave and Leave Travel Assistance:

Leave as per the rules of the Company. Leave Travel Assistance for Mr. Madhok and family once in a year as per the rules of the Company.

(f) Club Membership:

Entrance fees and monthly subscription fees for not more than one club.

(g) Personal Accident Insurance, Group Term Assurance and Hospitalization Coverage:

As per the rules of the Company.

(h) Provident Fund:

Contribution to the Company's Provident Fund Scheme, in accordance with the rules of the Scheme.

(i) Gratuity:

Contribution to Gratuity fund as per the rules of the Company.

(j) Reimbursement of Expenses:

Mr. Madhok will also be entitled to reimbursement of expenses incurred by him for the purposes of the business of the Company.

(k) Such other benefits, amenities and perquisites as are available to other senior executives of the Company or as the Board of Directors of the Company may determine from time to time.

Provision of car for use of Company's business will not be considered as perquisites. Perquisites shall be valued in accordance with Income-Tax Rules, 1962, wherever applicable.

C. Minimum Remuneration:

The remuneration determined by the Board of Directors of the Company within the limits specified in sub-paragraph A above, and the perquisites, benefits and amenities specified in sub-paragraph B above shall be paid and allowed to Mr. Madhok during his tenure of office as Whole-time Director of the Company, notwithstanding the absence or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Mr. Madhok lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limits stipulated. The terms of remuneration payable to Mr. Madhok shall be in compliance with the provisions of Sections 198, 269, 309 and 310 of the Act read with Schedule XIII to the Act.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, may consider, necessary, expedient or desirable, in order to give effect to this resolution."

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

"RESOLVED THAT Mr. Vivek Dhariwal who holds office as Additional Director up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("the Act") and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

11. 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, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII to the Act, consent of the Company be and is hereby accorded to the appointment of Mr. Vivek Dhariwal as a Whole-time Director designated as Executive Director, Technical Operations of the Company for a period of 5 years with effect from May 21, 2012 and to his receiving remuneration, payments, perquisites and amenities from that date as given below:

A. Salary, Fixed Allowances and Bonus/Performance Linked Incentives:

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Mr. Dhariwal shall be subject to a maximum limit of ₹ 1,50,00,000/- (Rupees One Crore and Fifty Lakhs Only) per annum.

B. Perquisites, Benefits and Amenities:

In addition to the above mentioned Salary, Fixed Allowances and Bonus/Performance Linked Incentives, Mr. Dhariwal shall be entitled to the following perquisites, benefits and amenities:

(a) Residential Accommodation:

Residential accommodation together with amenities, facilities, utilities as may be approved by the Board of Directors of the Company from time to time. In case the Company owned/leased accommodation is not provided, Mr. Dhariwal shall be entitled for House Rent Allowance subject to the maximum limit of ₹ 20,00,000/- (Rupees Twenty Lakhs Only) per annum.

(b) Conveyance:

Mr. Dhariwal will be entitled to use of car for official and personal use and/or conveyance allowance as per rules of the Company.

(c) Communication Expenses:

Mr. Dhariwal will be entitled for reimbursement of communication expenses as per the rules of the Company.

(d) Medical Expenses:

Reimbursement of medical expenses incurred for Mr. Dhariwal, his wife and children (family) as per the rules of the Company.

(e) Leave and Leave Travel Assistance:

Leave as per the rules of the Company. Leave Travel Assistance for Mr. Dhariwal and family once in a year as per the rules of the Company.

(f) Club Membership:

Entrance fees and monthly subscription fees for not more than one club.

(g) Personal Accident Insurance, Group Term Assurance and Hospitalization Coverage:

As per the rules of the Company.

(h) Provident Fund:

Contribution to the Company's Provident Fund Scheme, in accordance with the rules of the Scheme.

(i) Gratuity:

Contribution to Gratuity fund as per the rules of the Company.

(j) Reimbursement of Expenses:

Mr. Dhariwal will be entitled to reimbursement of expenses incurred by him for the purposes of the business of the Company.

(k) Such other benefits, amenities and perquisites as are available to other senior executives of the Company or as the Board of Directors of the Company may determine from time to time.

Provision of car for use of Company's business will not be considered as perquisites. Perquisites shall be valued in accordance with Income-Tax Rules, 1962, wherever applicable.

C. Minimum Remuneration:

The remuneration determined by the Board of Directors of the Company within the limits specified in sub-paragraph A above, and the perquisites, benefits and amenities specified in sub-paragraph B above shall be paid and allowed to Mr. Dhariwal during his tenure of office as Whole-time Director of the Company, notwithstanding the absence or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Mr. Dhariwal lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limits stipulated. The terms of remuneration payable to Mr. Dhariwal shall be in compliance with the provisions of Sections 198, 269, 309 and 310 of the Act read with Schedule XIII to the Act.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, may consider, necessary, expedient or desirable, in order to give effect to this resolution.”

Notes:

1. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 5 to 11 is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, July 26, 2012 to Thursday, August 2, 2012 (both days inclusive) for the purpose of payment of dividend.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing 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 their copy of the Annual Report to the Meeting along with duly-filled in Attendance Slips for attending the Meeting.
5. You are requested to note that the Members have by requisite majority approved the sale and transfer of the Animal Health Business of the Company to its wholly-owned subsidiary, Pfizer Animal Pharma Private Limited through Postal Ballot on March 26, 2012. The results of the Postal Ballot are mentioned in the Corporate Governance Report that forms a part of this Annual Report.
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. In compliance with new Clause 5A. II of the Listing Agreement, the Company has sent three reminders to all shareholders whose shares remain unclaimed with the Company and is in the process to transfer the same to an Unclaimed Suspense Account and dematerialize the same.
8. The Reserve Bank of India vide its circular dated July 29, 2009, had instructed banks to move to the National-Electronic Clearing Services (N-ECS) platform. Members are requested to note that in order to avoid any loss/interruption in postal transit and also to get prompt credit of dividend through N-ECS, they should submit their details to the Company's Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. by July 25, 2012. In order to avail the facility of N-ECS, Members holding shares in physical form are requested to furnish their Core Banking Account Number to the Company's Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. along with blank cancelled cheque by July 25, 2012. Members (Beneficiaries) holding scrip of the Company in dematerialized mode should intimate change in their bank details to their Depository Participant (DP) furnishing their details with the correct 9 digit MICR code of their bank along with blank cancelled cheque.
9. 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 N-ECS. This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.
10. In compliance with Sections 205A and 205C of the Companies Act, 1956, unclaimed dividend for the year ended November 30, 2004 has been transferred to the "Investor Education and Protection Fund" (IEPF) 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, M/s. Karvy Computershare Pvt. Ltd. in respect of their outstanding dividends for the succeeding years.
11. Members may note that Securities and Exchange Board of India (SEBI) has vide its Circular dated January 7, 2010 made it mandatory to furnish a copy of PAN Card in the following cases:
 - (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.

- (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - (iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
12. The Ministry of Corporate Affairs has announced a “Green Initiative in Corporate Governance” thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send notices for General Meetings/Annual Reports/Other Shareholder Communication through electronic mode to the e-mail addresses which are registered for this purpose from time to time.

Members are requested to take advantage of this initiative and register their e-mail address with the Company.

By Order of the Board of Directors of Pfizer Limited

Mumbai, June 28, 2012

Registered Office:

Pfizer Centre, Patel Estate, Off S.V. Road,
Jogeshwari (W), Mumbai – 400 102.

Prajeet Nair
Company Secretary

Profile of Mr. Pradip Shah, Director being re-appointed, as required under Clause 49 of the Listing Agreement:

Mr. Pradip Shah was appointed as a Director liable to retire by rotation by the shareholders at the 58th Annual General Meeting held on April 15, 2009. Mr. Shah is liable to retire by rotation at the 61st 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 hereunder:

Mr. Shah holds a MBA from the Harvard Business School. He is also a Chartered Accountant and a Cost Accountant and ranked first in India in the Chartered Accountancy Examination.

Mr. Shah is the ex-Managing Director of CRISIL, India’s first and the largest credit rating agency. Prior to founding CRISIL, Mr. Shah assisted in founding the Housing Development Finance Corporation (HDFC) in 1977. Mr. Shah has also served as a consultant to USAID, the World Bank and the Asian Development Bank. Mr. Shah is a Director on the Board of several reputed companies. He is also a member of managing committees of two chambers of commerce. Mr. Shah is presently the Chairman of Indasia Fund Advisors Pvt. Ltd.

Mr. Pradip Shah does not hold any shares in the Company either in his name or for other persons on a beneficial basis.

Mr. Pradip Shah is 59 years old and is the Chairman/Director of the following other Indian public limited companies and Chairman/Member of following other Board Committees as on March 31, 2012:

Name of Company	Designation	Chairmanship/Membership of Audit Committee of Board
BASF India Limited	Director	Member
Godrej & Boyce Mfg. Co. Limited	Director	-
Grindwell Norton Limited	Director	-
Kansai Nerolac Paints Limited	Director	Chairman
KSB Pumps Limited	Director	-
Mukand Limited	Director	-
Panasonic Energy India Co. Limited	Director	Member
Reid & Taylor (India) Limited	Director	-
Shah Foods Limited	Chairman	-
Sonata Software Limited	Chairman	Member
Tata Investment Corporation Limited	Director	Member
Wyeth Limited	Chairman	-

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 (“the Act”)

Item Nos. 5 & 6:

The Board of Directors of the Company at their meeting held on June 28, 2012 appointed Mr. Aijaz Tobaccowalla as Additional Director of the Company with effect from June 28, 2012. In terms of Section 260 of the Act, Mr. Tobaccowalla will hold office up to the date of this Annual General Meeting.

The Company has received a notice pursuant to Section 257 of the Act from a member together with requisite deposit proposing Mr. Tobaccowalla candidature as a Director.

The Board of Directors of the Company at their meeting held on June 28, 2012 also appointed Mr. Tobaccowalla as the Managing Director of the Company for a period of three years with effect from August 16, 2012 on such remuneration, payments, perquisites, benefits and amenities as set out in the Resolution at Item No. 6 of the Notice of the Meeting. The said appointment is subject to the approval of the shareholders at the Annual General Meeting of the Company and approval of the Central Government.

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

Mr. Tobaccowalla is 45 years old and is a non-resident. Mr. Tobaccowalla is a Science graduate with a major in Computer Science and a minor in Mathematics. Mr. Tobaccowalla also holds a Masters Degree in Business Administration from the Stern School of Business, New York University. Mr. Tobaccowalla is an experienced global leader and has worked in the United States, Europe and Asia supporting established and emerging markets.

Mr. Tobaccowalla has expertise in the area of Business Technology and is a strategist with global capability. He has designed and delivered consistent results in a global marketplace including areas of Business Intelligence, Sales Force Automation, R&D systems, ERP, e-Business and Manufacturing Systems. Mr. Tobaccowalla has held positions of increasing responsibility in Pfizer Inc., USA, the latest being the position of Senior Vice President, Worldwide Biopharmaceutical and Commercial Business Technology, where he was *inter alia* responsible for the Global, Commercial and Clinical Information Organization supporting all Pfizer Business Units and Pfizer’s Digital and Mobile team.

Mr. Tobaccowalla is a Director on the Board of Wyeth Limited. Mr. Tobaccowalla has also been appointed as the Managing Director of the said Company with effect from August 16, 2012.

Mr. Tobaccowalla does not hold any shares in the Company either by himself or for any other person on a beneficial basis.

The Board recommends the resolutions as set out at Item Nos. 5 and 6 of the Notice for the approval of the members.

The given particulars of his appointment and remuneration as set out at No. 6 of the Notice may be treated as an abstract pursuant to Section 302 of the Act.

A copy of draft Agreement to be entered into between the Company and Mr. Tobaccowalla will be available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Mr. Tobaccowalla is deemed to be interested in these resolutions as it concerns him. No other Director is concerned or interested in the passing of these resolutions.

Item No. 7:

The Board of Directors of the Company at their meeting held on May 21, 2012 appointed Mr. Uday Khanna as Additional Director of the Company with effect from May 21, 2012. In terms of Section 260 of the Act, Mr. Khanna will hold office up to the date of this Annual General Meeting.

The Company has received a notice pursuant to Section 257 of the Act from a member together with requisite deposit proposing Mr. Khanna’s candidature as a Director.

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

Mr. Khanna is a Chartered Accountant. Mr. Khanna is the Chairman of Lafarge India Private Limited and also Chairman of Bata India Limited. Prior to this he was the Managing Director and CEO of Lafarge India

till July 2005. Mr. Khanna joined the Lafarge Group in Paris on June 1, 2003 as Senior Vice President for Group Strategy, after a long experience of almost 30 years with Hindustan Lever Ltd. / Unilever in a variety of financial, commercial and general management roles both nationally and internationally. Mr. Khanna's last position before joining Lafarge, was Senior Vice President Finance, Unilever - Asia, based in Singapore. Mr. Khanna has earlier been on the Board of Hindustan Lever Ltd. (Hindustan Unilever Ltd.) as Director - Exports. Mr. Khanna has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever-North America based in the USA. Mr. Khanna was the President of the Indo-French Chamber of Commerce & Industry in 2008 and 2009 and is currently Vice President of the Bombay Chamber of Commerce & Industry and on the Managing Committee of the Associated Chamber of Commerce & Industry.

Mr. Khanna is 62 years old and is the Chairman/Director of the following other Indian public limited companies and Chairman/Member of following other Board Committees:

Name of Company	Designation	Chairmanship/Membership of Audit Committee of Board
Bata India Limited	Chairman	Member
Castrol India Limited	Director	Chairman

Mr. Khanna does not hold any shares in the Company either in his name or for other persons on a beneficial basis. The Board recommends the resolution set out at Item No. 7 of the Notice for the approval of the Members.

Mr. Khanna 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.

Item Nos. 8 & 9:

The Board of Directors of the Company at their meeting held on May 21, 2012 appointed Mr. Sunil Madhok as an Additional Director of the Company with effect from May 21, 2012. In terms of Section 260 of the Act, Mr. Madhok will hold office up to the date of this Annual General Meeting.

The Company has received a notice pursuant to Section 257 of the Act from a member together with requisite deposit proposing Mr. Madhok's candidature as a Director.

The Board of Directors of the Company at their meeting held on May 21, 2012 appointed Mr. Madhok as a Whole-time Director designated as Executive Director, Business Operations of the Company for a period of 3 years with effect from May 21, 2012 or till the date of his retirement as per the rules of the Company, whichever is earlier, on such remuneration, payments, perquisites, benefits and amenities as set out in the Resolution at Item No. 9 of the Notice of the Meeting. The said appointment is subject to the approval of the shareholders at the Annual General Meeting of the Company.

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

Mr. Madhok holds a Bachelors Degree in Science and PGDM in Business Management. Mr. Madhok has been associated with Pharmaceutical Industry for close to four decades with experience across the country. Mr. Madhok has varied experience at different levels of responsibility and has managed the Pharmaceutical Business in both Human as well as Animal Health space. Mr. Madhok joined Pfizer Limited in 1976 as a Professional Sales Officer. Mr. Madhok was promoted as District Manager in 1981 and Regional Business Manager in 1990 in the Pharma Division. In 1994, he moved to the Animal Health Division as National Sales Manager. Mr. Madhok served the Animal Health Division as General Manager and Senior Director until 2008, when he returned to Pharma Division as Senior Director, Asia Strategy. Mr. Madhok was appointed Senior Director, Business Operations in February 2009.

Before joining the Company, Mr. Madhok was associated with Alembic Chemical Works Limited for a period of 5 years.

Mr. Madhok is 59 years old and does not hold Directorship in any other Company.

Mr. Madhok holds 164 equity shares of ₹ 10/- each in the Company.

The Board recommends the resolutions as set out at Item Nos. 8 and 9 of the Notice for the approval of the members.

The given particulars of his appointment and remuneration as set out at No. 9 of the Notice may be treated as an abstract pursuant to Section 302 of the Act.

A copy of draft Agreement to be entered into between the Company and Mr. Madhok will be available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Mr. Madhok is deemed to be interested in these resolutions as it concerns him. No other Director is concerned or interested in the passing of these resolutions.

Item Nos. 10 & 11:

The Board of Directors of the Company at their meeting held on May 21, 2012 appointed Mr. Vivek Dhariwal as Additional Director of the Company with effect from May 21, 2012. In terms of Section 260 of the Act, Mr. Dhariwal will hold office up to the date of this Annual General Meeting.

The Company has received a notice pursuant to Section 257 of the Act from a member together with requisite deposit proposing Mr. Dhariwal's candidature as a Director.

The Board of Directors of the Company at their meeting held on May 21, 2012 appointed Mr. Dhariwal as a Whole-time Director designated as Executive Director, Technical Operations of the Company for a period of 5 years with effect from May 21, 2012 on such remuneration, payments, perquisite, benefit and amenities as set out in the Resolution at Item No. 11 of the Notice of the Meeting. The said appointment is subject to the approval of the shareholders at the Annual General Meeting of the Company.

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

Mr. Dhariwal holds a Bachelors Degree in Chemical Engineering from the Indian Institute of Technology, Mumbai and a Masters Degree in Chemical Engineering from the University of Kentucky, Lexington, USA. Mr. Dhariwal has substantial expertise and experience in manufacturing and supply chain management. Mr. Dhariwal has a wide range of Industrial experience in Pharmaceuticals, Agrochemicals, Speciality Chemicals and Bulk and Heavy Chemicals. Mr. Dhariwal was earlier the Director, Manufacturing at Baxter (India) Private Limited and was responsible for India and Philippine markets. Mr. Dhariwal has held senior positions in Baxter (India) Private Limited and ICI Plc, U.K.

Mr. Dhariwal is 45 years old and is the Director of the following other Indian public limited companies and Chairman/Member of following other Board Committees:

Name of Company	Designation	Chairmanship/Membership of Audit Committee of Board
Wyeth Limited	Director	Nil

Mr. Dhariwal does not hold any shares in the Company either in his name or for other persons on a beneficial basis.

The Board recommends the resolutions as set out at Item Nos. 10 and 11 of the Notice for the approval of the members.

The given particulars of his appointment and remuneration as set out at No. 11 of the Notice may be treated as an abstract pursuant to Section 302 of the Act.

A copy of draft Agreement to be entered into between the Company and Mr. Dhariwal will be available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Mr. Dhariwal is deemed to be interested in these resolutions as it concerns him. No other Director is concerned or interested in the passing of these resolutions.

By Order of the Board of Directors of Pfizer Limited

Mumbai, June 28, 2012

Registered Office:
Pfizer Centre, Patel Estate, Off S.V. Road,
Jogeshwari (W), Mumbai – 400 102.

Prajeet Nair
Company Secretary



DIRECTORS' REPORT including Management Discussion and Analysis Report

TO THE MEMBERS

Your Directors have pleasure in presenting this 61st Annual Report together with the Audited Accounts for the year ended March 31, 2012. The Report reviews the Company's operations covering Pharmaceutical and Animal Health Products. The audited figures given hereunder for the financial year under review and the previous period are not comparable, as the current period is for 12 (twelve) months from 1st April, 2011 to 31st March, 2012, while the previous period was for a period of 16 (sixteen) months from 1st December, 2009 to 31st March, 2011. The prior year's figures in the financial statements have been regrouped/re-arranged where necessary.

DIVIDEND

Your Directors recommended a dividend of ₹12.50 per share (125%) for the period under review. The dividend payout will aggregate to ₹ 3730 Lakhs and the tax on distributed profits payable by the Company would amount to ₹ 605 Lakhs.

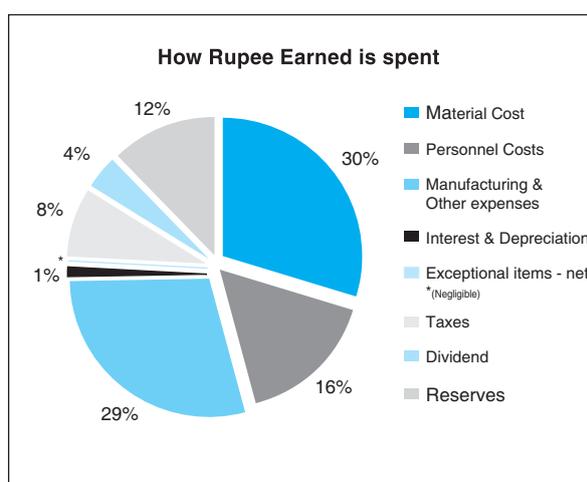
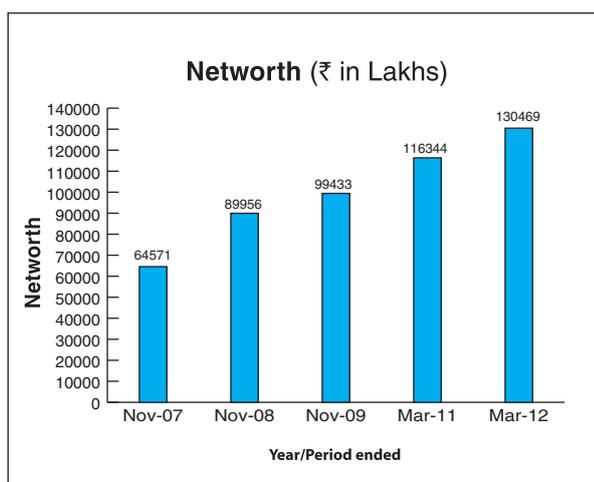
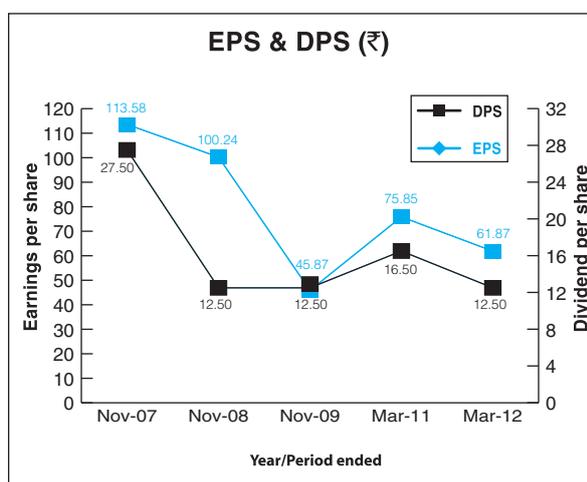
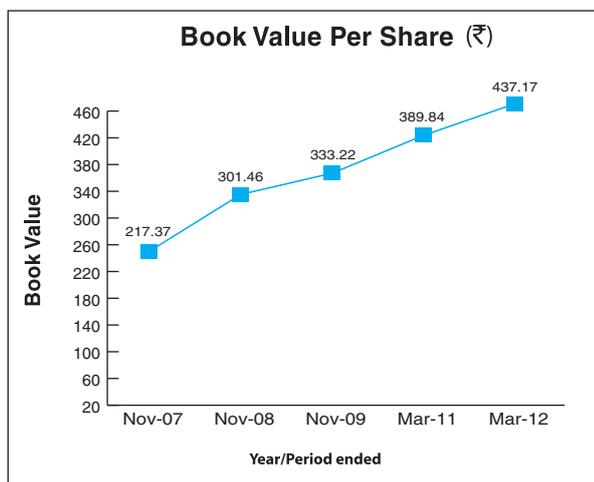
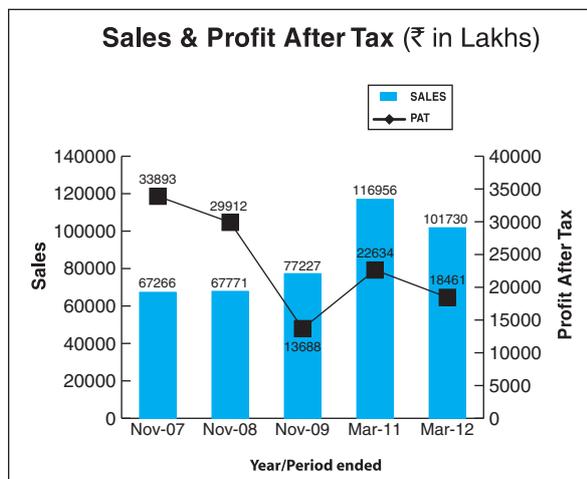
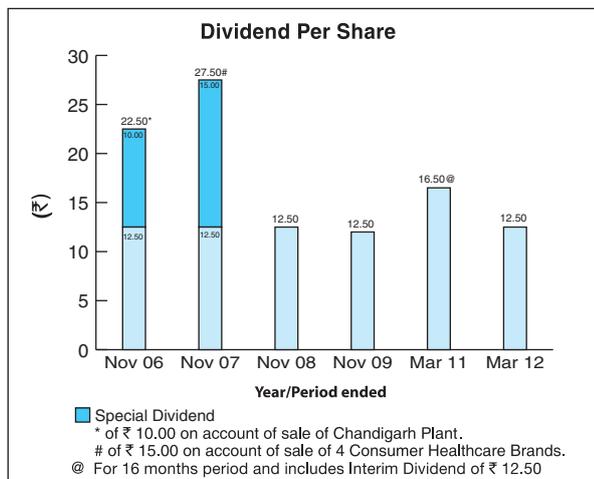
FINANCIAL RESULTS

Your Company's net sales were ₹ 101730 Lakhs recording a growth of 13% on an annualised basis. Your Company achieved a Net Profit of ₹ 18461 Lakhs showing an increase of 8.75% on an annualized basis.

₹ in Lakhs

Particulars	Year ended March 31, 2012	16 Months Period ended March 31, 2011
Sales (Net of Excise Duty & Sales Tax)	101730	116956
Operating and Other Income	16870	17579
Profit Before Tax and Exceptional Items	27790	34764
Exceptional Items (Expenses)/Income	(37)	(303)
Profit Before Tax	27753	34461
Less: Taxation		
- Current Tax	9447	12631
- Fringe Benefit Tax	—	—
- Deferred Tax (Credit)/Debit	(155)	(804)
Profit After Tax	18461	22634
Balance of Profit from Prior Years	89977	75329
Surplus available for Appropriation	108438	97963
Appropriations:		
Transfer to General Reserve	1846	2263
Interim Dividend	—	3730
Proposed Dividend	3730	1194
Tax on Dividend (proposed dividend & interim dividend)	605	799
Balance carried to Balance Sheet	102257	89977

KEY STATISTICS



PHARMA INDUSTRY OVERVIEW & OUTLOOK

India is at an exciting phase where the challenging dynamics of growth provide opportunities to innovate and progress. As a country, we continue to battle inflation with Gross Domestic Product (GDP) growth projected to dip below 6.9 percent in 2011-12 from 8.4 percent growth achieved during the two preceding years. The pharmaceutical industry however retains a healthy growth rate despite signs of deceleration in the larger economy. The audited pharmaceutical market in India grew by 16.34 percent to reach USD 13.3 billion in 2011-12 (Source: IMS MAT March 2012). The retail sector accounted for USD 11.2 billion and grew at 15.02 percent, while the hospital sector accounted for USD 1.3 billion and grew by 28.3 percent, (Source: IMS MAT March 2012). IMS ranks Indian pharmaceutical industry 14th in terms of value and 3rd in volume globally (Jan-Dec 2011).

A kaleidoscopic view of India in the coming years show favourable demographics that will fuel the growth of the healthcare and pharmaceutical sector - rising disposable income levels, increasing population and shift in disease patterns. Yet on the other hand, private expenditure on health as a percentage of total expenditure on health is 69.7 percent (2009) as per World Health Statistics 2012 by WHO. Health care – both at primary and secondary level will be driven by private providers. Changes in lifestyle, morbidity patterns and increasing penetration of private hospital based health care services will all call for a dynamic and evolving approach to healthcare. The pharmaceutical industry will have to seize the opportunities and challenges that this change will stimulate and will have to find innovative ways to address them. Ernst & Young has forecast that India will be one of the top 10 pharmaceutical markets in the world by 2015, along with Brazil and China.

Given the present inequities that exist in healthcare, the pharmaceutical industry will need to consolidate its growth story by expanding beyond cities to smaller towns.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

The Government website on 'India – Opportunities – a guide to do business in India' states that 'the government, along with participation from the private sector, is planning to invest USD 1 billion to USD 2 billion in an effort to make India one of the top five global pharmaceutical innovation hubs by 2020. This clearly emphasizes the opportunities that will unfold for pharmaceutical sector in the coming years. Growth drivers like increased awareness of health care technology and focus on accessibility will drive innovation for the industry. The promising intent shown by the government when coupled with other pieces of the health pie like health insurance, improved health care delivery

and diagnostic services can be harnessed to redefine the contributions of pharmaceutical sector for a healthier India.

The pharmaceutical sector will continue to attract investments with Mergers & Acquisitions paving growth; giving it substantial value. However, the recent government curbs on FDI in pharma will keep the M&A story in the background with India well missing the bus. Policy reforms are critical to ensure the growth of the pharmaceutical sector but the recent regulatory uncertainties like the proposed new drug policy coupled with the policy paralysis and economic downturn could cripple the growth curve.

The need of the hour is to develop integrated approaches to provide solutions that go beyond the pill and bring in value across the health care delivery chain. The intent of the government needs to be translated into increased budgetary spends on healthcare, R&D, positive reforms for the pharmaceutical sector and by ensuring transparent processes and systems that provide a level field for all players in the sector. Unless that happens, reforms will be fragmented, thus denying the vast population the benefit of innovation and research based quality drugs that the industry can bring to the country.

REVIEW OF OPERATIONS – BUSINESS SEGMENT: PHARMACEUTICAL

Your Company continued to record double digit growth for the year under review and has grown faster than the therapeutic segments in Respiratory, Pain, Neuro CNS (Source: IMS TSA MAT MAR '12)

Currently, your Company is growing at 12.6% and has a market share of 2.3% (Source: IMS-TSA MAT MAR '12). As was the case last year, a significant proportion of the growth has come from increased volumes by revitalizing growth in core brands. Our current portfolio includes some of India's best known brands, with six of our key brands being in the list of top 100 brands in the industry.

Your Company's aggressive investment in geographic expansion, increased focus on key prescribers and emphasis on performance management has resulted in increased market share of these brands.

The pharmaceutical division has been aligned and is better positioned to address our customer needs. In addition to new products, your Company also entered into chronic segments such as neuroscience which is one of the fastest growing markets in India. Given the high prevalence of neuropsychiatric illness and low awareness and diagnosis, this segment can drive growth for your Company. The Pfizer Neuroscience team have a 150 strong field force with an augmented and fortified portfolio consisting of branded generics and global brands.

The business imperative of the Rx to OTC Business Unit (BU) is to engage three stakeholders - doctors, trade channel partners like stockists, pharmacies and consumers through a revitalized and augmented Rx to OTC portfolio for wellness and common ailments. This BU has a presence in Gastro, Cough, Food Supplement and Personal Care. The key growth drivers for this BU are lifecycle management of existing mature products like Gelusil and Corex Dx, launch of new Branded Value Offerings (BVOs) to augment the portfolio, focus on customer reach and customer engagement.

Some of the Company's established brands like Corex, Becosules, Minipress XL, Lyrica, Gelusil showed double digit growth. The slow down in the Anti - infective segment impacted Magnex Growth during the year and we expect that this trend will soon be reversed. Your Company has launched 26 Branded Value Offerings (BVOs) during the year under review mainly in the anti-infective, analgesic, CNS, CVS and diabetes segment. The Pharmaceutical Segment of your Company recorded a growth of 14%. Consequent to the global termination of the agreement with Biocon, the Company withdrew Insulin products from the market which had a marginal impact on the revenue and cost.

BUSINESS SEGMENT: ANIMAL HEALTH

Indian animal health market is growing at 5% growth rate. Dairy, Poultry and Companion animals are three major verticals that make up more than 95% of the market. During the financial year under review, your Company's Animal Health division recorded a revenue growth of 12% on an annualized basis.

The Dairy Sector in India is one of the fastest growing in the world, with milk production growing at a CAGR of 3.5% over the last decade. Considering the demands of the growing population, the country is going to need 172.2 MMT of milk by 2021-22. The Government has plans to ramp up per capita milk productivity in the country to WHO standards, and has already initiated the process of growth enablers, in the form of the National Dairy Plan, with special emphasis on increasing productivity of dairy animals, improving genetic potential of the animals, improving access to fodder and market penetration by creating and improving the broad-based veterinary infrastructure in the country. These initiatives will help in achieving the dual objective of self sufficiency in domestic milk production and inclusive growth in rural areas. Growth opportunities are being leveraged through field force expansion to increase market reach.

India ranks 3rd in global egg production and 5th in global broiler meat production. Population rise, increasing incomes and lower prices are key growth drivers. Growing influence of food service and retail chains on poultry production and end-consumer preferences are slowly shifting from live bird markets to processed and

chilled products. Biological products are a focus area of the Poultry team.

The Companion Animal business is growing at 12% per annum and Pfizer continues to be a major player in the biological segment. Growth stimulators in this segment are the need for companionship, higher disposable income, responsible pet ownership and media attention. Targeted focus on the top brands and improved market penetration has yielded positive results for the business during the year under review.

In July 2011, Pfizer Inc, USA, ("Pfizer") the Ultimate Holding Company, announced that it was reviewing strategic alternatives for its global animal health business. In connection with the strategic review Pfizer undertook certain internal reorganization steps that were intended to give Pfizer the broadest possible flexibility to pursue a range of possible transactions in the future.

On April 2, 2012, your Company transferred its Animal Health Business to its wholly owned subsidiary, Pfizer Animal Pharma Private Limited by way of a slump sale for a consideration of ₹ 440 crores, subject to adjustment for working capital.

BUSINESS SEGMENT: SERVICES – CLINICAL OPERATIONS

The Clinical Operations group is responsible for all clinical trials conducted by the Company within the country. The Clinical Operations group comprises four segments: Study Management; India Regional Monitoring Group; Business Operations and Clinical Quality Services. Your Company has contributed greatly to the development of clinical research in the country and holds a position of leadership in this area. Initiatives such as the establishment of preferred research centers, core research sites and earning trust initiative helped to establish training partnerships that are key to Pfizer's commitment to develop research capacity and supporting scientific and medical professionalism.

Your Company has partnered with other pharmaceutical companies, contract research organizations and investigators through the Indian Society for Clinical Research (ISCR) – a professional society aimed at raising the standards of clinical research in the country as well as Academy for Clinical Excellence.

MEDICAL RESEARCH DIVISION:

Medical Affairs and Research (MAR) Division consists of about 50 medical doctors that represent the medical conscience of your Company and they support scientific presentations to the medical community, investigator-initiated research, medical information, design of local clinical programs and scientific engagements with physicians to the product training of sales force and new product evaluations.

The medical team is responsible for ensuring compliance of promotional practices to international and local industry standards as well as regulatory requirements. The team also provides medical support to regulatory registration as well as safety review and labeling activities.

Notable contributions have been made by MAR Division in evaluation, differentiation and positioning of Branded Value Offerings and medico-marketing activities for in-line and line extensions.

This year, a team of Medical Research Specialists was taken on board to focus on knowledge dissemination to clinicians and improve health outcomes for patients. The key initiatives of the MAR Division were focused around World Kidney Day in March, World Hypertension Day in May, World Heart Day in September and World Diabetes Day in November. Around these days, activities like patient awareness camps, Continuous Medical Education (CME) programs and educational sessions were conducted in institutions and teaching hospitals. By associating with these events throughout the year, the Company emphasized on the management of hypertension and also on protecting the vital organs that may be affected by hypertension thus projecting our vision of working together for a healthier world. A novel concept of antibiotic stewardship was disseminated this year by conducting international speaker programs and advisory board meetings. The Medical Division also contributed to overall leadership development in physicians through LOGOS initiative and a number of other therapy shaping activities.

Noteworthy contributions were made for the Rx to OTC BU through initiation of CMEs for their doctors for the first time on “Clinical Insights – Cough Management”, which was highly appreciated by the physicians.

HUMAN RESOURCES DIVISION

Globally, the HR function was involved in redesigning the HR structure and processes to make the function more agile and adaptable to deliver HR solutions to the business. Some of the initiatives made are HR Operating Model, Global Shared Service, Talent Acquisition, OWN IT Culture. While being aligned to our budgetary commitments, we are also committed to standardization, automation and consolidation of processes to efficiently and effectively manage an increasing workforce across multiple locations.

Diversity

To further the objective of Diversity through Women's Allies (DIWA), a three-year-old program to harness the unique potential of women, your Company established an India Women's Council. It has three work streams – one focused on attracting and engaging women in sales; and the second to engage women customers who are

becoming important decision makers in Indian healthcare. The third work stream, which focuses on networking and communication, created a women's blog and conducted several career guidance workshops during the year. A training program on 'Empowering women for Field Force Effectiveness' customized for women sales colleagues has been launched with the support of business units and enabling functions.

Talent Management Process

Your Company has a robust talent management process, supported by on-line assessment and development resources, to ensure that we have the right people to take the company forward. Colleagues in the Talent Pool are involved in high level projects identified by the organization.

We continue our practice of infusing good talent, by inducting Management Graduates from leading India business schools and putting them through a year-long structured program.

Employee Relations

Overall, Employee Relations were cordial. Your Company's present employee strength is 3151.

MANUFACTURING OPERATIONS

Your Company's manufacturing is an integral part of Pfizer Global Supply Operations which focuses its activities towards ensuring that quality products are available as per business requirements. With more than 150 years of manufacturing experience in markets across the world, your Company today is one of the most trusted names in the manufacture and supply of high quality products in the world.

Your Company has always endeavored to bring newer drugs to the market to improve patient health and contribute to a better standard of living. Last year your Company launched several new Branded Value Offerings (BVOs) and new products.

Manufacturing operations are carried out in full compliance with local statutory laws and Pfizer standards. The Company's continued focus on non-renewable resources has created an excellent model for environmental sustainability. There is a constant emphasis on conservation of resources across manufacturing sites and to reduce waste. The excellent Environment, Health and Safety standards of the Company have earned Pfizer India recognition in the form of ISO 14001:2004 and OHSAS 18001:2007. The ISO 14001 certification reiterates the Company's focus on Environment, Health and Safety.

Your Company's Manufacturing Operations have fully embraced the company-wide culture initiative OWN IT, to create an Ownership culture. This initiative will provide us an opportunity to instill a culture where we can

maximize our potential. The new initiative revolves around Owning the Business and Winning at the Market place with a focus on results and creating a culture of trust.

Various initiatives such as Kaizen Schemes, Rewards and Recognition, 'Continuous Improvement' programs, now better known as Operational Excellence (OE) have been initiated and are contributing to employee involvement, improved efficiency and productivity. These initiatives have resulted in successful completion of many Yellow Belt, Green Belt and Black Belt projects. Training and skill enhancement are also ongoing initiatives that are the core of our manufacturing operations.

We value the confidence and faith reposed by the patients in support of 'Pfizer Quality' products. We continue to have a leading portfolio of medicines that prevent, treat and cure diseases across a broad range of therapeutic areas.

CORPORATE AFFAIRS

The Corporate Affairs Function (CAF) is a blend of regulatory and policy shaping activities, coupled with activities that fulfill the Company's strategic role as a conscientious Corporate. Your Company continued to develop innovative partnership programs that demonstrate the Company's support to addressing the challenges of the UN Millennium Development Goals (MDGs). For instance, the Tuberculosis (TB) treatment centre in an urban slum in New Delhi empowers the disadvantaged through intensive education, ensuring treatment compliance and reduction of stigma. In the partnership project by your Company with OpAsha, your Company has supported a TB centre in the urban slums of New Delhi. The Government provides free medicines and services under the National TB Control Program and your Company puts in an investment that together works to educate more than 40,000 urban slum dwellers on the need for proper treatment against TB. OpAsha runs several such centers across the country.

The nearly decade old Arpana Mother and Child Project continues with its focus on holistic approach to healthcare and economic empowerment of the community, the Arpana Mother and Child Project'. The program has had 94 percent coverage for its antenatal check up activities, resulting in better all round healthcare and awareness of health needs of pregnant women and children less than five years of age.

The Community Pharmacy in Orissa has completed one year and your Company in relationship with its partners – the Micro Insurance Academy (MIA) and Mahashakti, has demonstrated the true value of sustainable programs that can run on Private Public Partnership platform. The innovative program establishes your Company's thought leadership to develop sustainable holistic approaches to advance healthcare

goals of the country by piloting innovative healthcare access model making quality medicines and service delivery available at remote areas and to empower community in accessing health services.

The goal of The District Integrated Health & Family Welfare Society (DIHFWS), Zilla Parishad, Thane is to improve the availability of and access to quality health care by people, especially for those residing in rural areas, the poor, women and children, in accordance with the National Rural Health Mission (NRHM). The DIHFWS, in partnership with Impact India Foundation (IIF) and your Company is working towards upgrading and maintenance of the Parli Primary Health Centres (PHCs), Parli and Mangrul Sub Centre located in Thane District, Maharashtra. This pilot project is an outcome of your Company's endeavor to enable access to healthcare to remote areas in the country.

CAF in association with OPPI, FICCI, CII and ASSOCHAM continued its engagement of external stakeholders on various policy issues like patents, pricing and FDI. Abiding by the credo 'One voice, One strategy', your Company made several joint representations to senior government officials to enforce the industry dialogue and views on several critical policy areas. CAF oversaw charitable contributions, product donations and participated in various initiatives to promote corporate governance, environment and social responsibility.

Your Company has been recognized as one of the Best Companies to Work for in India by the Business Today-Indicus-PeopleStrong survey in 2011. This is the second consecutive year in which Your Company has received this recognition from the leading business publication.

The Pharma Leaders Magazine named Your Company as the Multinational Company of the Year 2011 and Managing Director Mr. Kewal Handa as the Business Leader of the Year 2011.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control system, which provide for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. This is to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations.

An extensive program of Compliance, Control and Risk Team (CCR) further supplements the Company's internal control systems. This is done by the CCR, which is supported by an independent firm of chartered

accountants, who review the effectiveness and efficiency of these systems and procedures. The management periodically reviews reports of internal auditors. All significant Internal Audit observations and follow-up actions thereon are brought to the notice of the Audit Committee of the Board and corrective steps recommended for implementation. The Audit Committee of the Board addresses significant issues raised by the CCR, Cost Auditors and Statutory Auditors.

Your Company has a well defined Standard Operating Procedure for identifying and mitigating risks across all divisions of the Company. The Company periodically identifies all risks and prioritizes the major risk and develops appropriate plans for its mitigation. The senior management has ownership of the major risks and its management and mitigation plans.

The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Pradip Shah retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Dr. Bomi Gagrat, Executive Director - Technical Operations, retired from the services of the Company with effect from June 30 2011. Dr. Gagrat continued as Non-Executive Director on the Board with effect from July 1, 2011. Dr. Gagrat resigned from the Board with effect from May 21, 2012. Your Directors wish to place on record their appreciation for the valuable contributions made by Dr. Gagrat.

The Board of Directors at their meeting held on June 28, 2012 appointed Mr. Aijaz Tobaccowalla as Additional Director pursuant to Section 260 of the Companies Act, 1956 ("the Act") who will hold office till the date of the ensuing Annual General Meeting. The Company has received his candidature as a Director from a member pursuant to Section 257 of the said Act. Mr. Tobaccowalla's appointment is being placed before the shareholders for their approval at the ensuing Annual General Meeting. The information required to be furnished under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the 61st Annual General Meeting.

Mr. Kewal Handa, resigned as the Director and Managing Director of the Company with effect from end of day of August 15, 2012. Your Directors wish to place on record their appreciation for the valuable contributions made by Mr. Handa.

The Board of Directors at the meeting held on June 28, 2012 appointed Mr. Aijaz Tobaccowalla as the Managing Director of the Company with effect

August 16, 2012. Mr. Tobaccowalla's appointment and remuneration will be subject to approval of the members at the ensuing Annual General Meeting and also will be subject to approval of the Central Government.

The Board of Directors at their meeting held on May 21, 2012 appointed Mr. Uday Khanna as Additional Director pursuant to Section 260 of the Act, who will hold office till the date of the ensuing Annual General Meeting. The Company has received his candidature as a Director from a member pursuant to Section 257 of the said Act. Mr. Khanna's appointment is being placed before the shareholders for their approval at the ensuing Annual General Meeting. The information required to be furnished under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the 61st Annual General Meeting.

The Board of Directors at their meeting held on May 21, 2012 appointed Mr. Vivek Dhariwal as Additional Director pursuant to Section 260 of the Act, who will hold office till the date of the ensuing Annual General Meeting. The Company has received his candidature as a Director from a member pursuant to Section 257 of the said Act. The Board of Directors at their meeting held on May 21, 2012 also appointed Mr. Dhariwal as a Whole-time Director designated as Executive Director, Technical Operation for a period of 5 years. Mr. Dhariwal's appointment and remuneration are being placed before the shareholders for their approval at the ensuing Annual General Meeting. The information required to be furnished under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the 61st Annual General Meeting.

The Board of Directors at their meeting held on May 21, 2012 appointed Mr. Sunil Madhok as Additional Director pursuant to Section 260 of the Act, who will hold office till the date of the ensuing Annual General Meeting. The Company has received his candidature as a Director from a member pursuant to Section 257 of the said Act. The Board of Directors at their meeting held on May 21, 2012 also appointed Mr. Madhok as a Whole-time Director designated as Executive Director, Business Operation for a period of 3 years or till the date of his retirement, whichever is earlier. Mr. Madhok's appointment and remuneration are being placed before the shareholders for their approval at the ensuing Annual General Meeting. The information required to be furnished under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the 61st Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following.

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.

- ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year ended March 31, 2012 and of the profit of the Company for that period.
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. Your Directors have prepared the attached Statement of Accounts for the Financial Year ended March 31, 2012, on a going 'concern basis'.

CORPORATE GOVERNANCE

The Company has taken requisite steps to comply with the recommendations concerning Corporate Governance. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Report.

A separate report on Corporate Governance forms part of this Annual Report.

SUBSIDIARY COMPANY

As per Section 212 of the Companies Act, 1956 ("the Act") the Company is required to attach the to Directors' Report, Balance Sheet and Statement of Profit and Loss of its Subsidiary. However, the Central Government has granted general exemption from complying with Section 212 of the Act to all companies vide Notification No.5/12/2007-CL-III dated February 8, 2011. Further In terms of Para 11 (a) of Accounting Standard (AS 21), the Company is not required to consolidate the accounts of its wholly-owned subsidiary company, Pfizer Animal Pharma Private Limited, since the control of the same is held for a temporary period as a pre-step for subsequent sale/divestment.

In view of the above, the Company has not consolidated the accounts of its subsidiary, which was incorporated on February 10, 2012, and has not attached the Directors' Report, Balance Sheet and statement of Profit & Loss of its Subsidiary. The statement of accounts as on March 31, 2012 and related information of the Subsidiary will be made available upon request by any shareholders of the Company and the Subsidiary. The statement of accounts as on March 31, 2012 of the Subsidiary Company will be available for inspection by any member at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day.

OTHER INFORMATION

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, information pertaining to Conservation of Energy, Technology Absorption and Exports is given as Annexure 'I' to this Report.

The information required under Section 217(2A) of the Companies Act, 1956 ("the Act") read with the Rules framed thereunder forms part of this Report and marked as Annexure 'II'. However, as per provision of Section 219 (1)(b)(iv) of the Act, the Report and Accounts are being sent to all shareholders excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Company's Registered Office.

AUDITORS

M/s. B S R & 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 re-appointed.

COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956, necessary application has been submitted to the Ministry of Corporate Affairs, for the appointment of M/s. RA & Co. as Cost Auditors to audit the cost accounts maintained by the Company in respect of Formulations for the year ending March 31, 2013. The Company has filed its Cost Audit Report for the sixteen months ended March 31, 2011 on 26th September, 2011 and the due date for filling the Cost Audit Report for the financial year ended March 31, 2012 is on 27th September, 2012.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere appreciation for the support and assistance extended by the Company's suppliers and business associates. Your Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its Management.

Your Directors wish to place on record their appreciation for the support and guidance provided by its Parent Company, Pfizer Inc., USA.

**For and on behalf of the
Board of Directors of Pfizer Limited**

**R.A. SHAH
Chairman**

Mumbai, June 28, 2012



ANNEXURE 'I' TO DIRECTORS' REPORT
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:

- (i) Installation of Heat Recovery System for Boiler.
(ii) Replacement of Furnace Oil by Bagasse Briquette as fuel for Boiler.

- (b) Additional proposals or activities, if any:
(i) Variable Frequency Drives for additional Equipment.
(ii) Installation of new Aeration System.
(iii) Revamping of Electrical Distribution System.
(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

POWER & FUEL CONSUMPTION

Particulars	Unit	1.04.2011 to 31.12.2012	1.12.2009 to 31.03.2011
1) ELECTRICITY			
a) Purchased Unit	(Kwh)	4284340	6504835
b) Total Amount	(₹)	28668710	36362028
c) Rate/Unit	(₹)	6.69	5.59
2) OWN GENERATION			
Through Diesel Generators	(Kwh)	13480	11400
Units/Litre of H.S.D.		1.21	1.45
Marginal cost/unit (considering only H.S.D. price)	(₹/Kwh)	32.05	26.68
3) BAGASSE			
Quantity	(MT)	2761.2	3453
Total Amount	(₹)	14873675	16248350
Avg. Rate/MT	(₹)	5386.7	4705.6
4) FURNACE OIL			
Quantity	(KL)	56.528	186.62
Total Amount	(₹)	2469751	6001218
Avg. Rate/KL	(₹)	43690.75	32157.42

Consumption per unit of production:

Electricity (Units)

Furnace Oil (Litres)

Standard

There is no specific standard as the consumption per unit depends on the product mix of basic drugs (from chemicals and biochemical processes) and formulations (capsules, tablets, ointments, liquids and injectibles).

I. ENERGY CONSERVATION MEASURES TAKEN

1. Optimization of HVAC System Operating Pattern.

II. ADDITIONAL PROPOSALS BEING IMPLEMENTED FOR REDUCTION OF ENERGY CONSUMPTION

1. Rationalization of operations of Utility Equipment.

2. Modification in Temperature setting of Cold Storage.

Impact of measures taken

Energy conservation measures of the types mentioned above have resulted in savings, which have been reflected gradually in the cost of production.

B. TECHNOLOGY ABSORPTION :

FORM B

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 Pharmaceutical, Clinical and Formulation 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 formulations.
 - (b) New application for drugs researched abroad, better dosage recommendations and improvements.
3. Future plan of action:
 - (a) Import substitution and resolving process problems encountered in formulation manufacturing for quality and productivity.
 - (b) Optimization of process parameters with emphasis on cost control and rationalization.
 - (c) Studying feasibility of using new manufacturing technology in existing dosage forms.
 - (d) Development of new dosage formulations, pharmaceutical.
4. Expenditure on R&D ₹ in Lakhs

(i) Capital	35.43
(ii) Revenue	612.26
(iii) Total	647.69
(iv) Total R&D expenditure as percentage of total turnover	0.64%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief made towards technology absorption, adaptation and innovation:
 - (a) 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.
 - (b) Clinical research to introduce new products researched abroad and to discover their new applications, better dosage recommendations and improvements under Indian conditions is carried out.
 - (c) 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. Your Company has not imported technology during the last 5 years reckoned from the beginning of the financial year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

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 to Ireland. The Company is continuously exploring possibilities of exporting more of its products to different markets.
2. During the period under review:
 - (a) Foreign exchange earnings by the Company was ₹ 2209.63 Lakhs.
 - (b) Foreign exchange expenditure (which includes import of raw materials, spares and remittance of dividends, etc.) was ₹ 11595.81 Lakhs.

**For and on behalf of the
Board of Directors of Pfizer Limited**

Mumbai, June 28, 2012.

**R. A. SHAH
Chairman**



Report on Corporate Governance

I. PFIZER'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance at Pfizer is not just adherence to mandatory rules and guidelines. It lies in observing the spirit behind the letter.

Pfizer's mission is to develop bold and innovative partnerships; reach patients who were never reached before; provide medicines and services in an affordable manner and be recognized for having the best talent in healthcare. We are guided by 9 Core Values in our day-to-day decision-making which reflect the enduring character of Pfizer and its people. They appear in order as follows:



INTEGRITY

We demand of ourselves and others the highest ethical standards and that our products and processes are of the highest quality.



RESPECT FOR PEOPLE

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



CUSTOMER FOCUS

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



COMMUNITY

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



INNOVATION

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



COLLABORATION

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



PERFORMANCE

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



LEADERSHIP

We believe that leaders empower those around them by sharing knowledge and rewarding outstanding individual effort. We are dedicated to providing opportunities for leadership at all levels in our organization.



QUALITY

Quality is ingrained in the work of our colleagues and in all our Values. We are dedicated to the delivery of quality healthcare around the world. Our business practices and processes are designed to achieve quality results that exceed the expectations of all our stakeholders.

Your Company had adopted the above 9 Core Values of its Parent Company, Pfizer Inc., USA. This approach has helped the Company earn the trust of all its stakeholders over its long history.

II. BOARD OF DIRECTORS

(a) Composition of the Board of Directors

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board at Pfizer represents an optimum mix of professionalism, knowledge and experience. Presently the Board comprises of 4 Non-Executive Directors and 3 Executive Directors. Mr. R.A. Shah, Mr. Pradip Shah and Mr. Uday Khanna are Non-Executive Independent Directors and Mr. Aijaz Tobaccowalla is a Non-Executive Non Independent Director. The Chairman of the Board is a Non-Executive Independent Director. None of the Directors are related to each other. The table set below will explain the details:

Name	Category of Directorship* as on 31/3/2012	No. of other Directorships as on 31/3/2012	No. of other Committees of which Member as on 31/3/2012	No. of other Committees of which Chairman as on 31/3/2012
Mr. R.A. Shah (Chairman)	NED (I)	13	5	3
Mr. Kewal Handa [@] (Managing Director)	WTD	2	3	Nil
Dr. Bomi Gagrat [#] (up to May 21, 2012)	NED (NI)	Nil	Nil	Nil
Mr. Pradip Shah	NED (I)	12	4	1

Additional Directors appointed after March 31, 2012[^]

Mr. Uday Khanna (w.e.f. May 21, 2012)	NED (I)	2	1	1
Mr. Sunil Madhok (w.e.f. May 21, 2012)	WTD	Nil	Nil	Nil
Mr. Vivek Dhariwal (w.e.f. May 21, 2012)	WTD	1	Nil	Nil
Mr. Aijaz Tobaccowalla (w.e.f. June 28, 2012)	NED (NI)	1	Nil	Nil

* NED (I) - Non-Executive Director, Independent
 NED (NI) - Non-Executive Director, Non-Independent
 WTD - Whole-time Director

Dr. Bomi Gagrat retired from the services of the Company from the close of business hours on June 30, 2011 and thereafter continued on the Board as a Non-Executive Director till his resignation on May 21, 2012.

@ Mr. Kewal Handa resigned as Director and the Managing Director with effect from end of day of August 15, 2012. Mr. Aijaz Tobaccowalla was appointed as the Managing Director with effect from August 16, 2012.

[^] Information as on the date of respective appointment.

Notes:

- (1) Number of directorships/memberships held in other companies excludes directorships/memberships in private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956, membership of managing committees of various chambers/bodies and alternate directorships.
- (2) The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors is a Member of more than 10 committees and Chairman of more than 5 committees across all Indian public limited companies in which he is a Director. Number of chairmanships/memberships of committees covers chairmanships/memberships of audit committee and shareholders'/ investors' grievance committee.

(b) Board Meetings

The Board meets at least once every quarter to review the quarterly results and other items of the agenda and, if necessary, additional meetings are held. The gap between two board meetings does not exceed four months. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in Annexure-1A of Clause 49 of the Listing Agreement. The Chairman of the Board, the Managing Director and the Company Secretary discuss the items to be included in the agenda and the agenda is sent in advance to the Directors along with the draft of the relevant documents and explanatory notes wherever required, to enable the Board to discharge its responsibilities effectively and

take informed decisions. Six Board Meetings were held during the period April 1, 2011 to March 31, 2012 (“financial year under review”). These were held on May 3, 2011, August 1, 2011, October 24, 2011, January 5, 2012, January 27, 2012 and February 6, 2012. The following table gives attendance of the Directors in the Board Meetings:

Name	Number of Board Meetings held	Number of Board Meetings attended	Whether Last Annual General Meeting attended
Mr. R.A. Shah	6	6	Yes
Mr. Kewal Handa	6	6	Yes
Dr. Bomi Gagrat	6	4*	Yes
Mr. Pradip Shah	6	6	Yes

* Leave of Absence was granted to Dr. Bomi Gagrat.

III. BOARD COMMITTEES

Currently, the Board has two Committees viz., the Audit Committee and the Shareholders’ Grievance Committee. The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. R.A. Shah as Chairman, Mr. Pradip Shah, Dr. Bomi Gagrat (up to May 21, 2012) and Mr. Uday Khanna (w.e.f. May 21, 2012).

Mr. Pradip Shah and Mr. Uday Khanna are Chartered Accountants by profession. Mr. R.A. Shah is a Solicitor by profession. Dr. Bomi M. Gagrat holds a Masters Degree and Ph.D in Science and holds a Post Graduation Diploma in Operations Management from the Jamnalal Bajaj Institute of Management in Mumbai. All the members of the Committee are professionals and are also financially literate within the meaning of Sub-clause (ii) Explanation 1 of Clause 49 II (A) of the Listing Agreement.

Mr. Prajeet Nair, the Company Secretary, acts as the Secretary to the Committee.

The terms of reference of the Audit Committee include the matters specified under Sub-clauses D and E of Clause 49 II and Disclosures under Clause 49 IV (A) of the Listing Agreement as well as Section 292A of the Companies Act, 1956. Thus, the terms of reference of the Audit Committee are wide enough covering the matters specified below:

1. Oversight of the Company’s financial reporting process and the disclosure of financial information;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors’ Responsibility Statement to be included in the Board’s Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Qualifications in the draft audit report.

5. Reviewing with the management the quarterly financial statements before submission to the Board for approval;
6. Reviewing with the management performance of statutory and internal auditors and adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up thereon;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
12. To review the functioning of the Whistle Blower mechanism of the Company;
13. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor.

Four Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed four months. These were held on May 3, 2011, August 1, 2011, October 24, 2011 and January 27, 2012. The following table gives attendance of the Members in the Audit Committee Meetings:

Name	Number of Meetings held	Number of Meetings attended
Mr. R.A. Shah	4	4
Mr. Pradip Shah	4	4
Dr. Bomi Gagrat	4	3*

* Leave of Absence was granted to Dr. Gagrat.

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present at the 60th Annual General Meeting held on July 19, 2011.

The Managing Director, Finance Director, the Internal Auditor and the Statutory Auditors are invitees to the Meeting.

SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee comprises of Mr. Pradip Shah, Independent Director as its Chairman, Mr. Kewal Handa, Managing Director and Mr. Vivek Dhariwal, Whole-time Director (w.e.f. May 21, 2012).

Mr. Prajeet Nair, the Company Secretary, acts as the Secretary to the Committee and as the Compliance Officer.

One Shareholders' Grievance Committee Meeting was held on October 24, 2011.

The details of complaints received, cleared and pending during the financial year under review are given below:

Nature of Complaints	No. of Complaints as on 1/4/2011	Received during the financial year under review	Cleared/ attended during financial year under review	Pending at the end as on 31/3/2012
Non-receipt of dividend	Nil	64	64	Nil
Non-receipt of share certificates after transfer/consolidation/transmission/exchange/split/merger	Nil	9	9	Nil
Non-receipt of Annual Report	Nil	1	1	Nil
Letters from SEBI/Stock Exchanges and Ministry of Corporate Affairs	Nil	6	6	Nil
Total	Nil	80	80	Nil

During the financial year under review, 80 complaints were received and all of them have been redressed/ answered to the satisfaction of the shareholders. No investor grievance remained unattended/pending for more than 30 days and no request for share transfers and dematerialization received for the financial year under review was pending for more than 30 days and 15 days respectively.

REMUNERATION TO DIRECTORS

Remuneration Committee, being a non-mandatory requirement has not been formed. There has been no materially significant related party transactions, pecuniary relationships or transactions between Pfizer Limited and its Directors for the financial year under review that may have a potential conflict with the interest of the Company at large.

Remuneration to Directors: Salary, Benefits, Perquisites, Performance Linked Incentives, Sitting Fees and Commission:

The following table gives details of remuneration paid to all Directors for the financial year under review:

(a) Executive Directors

₹ in Lakhs

Name	Remuneration			Total
	Salary	Benefits and Perquisites	Performance Linked Incentives	
Mr. Kewal Handa	1,92,89,400	1,01,09,188	46,88,300	3,40,86,888
Dr. Bomi Gagrat (up to June 30, 2011)	16,85,101	33,09,595*	14,13,700	64,08,396
Total	2,09,74,501	1,34,18,783	61,02,000	4,04,95,284

* Includes retirement benefits.

Notes:

(1) Service Contracts, Severance Fees and Notice Period:

The appointment of the Managing Director and Whole-time Director(s) is governed by the Articles of Association of the Company and the Resolutions passed by the Board of Directors and the members of the Company. These cover the terms and conditions of such appointment read with the service rules of the Company.

In terms of the Articles of Association, resignation of a Director becomes effective upon its acceptance by the Board. The appointment of Managing Director/Whole-time Director(s) are by way of Board Resolution and Service/Employment contracts. These contracts are terminable by either party by serving notice up to three months. There is no separate provision for payment of severance fee under the resolutions/contracts governing the appointment of Managing Director and Whole-time Director(s).

(2) Employee Stock Option Scheme:

The Company does not have any Employee Stock Option Scheme. During the financial year under review, Mr. Kewal Handa and Dr. Bomi Gagrat were eligible for stock options granted by the Parent Company.

(3) Performance Linked Incentive criteria:

The Company has internal norms for assessing the performance of its senior executives including Executive Directors.

- (4) Mr. Kewal Handa and Dr. Bomi Gagrat hold 302 and 200 equity shares respectively in the Company.

(b) Non-Executive Directors

The Resident Non-Executive Directors are paid remuneration by way of commission and sitting fees. The details of remuneration paid to Non-Executive Directors for the financial year under review are as under:

₹ in Lakhs

Name	Sitting Fees	Commission	Total	Number of shares held
Mr. R.A. Shah	1.10	10.00	11.10	3400
Mr. Pradip Shah	1.20	10.00	11.20	Nil
Dr. Bomi Gagrat (from July 1, 2011)	0.50	10.00	10.50	200
Total	2.80	30.00	32.80	

Notes:

- (1) The Commission payable to Resident Indian Non-Executive Directors is decided by the Board within the limits stipulated by the Special Resolution passed at the 58th Annual General Meeting held on 15th April, 2009. The amount of Commission payable to each of the Resident Indian Non-Executive Director is decided by the Board on the basis of the role and responsibility as Chairman/Member of the Board and of the Board Committee(s).
- (2) Mr. R.A. Shah is a senior partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, who have a professional relationship with the Company. The fees earned by M/s. Crawford Bayley & Co. from Pfizer Limited constitutes less than 1% of the total revenue of M/s. Crawford Bayley & Co. in each year during the last three financial years. As per the view of the Board of Directors and the legal opinion sought on the subject of Independence of Mr. R.A. Shah, the legal firm M/s. Crawford Bayley & Co. does not have a material association with the Company. The professional fees of ₹ 26.07 Lakhs that was paid to them during the financial year under review is not considered material enough to impinge on the independence of Mr. R.A. Shah.
- (3) Besides payment of commission and sitting fees, and dividend on equity shares held, if any, by the Directors, no other payments have been made or transactions of a pecuniary nature entered into by the Company with the Directors.

IV. SUBSIDIARY COMPANY

The Company does not have a material non-listed Indian subsidiary whose turnover or networth (i.e., Paid-up Capital and Free Reserves) exceeds 20% of the consolidated turnover or networth respectively of the Company and its subsidiary in the immediately preceding accounting year.

The Company monitors the performance of its unlisted 100% subsidiary, Pfizer Animal Pharma Private Limited, *inter alia*, by the following means:

- The Financial Statements, in particular, the investments, if any, made by its subsidiary, are reviewed by the Audit Committee of the Company.
- The Minutes of the Board Meetings of its subsidiary are noted at the Board Meetings of the Company.
- Details of significant transactions and arrangements entered into by its subsidiary are placed before the Board of the Company as and when applicable.

V. CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Clause 49 (V) of the Listing Agreement, the CEO and CFO Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting is annexed to this Report.

VI. GENERAL BODY MEETINGS

(a) The details of the last 3 Annual General Meetings (AGMs) held are as under:

AGM	Financial Year	Date and Time	Venue of the AGM
60 th	2009-2011 (16 months period from December 1, 2009 to March 31, 2011)	July 19, 2011 at 3.00 p.m.	Yashwantrao Chavan Pratishthan Auditorium, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.
59 th	2008-2009	April 26, 2010 at 3.00 p.m.	
58 th	2007-2008	April 15, 2009 at 3.00 p.m.	

All the resolutions set out in the Notices of the respective AGMs were passed by the requisite majority of the members attending the Meeting.

(b) Special Resolutions passed at the last three Annual General Meetings

There was one Special Resolution passed at the 58th Annual General Meeting relating to the payment of commission to the Resident Indian Non-Executive Directors.

(c) Passing of Resolutions by Postal Ballot

Pursuant to Sections 192A and 293(1)(a) of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the following Ordinary Resolution was passed by the Members by way of a Postal Ballot process during the financial year ended March 31, 2012:

Description of the Ordinary Resolution	Approval of sale and transfer of the animal health business of the Company by way of slump sale to Pfizer Animal Pharma Private Limited, the wholly owned subsidiary.
Name of the Scrutinizer	Ms. Usha Ramdoss, Practicing Company Secretary
Date of Report of Scrutinizer	March 26, 2012
Date of declaration of Results/ Date of approval of Members.	March 26, 2012

Result of Postal Ballot:

Particulars	No. of postal ballot forms	No. of shares/ votes	As a % of total valid votes
Total postal ballot forms received	3520	22095954	-
Less: Invalid postal ballot forms	751	399330	-
Net valid postal ballot forms	2769	21696624	-
Postal ballot forms with assent for the Resolution	2624	21680167	99.92
Postal ballot forms with dissent for the Resolution	145	16457	0.08
Result	Approved by requisite majority		

There were no Special Resolutions required to be passed through Postal Ballot at the last three Annual General Meetings. None of the Resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

VII. DISCLOSURES**(a) Related party transactions**

The Company has not entered into any materially significant related party transactions with its Promoters, Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

The Company has received disclosures from the senior managerial personnel confirming that they have not entered into any financial and commercial transactions in which they or their relatives may have a personal interest.

Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 37 to the financial statements in the Annual Report and they are not in conflict with the interest of the Company at large.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49 of the Listing Agreement. The said transactions are in the ordinary course of business and at arms length basis.

(b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

(c) Code of Conduct

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. This commitment stands evidenced by Model Code of Conduct adopted by the Board of Directors at their meeting held on December 30, 2004 which is applicable to each member of the Board of Directors and Senior Management of the Company. The Company has received confirmations from all the Directors and Senior Management of the Company regarding compliance with the said Code for the financial year under review.

A certificate from Mr. Kewal Handa, Managing Director to this effect forms part of this Report. The said Code is also posted on the website of the Company 'www.pfizerindia.com'.

(d) Whistle Blower Policy

The Company has already put in place a mechanism for employees to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or

Ethics Policy. The said Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the higher levels of supervisors.

(e) Risk Management framework

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

(f) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment-wise/product-wise performance, outlook, risks and concerns, internal control systems and adequacy, discussion on financial and operational performance and material developments in human resources are discussed in the said Report.

(g) The Company has complied with all the mandatory requirements under the Code of Corporate Governance under Clause 49 of the Listing Agreement.

VIII. MEANS OF COMMUNICATION

Financial Results

The quarterly, half-yearly and annual financial results are generally published in 'Business Standard' and 'Sakal'. The results are also displayed on the website of the Company 'www.pfizerindia.com' shortly after its submission to the Stock Exchanges. The official news releases are also displayed on the website of the Company.

Presentation to Institutional Investors/Analysts

Four tele-conferences were held during the financial year under review with Institutional Investors/Analysts on May 4, 2011, August 4, 2011, October 25, 2011 and February 8, 2012. The transcript of the same were put on the Company's website 'www.pfizerindia.com'.

IX. GENERAL SHAREHOLDER INFORMATION

Date, time and venue of the Annual General Meeting

Date : August 2, 2012

Time : 3.00 p.m.

Venue : Yashwantrao Chavan Pratishthan Auditorium, General Jagannathrao Bhosale Marg,
Next to Sachivalaya Gymkhana, Mumbai – 400 021.

Date of Book Closure

July 26, 2012 to August 2, 2012. (Both days inclusive).

Dividend Payment Date

The Board of Directors at their meeting held on May 21, 2012 have recommended a dividend of ₹ 12.50/- (125%) per equity share of ₹ 10/- each for the financial year under review.

The dividend recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, shall be deposited in a separate bank account within 5 days of its declaration and shall be paid/credited on August 16, 2012 to the account mandated by the shareholders.

Dividend will be paid to those members whose names appear in the Register of Members of the Company on August 2, 2012 after giving effect to all valid share transfers in physical form lodged with the Company on or before July 25, 2012. In respect of shares held in dematerialized mode, the dividend will be payable to those beneficial owners as on the close of business hours on July 25, 2012, as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

Listing on Stock Exchanges

The Company is listed on the BSE Limited and The National Stock Exchange of India Limited. The annual listing fees have been paid and there is no outstanding payment towards the Stock Exchanges, as on date.

Stock Code

BSE Ltd. - 500680

The National Stock Exchange of India Ltd. - PFIZER EQ

Financial Year

The Company observes 1st April to 31st March as its financial year.

Financial Calendar (tentative)

First Quarter Results	:	Second week of August, 2012
Second Quarter Results	:	Second week of November, 2012
Third Quarter Results	:	Second week of February, 2013
Fourth Quarter and Annual Results	:	Last week of May, 2013

Address for Correspondence

All Shareholders' Correspondence should be forwarded to M/s. Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agents of the Company or to the Secretarial Department of the Company at the following addresses.

Registrar and Transfer Agents Address:

Karvy Computershare Pvt. Ltd.
UNIT : Pfizer Limited
Plot No. 17 – 24, Vittalrao Nagar,
Near Image Hospital,
Madhapur, Hyderabad – 500 081.
Tel No.: 040 4465 5000 Fax: 040 2342 0814
E-mail: einward.ris@karvy.com
TOLL FREE NO.: 1-800-3454-001

Registered Office Address:

Pfizer Limited
Pfizer Centre, Patel Estate,
Off S.V. Road, Jogeshwari (W),
Mumbai – 400 102.
Tel No.: 022 6693 2000 Fax: 022 2678 4569
E-mail: prajeet.nair@pfizer.com
Homepage: www.pfizerindia.com

Share Transfer System

The Company Secretary has been empowered by the Board for approving transfers/transmissions of shares, split/consolidation, and other allied matters up to a limit of 1000 shares of individual items. At each meeting, the Board is apprised of the details of transfer/transmission/issue of duplicate shares. The Company's Registrars, M/s. Karvy Computershare Pvt. Ltd. have adequate infrastructure to process the share transfers. The share transfers received are processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Demat requests are processed within 15 days from the date of receipt, to give credit of the shares through the Depositories. In compliance with the Listing Guidelines, every six months, a Practising Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

International Securities Identification Number (ISIN)

The Company's scrip form part of the SEBI's Compulsory Demat Segment bearing **ISIN No. INE182A01018**.

Corporate Identity Number (CIN)

The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India, is **L24231MH1950PLC008311**. The Company is registered at Mumbai in the State of Maharashtra, India.

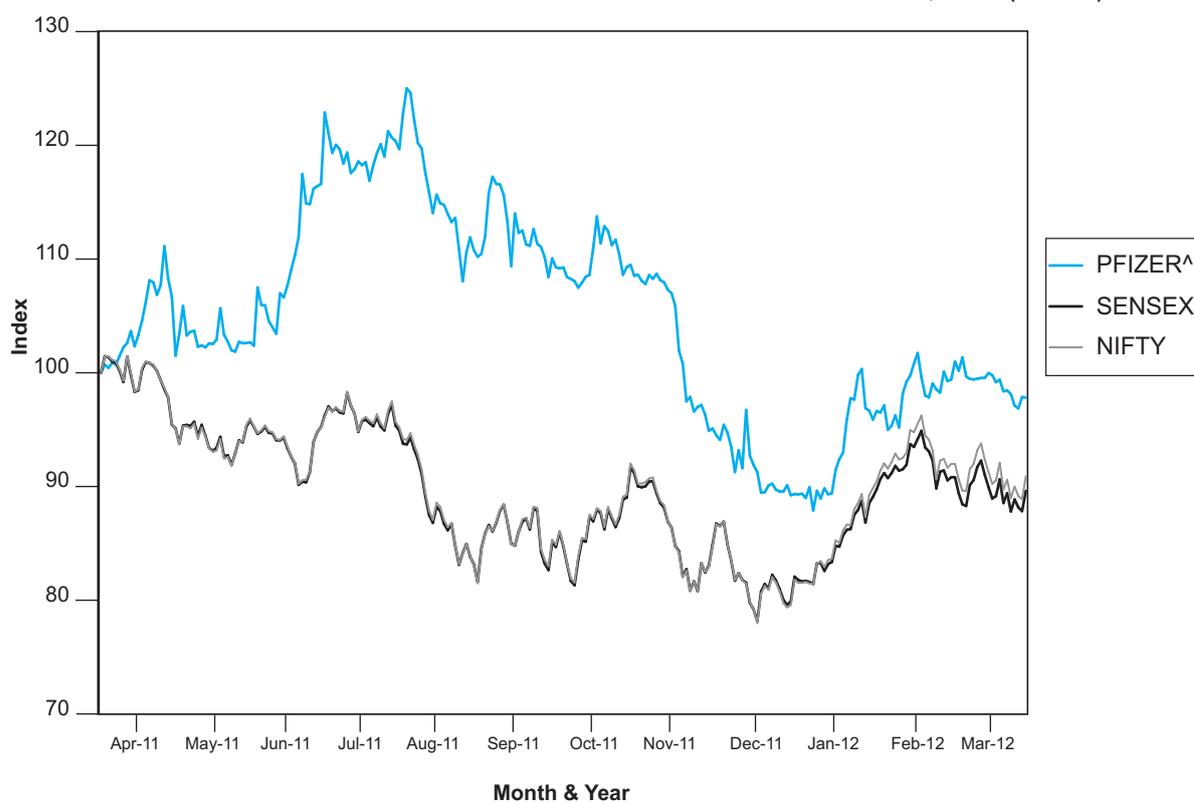


MARKET PRICE DATA*

The High and Low prices of the Company's share (of the face value of ₹10/- each) for the financial year under review are as below:

Month	BSE Ltd.		The National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 2011	1388.90	1215.10	1389.95	1216.25
May 2011	1387.85	1240.00	1384.90	1214.25
Jun 2011	1530.00	1201.05	1531.90	1246.60
July 2011	1636.20	1431.00	1637.90	1425.00
Aug 2011	1572.00	1320.00	1579.90	1310.95
Sep 2011	1454.90	1315.10	1499.95	1325.65
Oct 2011	1406.70	1315.05	1400.00	1308.00
Nov 2011	1360.00	1160.00	1360.00	1165.00
Dec 2011	1218.00	1071.55	1248.00	1076.20
Jan 2012	1243.90	1075.00	1278.80	1075.05
Feb 2012	1270.00	1156.10	1273.00	1142.30
Mar 2012	1265.80	1157.00	1275.00	1182.55

PERFORMANCE OF PFIZER SHARE PRICE TO BROAD BASED INDEX - BSE SENSEX, NIFTY (Indexed)



* Source: BSE and NSE Websites.

^ Pfizer share price on BSE.

DISTRIBUTION OF SHAREHOLDING

(a) Shareholding Pattern as on March 31, 2012:

Category of Shareholder	Number of Shares	Percentage of Shareholding
Promoters		
Pfizer Corporation, Panama	9376100	31.42
Pfizer Investments Netherlands B.V.	8810234	29.52
Warner-Lambert Company, LLC, USA	1187163	3.98
Parke, Davis & Company, LLC, USA	955733	3.20
Pharmacia Corporation, USA	783941	2.63
Sub-Total	21113171	70.75
Non-Promoters		
Mutual Funds / UTI	1777565	5.96
Financial Institutions / Banks	15403	0.05
Insurance Companies	297154	1.00
Foreign Institutional Investors	603663	2.02
Bodies Corporate	599743	2.01
Individuals	5265696	17.65
Directors & Relatives	3902	0.01
Trusts	3339	0.01
Foreign Bodies Corporate	300	0.00
Non-resident Indians	157465	0.53
Clearing Members	4039	0.01
Sub-Total	8728269	29.25
Total	29841440	100.00

(b) Class-wise Distribution of Equity Shares as on March 31, 2012:

Number of Equity Shareholding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 - 50	39080	62.80	860629	2.88
51 - 100	10661	17.13	861381	2.89
101 - 500	11070	17.79	2259818	7.57
501 - 1000	900	1.45	642557	2.15
1001 - 5000	430	0.69	793506	2.66
5001 -10000	28	0.05	209956	0.71
10001 & Above	56	0.09	24213593	81.14
Total	62225	100.00	29841440	100.00

Dematerialization of Shares and Liquidity

The shares of the Company form part of the Compulsory demat segment. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrars, M/s. Karvy Computershare Pvt. Ltd.

As on March 31, 2012 the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage to Total Capital Issued	Numbers of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	27973186	93.74	36706	58.99
Held in dematerialized mode in CDSL	613244	2.06	7590	12.20
Physical mode	1255010	4.20	17929	28.81
Total	29841440	100.00	62225	100.00

Outstanding GDRs/ADRs/Warrants or any convertible instruments, etc.

As on date, the Company has not issued these types of securities.

Plant Location

Pfizer Ltd.
Thane Belapur Road
KU Bazar Post
Navi Mumbai - 400 705
Tel.: 022 6791 6161 Fax: 022 6791 6160

X. NON-MANDATORY REQUIREMENTS

Shareholders' Rights

The half-yearly financial results are published in the newspapers as mentioned above and also they are displayed on the website of the Company. Therefore, the results were not separately circulated to all shareholders.

For and on behalf of the Board of Directors of Pfizer Limited

Mumbai, June 28, 2012

R. A. Shah
Chairman

Auditors' certificate on Corporate Governance

To the Members of Pfizer Limited

We have examined the compliance of conditions of Corporate Governance by Pfizer Limited ("the Company") for the year ended 31 March 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W

Sanjay Aggarwal
Partner
Membership No: 40780

Mumbai, 28 June 2012

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 (V) of the Listing Agreement.

We, Kewal Handa, Managing Director and S. Sridhar, Finance Director, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of the Company hereby certify that –

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2012 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the

Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the Auditors and the Audit Committee that there are no
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the financial year ended March 31, 2012 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Pfizer Limited

Kewal Handa
Managing Director
(Chief Executive Officer)

S. Sridhar
Finance Director
(Chief Financial Officer)

Mumbai, 21 May 2012

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct.

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2012.

For PFIZER LIMITED

Kewal Handa
Managing Director

Mumbai, 21 May 2012



Auditors' Report

To the Members of Pfizer Limited

We have audited the attached balance sheet of Pfizer Limited ('the Company') as at 31 March 2012 and also the related statement of profit and loss and cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;

- d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e) on the basis of written representations received from directors of the Company as at 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and
- f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2012;
 - ii) in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W

Sanjay Aggarwal
Partner
Membership No: 40780

Mumbai, 21 May 2012

Annexure to the Auditors' Report for the year ended 31 March 2012 (Referred to in our audit report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were physically verified by the management during the current year. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. Stocks lying with third parties at the year-end have been confirmed.
- (b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.
- (iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases and sales of certain items of inventories are for the Company's and buyers' specialised requirements respectively and similarly certain services rendered are for the specialised requirements of the buyers and the Company respectively and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register required to be maintained under Section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Investor Education and Protection fund, Income tax, Sales tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Investor Education and Protection fund, Income tax, Sales tax, Service tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable except for Service tax in two instances as mentioned below.

Name of statute	Nature of service	Amount (Rs lakhs)	Period to which it relates	Due date	Date of payment
Service Tax	Service income	5.07 0.12	Apr-11 May-11	5-May-11 5-Jun-11	18-May-12 18-May-12

- (b) According to the information and explanations given to us, the dues set out in Appendix 1 in respect of Income-tax, Sales tax, Service tax, Customs duty and Excise duty have not been deposited by the Company with the appropriate authorities on account of disputes.
- (x) The Company does not have any accumulated losses as at 31 March 2012 and has not incurred cash losses in the current financial year and in the immediately preceding financial period.
- (xi) The Company did not have any outstanding dues to any financial institution, banks, or debentureholders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) In our opinion and According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W

Sanjay Aggarwal
Partner
Membership No: 40780

Mumbai, 21 May 2012

Appendix 1 as referred to in paragraph ix(b) of Annexure to the Auditors' Report

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amounts paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty and penalty on classification / valuation and other disputes	68.54	-	1996-2003	Customs, Excise, Service tax Appellate Tribunal
		76.09	-	1998-2000	
		22.32	-	1998-2003	
		40.49	1.00	1998-2001	
		14.49	-	1999-2000	
		75.00	-	1999-2003	
		36.83	-	2001-2003	
		90.97	-	2002-2003	
		3.17	-	2005-2006	
6.06	-	1990-1992			
The Central Excise Act, 1944	Duty and penalty	14.55	-	1998	Supreme Court
The Central Excise Act, 1944	Duty and penalty	12.62	-	1985-1988	Customs, Excise, Service tax Appellate Tribunal
		484.40	-	2005-2006	
		142.42	-	2005-2006	
The Central Excise Act, 1944	Duty and Penalty on material Stolen	6.08	-	1998-1999	High Court
The Central Excise Act, 1944	Duty and Penalty	4.27	-	2004-2005	Bombay High Court
The Central Excise Act, 1944	Duty and penalty	3.66	-	2005-2006	Commissioner of Appeals
		8.70	-	2005-2007	
Customs Act, 1962	Duty and penalty on imports and other disputes	41.92	5.00	1996-1997	Supreme Court
		1.06	-	1995	Commissioner of Customs (Appeals)
The Central Excise Act, 1944 (Service tax)	Duty & Penalty	193.11	-	1997-2001	Bombay High Court
The Income Tax Act, 1961	Tax and penalty on expenditure disallowed	34.34	-	1994-1995	Income Tax Appellate Tribunal
		50.41	-	1999-2000	
		36.28	-	2002-2003	
		4,424.81	-	2005-2006	
	Commissioner of Appeals	8,342.50	-	2006-2007	
		7214.39	-	2007-2008	
	Non deduction / short deduction of tax at source	569.92	-	2004-2005	Commissioner of Appeals
		564.70	-	2005-2006	
		824.65	-	2006-2007	
		480.74	-	2007-2008	
725.11		-	2008-2009		
478.84		-	2009-2010		
The Income Tax Act, 1961	Tax and penalty on expenditure disallowed	15.01	-	2004-2005	Income Tax Appellate Tribunal
		15.02	-	2005-2006	
	Commissioner of Appeals	6.39	-	2006-2007	
		1.09	-	2007-2008	
		0.28	-	2008-2009	

Appendix 1 as referred to in paragraph ix(b) of Annexure to the Auditors' Report (Continued)

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amounts paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
State and Central Sales Tax Acts	Tax interest and penalty for non submission of forms and other disallowances	10.27	-	1992-1993	Supreme Court
		0.56	-	1983-1984	Deputy Commissioner (Appeal)
		6.54	-	1985-1986	
		1.31	-	1986-1987	
		1.17	-	1993-1994	
		0.60	-	2006-2007	Deputy Commissioner (Appeal)
		1.81	-	2007-2008	
		0.30	-	2008-2009	
		7.69	-	2009-2010	
		0.85	-	2006-2007	
		292.01	-	2009-2010	
		7.61	-	1994-1995	Deputy Commissioner (Appeal)
		0.45	-	1995-1996	
		0.55	-	1996-1997	
		41.12	-	1999-2000	
		87.41	-	2000-2001	
		125.50	-	2001-2002	
		20.16	-	2002-2003	
		123.61	-	2003-2004	
		24.70	-	1993-1994	Additional Commissioner
		4.56	-	1994-1995	
		4.00	-	1995-1996	
		2.97	-	1996-1997	
		0.62	-	1997-1998	
		7.87	-	1998-1999	
		3.32	0.81	1994-1996	Appellate Tribunal
		1.64	-	1996-1997	
		8.80	-	1998-1999	
		3.57	-	2002-2003	
		0.65	-	2008-2009	
26.88	-	2008-2009			
1.46	-	1998-1999	Deputy Commissioner (Appeal)		
54.76	36.08	2001-2002	Joint Commissioner		
14.31	-	2002-2003			
1.54	-	1998-1999	Assistant Commissioner of sales tax (Appeals)		
1.92	-	1986-1987			
3.70	-	2006-2007	Deputy-commissioner Appeal		
2.98	-	2006-2007			
1.88	-	2007-2008	Joint Commissioner		
3.30	-	2007-2008			
11.85	-	2005-2006	Assistant Commissioner		
79.17	70	2008-2009			
12.01	-	2008-2009			
12.47	-	1994-1995			
15.74	-	2004-2005			
24.89	-	2008-2009			
131.19	-	2009-2010			

Appendix 1 as referred to in paragraph ix(b) of Annexure to the Auditors' Report (Continued)

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amounts paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
		31.49	-	2007-2008	Joint Commissioner, Corporate circle, Lucknow
		29.71	-	2009-2010	
		9.46	-	2009-2010	
		20.39	-	2006-2007	Appellate Authority, Hyderabad
		3.12	-	2009-2010	Joint Commissioner, Corporate Circle, Lucknow
		8.61	-	2009-2010	
		7.15	-	2009-2010	
		15.83	-	2010-2011	
		9.01	-	2009-2010	
		626.04	-	2009-2010	
		293.03	-	2008-2009	
		6.25	-	2006-2007	Value Added Tax Officer, Uttar Pradesh
		38.04	-	2008-2009	Tax Authority, Uttar Pradesh
		1.00	-	2010-2011	Assistant Commissioner, Commercial tax, Mathura
		2.26	-	2010-2011	Special Mobile Squad of Allahabad
		1.14	-	2010-2011	Special Mobile Squad of Jhansi
		3.94	-	2006-2007	Tax Authority, West Bengal
		3.30	-	2007-2008	
		0.69	-	2006-2007	Appellate Deputy Commissioner (CT), Secunderabad
		2.07	-	2007-2008	
		2.88	-	2008-2009	
		40.27	-	2006-2007	Commercial Tax Officer, Hydrabad
		4.72	-	1995-1996	Commissioner Appeals
		1.41	-	1998-1999	
		0.71	-	2000-2001	
		763.48	-	2005-2006	Karnataka High Court
		1029.04	-	2006-2007	

Balance Sheet as at 31 March 2012

Currency: ₹ in lakhs

	Note	31 March 2012	31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	2984.32	2984.32
Reserves and surplus	3	127485.39	113360.39
		<u>130469.71</u>	<u>116344.71</u>
Non-current liabilities			
Other long-term liabilities	4	-	637.77
Long-term provisions	5	2582.85	2819.76
		<u>2582.85</u>	<u>3457.53</u>
Current liabilities			
Trade payables	6	13092.89	9803.17
Other current liabilities	7	3564.40	4278.22
Short-term provisions	8	7935.64	4741.62
		<u>24592.93</u>	<u>18823.01</u>
TOTAL		<u><u>157645.49</u></u>	<u><u>138625.25</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	3067.37	3,500.98
Intangible assets	9	-	-
Assets held for sale	9	87.60	87.60
Capital work-in-progress		70.01	164.05
		<u>3224.98</u>	<u>3752.63</u>
Non current investments	10	4743.65	4895.08
Deferred tax assets (net)	11	3708.48	3553.86
Long-term loans and advances	12	12888.15	9272.34
		<u>24565.26</u>	<u>21473.91</u>
Current assets			
Current investments	13	5.00	-
Inventories	14	18323.76	15932.35
Trade receivables	15	14177.80	10016.93
Cash and bank balances	16	86626.57	57846.21
Short-term loans and advances	17	12983.45	32522.55
Other current assets	18	963.65	833.30
		<u>133080.23</u>	<u>117151.34</u>
TOTAL		<u><u>157645.49</u></u>	<u><u>138625.25</u></u>
Significant accounting policies	1		
Other notes to the financial statements	2-42		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Firms Registration no: 101248W

SANJAY AGGARWAL

Partner

Membership No: 40780

Mumbai, 21 May 2012

For and on behalf of the Board of Directors of Pfizer Limited

R A SHAH

Chairman

KEWAL HANDA

Managing Director

PRADIP SHAH

Director

PRAJEET NAIR

Company Secretary

Mumbai, 21 May 2012

Statement of Profit and Loss for the year ended 31 March 2012

Currency: ₹ in lakhs

	Note	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Revenues			
Revenue from operations (gross)		105832.27	121500.61
Less: Excise duty		4102.21	4544.73
Revenue from operations (net)	19	101730.06	116955.88
Other operating income	20	7814.15	8289.01
Other income	21	9055.68	9290.33
Total revenues		118599.89	134535.22
Expenses			
Cost of materials consumed	22a&b	23077.31	27265.07
Purchases of stock-in-trade	22c	14680.94	14999.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22d	(1848.54)	(3215.09)
Employee benefits	23	18962.98	22699.35
Finance costs	24	190.75	246.59
Depreciation and amortization	25	956.13	1199.65
Other expenses	26	34789.93	36576.09
Total expenses		90809.50	99770.70
Profit before exceptional and extraordinary items and tax		27790.39	34764.52
<i>of which discontinuing operations</i>	27	<i>2279.58</i>	<i>3193.79</i>
Exceptional items - Voluntary Retirement Scheme		(37.50)	(302.56)
Profit before tax		27752.89	34461.96
<i>of which discontinuing operations</i>	27	<i>2279.58</i>	<i>3119.29</i>
Tax expense			
Current tax expense		9446.89	12631.55
Deferred tax		(154.62)	(803.66)
Profit for the year / period		18460.62	22634.07
<i>of which discontinuing operations</i>	27	<i>1516.33</i>	<i>2137.00</i>
Earnings per share (of ₹ 10/- each): (Basic & Diluted)			
(Not annualized for the previous period)			
(i) Continuing operations		56.78	68.69
(ii) Total operations		61.87	75.85
Significant accounting policies	1		
Other notes to the financial statements	2-42		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached.

For B S R & Co.
Chartered Accountants
Firms Registration no: 101248W

SANJAY AGGARWAL
Partner
Membership No: 40780

Mumbai, 21 May 2012

For and on behalf of the Board of Directors of Pfizer Limited

R A SHAH *Chairman*
KEWAL HANDA *Managing Director*
PRADIP SHAH *Director*
PRAJEET NAIR *Company Secretary*

Mumbai, 21 May 2012



Cash Flow Statement for the year ended 31 March 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
A Cash Flow from Operating Activities : -		
Net profit before taxation and exceptional items	27790.39	34764.52
Adjustments for :		
Depreciation and amortization	956.13	1199.65
Unrealised foreign exchange loss / (gain) (Net)	(1.97)	10.06
Interest income	(7863.02)	(7626.72)
Loss / (Profit) on fixed assets sold / discarded	(10.05)	49.07
Provision for doubtful debts and advances	111.69	590.95
Provisions no longer required written back	(132.90)	(745.88)
Operating profit before working capital changes	<u>20850.27</u>	<u>28241.65</u>
Adjustments for :		
Trade and other receivables	(5942.15)	(5268.39)
Inventories	(2391.41)	(4595.24)
Trade and other payables	2139.04	3192.78
Provisions (excluding proposed dividend, tax on proposed dividend, income tax provision)	8.88	1644.78
Cash generated from operations	<u>14664.63</u>	<u>23215.58</u>
<i>of which discontinuing operations</i>	<u>2890.00</u>	<u>1129.60</u>
Direct taxes paid (Net)	(12181.26)	(14898.97)
Net cash from operating activities before exceptional items	<u>2483.37</u>	<u>8316.61</u>
Exceptional items :		
VRS paid	(37.50)	(302.56)
Net cash from operating activities after exceptional items (A)	<u>2445.87</u>	<u>8014.05</u>
B Cash Flow from Investing Activities :-		
Purchase of fixed assets	(332.22)	(699.60)
Proceeds from sale of fixed assets	26.24	54.32
Inter corporate deposits (Net)	19916.07	(2100.00)
Investment in subsidiary	5.00	-
Interest received	8136.42	8459.08
Net cash from / (used) in investing activities (B)	<u>27751.51</u>	<u>5713.80</u>
<i>of which discontinuing operations</i>	<u>(12.26)</u>	<u>(7.11)</u>
C Cash Flow from Financing Activities :-		
Dividend paid (including tax on dividend)	(1412.73)	(8626.46)
Net cash used in financing activities (C)	<u>(1412.73)</u>	<u>(8626.46)</u>
<i>of which discontinuing operations</i>	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	<u>28784.65</u>	<u>5101.39</u>
Opening cash and cash equivalents (Note 1)	57841.84	52740.45
Closing cash and cash equivalents (Note 1)	<u>86626.49</u>	<u>57841.84</u>
	<u>28784.65</u>	<u>5101.39</u>

Cash Flow Statement for the year ended 31 March 2012

Currency: ₹ in lakhs

Year ended Sixteen months ended
31 March 2012 31 March 2011

Notes :

1	Cash and bank balances	86626.57	57846.21
	Unrealised translation gain on foreign currency cash and bank balances	(0.08)	(4.37)
		86626.49	57841.84
2	Cash and cash equivalents include balances aggregating to ₹422.25 lakhs (March 2011: ₹447.59 lakhs) with scheduled banks on current accounts in respect of unpaid dividend, which are not available for use by the Company.		
3	The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".		
4	Previous period figures have been regrouped where necessary.		

As per our report of even date attached.

For B S R & Co.
Chartered Accountants
Firms Registration no: 101248W

SANJAY AGGARWAL
Partner
Membership No: 40780

Mumbai, 21 May 2012

For and on behalf of the Board of Directors of Pfizer Limited

R A SHAH *Chairman*

KEWAL HANDA *Managing Director*

PRADIP SHAH *Director*

PRAJEET NAIR *Company Secretary*

Mumbai, 21 May 2012



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

1 Significant Accounting Policies

(a) Basis of accounting

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the Company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous period figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Current and Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

(c) Fixed assets and depreciation / amortization

Tangible fixed assets

- (i) All fixed assets are stated at cost of acquisition less accumulated depreciation / amortization and impairment losses. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- (ii) Assets costing individually up to ₹ 5000 are written off and those costing more than ₹5000 but up to US\$ 5000 are fully depreciated in the year of purchase except that -
“multiple-like items” the cost of which is over US\$ 10000 in the aggregate; and
“unlike items of a capital nature within an asset category” for large scale projects the aggregate cost of which exceeds US\$ 10000 are considered as one asset and depreciated in accordance with the accounting policy stated in (iii) below.
- (iii) Depreciation / amortization for the year has been provided on straight line method at the higher of the rates determined by the Company based on the estimated useful life of the assets or the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions other than those stated in (ii) above is provided on a pro-rata basis from the month of capitalisation. Depreciation on deletions during the year is provided up to the month in which the asset is sold / discarded.
- (iv) Depreciation on assets other than those specified in (ii) above are provided at the following rates per annum:

Assets	Rate
Land : Leasehold	Amortized over the lease period
Buildings : On Leasehold land	Higher of 3.34% or rate based on lease period
Leasehold improvements	Higher of 8% to 10% or amortized over the lease period
Machinery & equipment	8% to 40%
Office equipment, Furniture & fixtures	8% to 33.33%
Vehicles	25%

In case of assets taken over from erstwhile Pharmacia Healthcare Limited depreciation has been provided at the rates specified in Schedule XIV to the Companies Act, 1956 except the following assets, which are depreciated at the respective rates:

Assets	Rate
Buildings : On Freehold land	1.65% to 3.34%
Machinery & equipment	4.75% to 8.09%
Office equipment, Furniture & fixtures	3.34% to 33.33%

Asset held for sale

- (vi) Assets that have been retired from active use and held for disposal are stated at the lower of their net book value and net realisable value as estimated by the Company.

Intangible Assets

- (i) Intangible assets comprises of trademarks. Trademarks are recorded at their acquisition cost and are amortized over the lower of their estimated useful life and period of ownership on straight line basis i.e. over a period of 3 years.
- (ii) Intangible assets comprises of cost of application software. Cost of Application Software are recorded at its acquisition cost and is amortized on straight-line basis over 3 to 5 years, which in management's estimate represents the period during which economic benefits will be derived from their use. Cost of Application Software not exceeding ₹50 lakhs is being charged to the statement of profit and loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

- (iii) Revenue expenditure on research and development is expensed as incurred. Capital expenditure on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

(d) Impairment of assets

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of Assets' where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss.

(e) Foreign currency transactions

Transactions in foreign exchange are accounted for at the standard exchange rates as determined by the Company on a monthly basis. The exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities in foreign exchange, which are outstanding as at the year end, are translated at year end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

(f) Investments

Long-term investments are stated at cost less other than temporary diminution in value, determined separately for each individual investment. Current investments are recognized at cost or net realisable value whichever is lower.

Investments in land or buildings that are not intended to be occupied substantially for use by or in operations of the Company, or held for rental purpose is classified as investment property. Investment property is stated at cost less accumulated depreciation.

(g) Inventories

Raw materials, work-in-progress, finished goods, stock-in-trade and packing materials are valued at the lower of weighted average cost and net realizable value. Cost of finished goods and work-in-progress includes cost of materials, direct labour and an appropriate portion of overheads. Stores and maintenance spares are valued at average cost.

The net realizable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

Finished goods expiring within 90 days (near-expiry inventory) as at the balance sheet date have been fully provided for.

(h) Samples

Physicians' samples are valued at standard cost, which approximates actual cost and are charged to the statement of profit and loss when distributed.

(i) Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax, value added tax (VAT) and service tax, and is net of returns, and discounts. Revenue from services is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(j) Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period.

Long Term employee benefits

(i) Defined contribution plan:

The Company's contribution towards employees' Super Annuation Plan is recognized as an expense during the period.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

(ii) Defined benefit plans

Provident Fund

Provident Fund contributions are made to a Trust administered by the Trustees. Trust makes investments and is settling members claims. Interest payable to the members shall not be at a rate lower than the statutory rate. Liability is recognized for any shortfall in the plan assets vis-à-vis actuarially determined liability of the Fund obligation.

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation as at the balance sheet date under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method by an independent actuary, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

(iii) Other Long-term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date using Projected Unit Credit method by an independent actuary. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(k) Leases

Lease rentals under an operating lease, are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. Lease income from operating leases is recognized in the statement of profit and loss on a straight line basis over the lease term.

(l) Voluntary Retirement Scheme (VRS)

Liability under the VRS is accrued on the acceptance of the applications of the employees under the VRS scheme issued by the Company and is charged to the statement of profit and loss.

(m) Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is based on the results for the year ended 31 March 2012, in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit is recognized using substantively enacted rates. In the case of unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only to the extent there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each balance sheet date to reassess realization.

(n) Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

(o) Provisions and contingent liabilities

The Company creates a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012		31 March 2011	
	Number of shares	Amount	Number of shares	Amount
2 Share capital				
Authorised				
Equity shares of ₹10 each	29,844,080	2984.41	29,844,080	2984.41
Unclassified shares of ₹10 each	10,155,920	1015.59	10,155,920	1015.59
Issued				
Equity shares of ₹10 each	29,844,080	2984.41	29,844,080	2984.41
Subscribed and fully paid up				
Equity shares of ₹10 each	29,841,440	2984.14	29,841,440	2984.14
Forfeited Share Capital	2,640	0.18	2,640	0.18
Total	29,844,080	2984.32	29,844,080	2984.32

Notes:

2.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Balance at the commencement of the year / period	29,844,080	2984.32	29,844,080	2984.32
Additions	-	-	-	-
Deletions				
Balance at the end of the year / period	29,844,080	2984.32	29,844,080	2984.32

2.2 Details of equity shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Ultimate Holding Company

Pfizer Inc.	-	-	-	-
-------------	---	---	---	---

Subsidiaries of the ultimate holding company

Pfizer Corporation	9,376,100	937.61	9,376,100	937.61
Pfizer Investments Netherlands, B.V	8,810,234	881.02	8,810,234	881.02
Warner Lambert Company	1,187,163	118.72	1,187,163	118.72
Parke Davis & Co	955,733	95.57	955,733	95.57
Pharmacia Corporation	783,941	78.39	783,941	78.39

2.3 Shareholders holding more than 5% shares as on 31 March 2012 and 31 March 2011

	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10 each fully paid up held by:				
Subsidiaries of the ultimate holding company				
Pfizer Corporation	9,376,100	31.42	9,376,100	31.42
Pfizer Investments Netherlands, B.V	8,810,234	29.52	8,810,234	29.52

2.4 During the five reporting periods immediately preceding the reporting date no shares have been issued by capitalisation of reserves as bonus shares or for consideration other than cash.

2.5 The Company has a single class of equity shares. Accordingly all the equity shares rank equally with regard to voting rights, dividends and shares in the Company's residual assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
3 Reserves and surplus		
Securities premium account		
At the commencement and end of the year / period	2277.70	2277.70
General reserve		
At the commencement of the year / period	21105.51	18842.10
Add: Transferred from surplus	1846.06	2263.41
At the end of the year / period	22951.57	21105.51
Surplus		
At the commencement of the year / period	89977.18	75329.14
Add: Profit for the year / period	18460.62	22634.07
Less: Appropriations		
Interim dividend Nil per share (March 2011 : ₹12.50 per share)	-	3,730.18
Proposed dividend ₹12.50 per share (March 2011 : ₹4 per share)	3730.18	1193.73
Tax on dividend	605.44	798.71
Transferred to general reserve	1846.06	2263.41
At the end of the year / period	102256.12	89977.18
Total	127485.39	113360.39
4 Other long-term liabilities		
Security deposits	-	637.77
Total	-	637.77
5 Long-term provisions		
Employee related		
Compensated absences (Refer note 23.1)	1575.99	1223.37
Provident fund (Refer note 23.1)	300.00	890.00
Other provisions		
Wealth tax (Net of taxes paid)	66.94	66.47
Fringe Benefit tax (Net of taxes paid)	3.64	3.64
Demands under DPCO (Refer note 5.1 and note 28)	478.37	478.37
Customs and Central Excise (Refer note 5.1 and note 28)	157.91	157.91
Total	2582.85	2819.76

5.1 Additional disclosure relating to certain provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

	Opening	Additions	Utilisation	Reversal	Closing
Provision for Demands under the Drugs (Prices Control) Order, 1979					
March 2012	478.37	-	-	-	478.37
March 2011	(478.37)	-	-	-	(478.37)
Provision for Disputed Demands					
Central Excise					
March 2012	155.47	-	-	-	155.47
March 2011	(155.47)	-	-	-	(155.47)
Customs					
March 2012	2.44	-	-	-	2.44
March 2011	(2.44)	-	-	-	(2.44)

Future cash outflows in respect of above are determinable only on receipt of judgements / decisions pending with various authorities / forums

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
6 Trade payables		
Micro and small enterprises (Refer note 6.1)	209.06	174.36
Other trade payables	12883.83	9628.81
Total	13092.89	9803.17

6.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year/period	63.10	47.74
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year/period	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year / period	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year / period	145.96	126.62
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

7 Other current liabilities

Unpaid dividends (Refer note 7.1)	422.25	447.59
Creditors for capital expenditure	29.93	68.42
Statutory remittances	148.79	759.53
Employee benefits	2332.41	3002.68
Security deposits	631.02	-
Total	3564.40	4278.22

7.1 Investor education and protection fund (IEPF) is being credited by the amount of unclaimed dividend after seven years from the due date. The amount represents amounts not yet due for deposit to the IEPF.

8 Short-term provisions

Employee related

Compensated absences (Refer note 23.1)	691.90	379.94
Gratuity (Refer note 23.1)	1846.21	2243.86
Provident fund (Refer note 23.1)	24.14	10.10
Other employee benefits (Refer note 8.1)	406.46	279.02

Other provisions

Sales return (Refer note 8.1)	631.31	441.31
Proposed dividend (Refer note 8.2)	3730.18	1193.73
Tax on proposed dividend	605.44	193.66
Total	7935.64	4741.62

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

8.1 Additional disclosures relating to certain provisions

	Opening	Additions	Utilisation	Reversal	Closing
(a) Other employee benefits					
March 2012	279.02	127.44	-	-	406.46
March 2011	-	(279.02)	-	-	(279.02)
(b) Sales Return					
March 2012	441.31	190.00	-	-	631.31
March 2011	(441.31)	-	-	-	(441.31)
Total (a + b)					
March 2012	720.33	317.44	-	-	1037.77
March 2011	(441.31)	(279.02)	-	-	(720.33)

8.2 Proposed dividend

	31 March 2012	31 March 2011
Amount per share (in ₹)	12.50	4.00
Number of shares	29,841,440	29,841,440
Amount (₹ in lakhs)	3730.18	1193.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
10 Non - current investments		
Investment property		
Assets given on operating lease	5316.91	5316.91
Less : accumulated depreciation	573.51	422.08
	<u>4743.40</u>	<u>4894.83</u>
Unquoted Investments		
Investment in other equity instruments		
The Shamrao Vithal Co-operative Bank Limited	0.25	0.25
1,000 (March 2011: 1,000) shares of ₹25 each, fully paid-up		
Gold Sovereign (Actual cost ₹61)	-	-
Bharuch Eco-Aqua Infrastructure Limited	7.29	7.29
72,935 (March 2011: 72,935) equity shares of ₹10 each, fully paid-up		
Bharuch Enviro Infrastructure Limited	0.02	0.02
175 (March 2011: 175) equity shares of ₹10 each, fully paid-up		
	<u>7.56</u>	<u>7.56</u>
Investment in government securities	0.11	0.11
Less: Provision for diminution in value of investments	(7.42)	(7.42)
	<u>0.25</u>	<u>0.25</u>
Total	<u>4743.65</u>	<u>4895.08</u>
Aggregate amount of unquoted investments	0.25	0.25
11 Deferred tax		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	100.41	173.71
	<u>100.41</u>	<u>173.71</u>
Tax effect of items constituting deferred tax assets		
Provision for compensated absences	735.93	532.61
Provision for gratuity	599.10	745.41
Provision for provident fund	105.18	299.01
Provision for doubtful debts / advances	728.39	778.65
Provision for excise duty, custom duty and DPCO	206.47	118.72
Amortization of voluntary retirement costs	211.13	345.66
Others	1222.69	907.51
	<u>3808.89</u>	<u>3727.57</u>
Net deferred tax	<u>3708.48</u>	<u>3553.86</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
12 Long-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Capital advances	24.02	23.53
Deposits and other advances considered good (Refer note 12.1)	4428.68	3352.50
Employee related loans and advances	258.94	486.11
Advance income tax (net of provisions ₹107878.78 lakhs, March 2011 : ₹98238.23 lakhs)	7078.73	4344.36
Balance with Customs	951.26	968.61
Other loans and advances		
Unsecured, considered good	146.52	97.23
Considered doubtful	118.53	168.09
	<u>265.05</u>	<u>265.32</u>
Less: Provision for other doubtful loans and advances	(118.53)	(168.09)
	<u>146.52</u>	<u>97.23</u>
Total	<u><u>12888.15</u></u>	<u><u>9272.34</u></u>
12.1 Includes ₹636.28 lakhs (Mar 2011: ₹636.28 lakhs) deposited in respect of demands under the Drugs (Prices Control) Order, 1979		
13 Current Investments - Unquoted		
Investment in equity instruments of subsidiaries 5,000 (March 2011: Nil) shares of ₹10 each fully paid up in Pfizer Animal Pharma Private Limited (Refer note 27)	5.00	-
Total	<u><u>5.00</u></u>	<u><u>-</u></u>
14 Inventories		
(At lower of cost and net realisable value unless otherwise stated)		
Raw materials	4816.54	4075.82
Goods-in transit included above ₹1150.04 lakhs (March 2011: ₹1240.55 lakhs)		
Work-in-progress	707.94	788.71
Finished goods (Refer note 14.1)	6621.65	5569.51
Goods-in transit included above ₹715.82 lakhs (March 2011 ₹386.74 lakhs)		
Stock-in-trade (Refer note 14.2)	5206.45	4329.28
Goods-in transit included above ₹88.84 lakhs (March 2011 ₹1141.33 lakhs)		
Stores and spares (at cost)	148.39	155.07
Packing materials	822.79	1013.96
Total	<u><u>18323.76</u></u>	<u><u>15932.35</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
14.1 Finished goods comprises		
Liquid parentals	270.68	314.51
Tablets and capsules	3259.68	3825.05
Liquids	2762.38	1161.94
Solids	116.89	109.84
Feed supplements	212.02	158.17
Total	<u>6621.65</u>	<u>5569.51</u>
14.2 Stock-in-trade comprises		
Liquid parentals	977.31	690.09
Tablets and capsules	1973.38	1450.86
Powder parentals	322.30	430.66
Liquids	974.61	893.75
Solids	328.28	294.77
Ointments	32.71	35.10
Feed supplements	289.28	241.25
Feed liquid	264.59	194.71
Miscellaneous	43.99	98.09
Total	<u>5206.45</u>	<u>4329.28</u>
15 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	234.03	718.98
Doubtful	<u>1662.56</u>	<u>1929.10</u>
	1896.59	2648.08
Less: Provision for doubtful trade receivables	<u>(1662.56)</u>	<u>(1929.10)</u>
	<u>234.03</u>	<u>718.98</u>
Other trade receivables		
Unsecured, considered good	13943.77	9297.95
Doubtful	<u>328.85</u>	<u>155.19</u>
	14272.62	9453.14
Less: Provision for doubtful trade receivables	<u>(328.85)</u>	<u>(155.19)</u>
	<u>13943.77</u>	<u>9297.95</u>
Total	<u>14177.80</u>	<u>10016.93</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
16 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	2.87	2.15
Balances with banks		
In current accounts	2786.97	2050.36
In EEFC account	2.11	194.35
In deposit accounts	83412.37	55151.76
Other bank balances		
Unpaid dividend accounts	422.25	447.59
Total	<u>86626.57</u>	<u>57846.21</u>
17 Short-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Inter Corporate Deposits placed with companies under the same management (Refer note 17.1)	8723.93	28650.00
Security deposits	614.78	1120.60
Loans and advances to employees	392.05	529.29
Balance with Customs and Excise authorities	838.99	696.78
Other loans and advances		
Unsecured, considered good	2413.70	1525.88
Considered doubtful	134.72	91.51
	<u>2548.42</u>	<u>1617.39</u>
Less: Provision for other doubtful loans and advances	<u>(134.72)</u>	<u>(91.51)</u>
	<u>2413.70</u>	<u>1525.88</u>
Total	<u>12983.45</u>	<u>32522.55</u>
17.1 Disclosure as per Clause 32 of the listing agreement with the stock exchanges		
Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties		
Name of the party	Relationship	Amount outstanding
Pfizer Pharmaceutical India Private Limited	Fellow Subsidiary	
March 2012		8591.43
March 2011		(28653.65)
Pfizer Animal Pharma Private Limited	Subsidiary	
March 2012		338.24
March 2011		-
18 Other current assets		
Interest accrued on time deposits	267.90	541.30
Physician samples (at cost)	695.75	292.00
Total	<u>963.65</u>	<u>833.30</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
19 Revenue from operations		
Sale of products (Refer note 19.1)	105832.27	121500.61
Less: excise duty	4102.21	4544.73
Total	<u>101730.06</u>	<u>116955.88</u>
19.1 Sale of products comprises		
Liquid parentals	7944.46	8726.16
Tablets and capsules	42393.68	47183.74
Powder parentals	8379.64	10843.43
Liquids	34811.21	40392.77
Solids	2958.05	3199.12
Ointments	715.56	845.57
Feed supplements	2463.68	3471.15
Feed liquid	1530.39	1635.21
Miscellaneous	533.39	658.73
Total	<u>101730.06</u>	<u>116955.88</u>
20 Other operating income		
Sale of services (Refer note 20.1)	7506.88	7392.42
Sale of scrap	8.63	11.40
Liabilities / provisions no longer required written back	132.90	745.88
Net gain on foreign currency transactions and translation	16.27	95.97
Miscellaneous income	96.54	14.06
Insurance claims	42.88	29.28
Profit on sale of assets (net)	10.05	-
Total	<u>7814.15</u>	<u>8289.01</u>
20.1 Sale of services include amounts representing income from clinical research services aggregating ₹2038.61 lakhs (March 2011: ₹3620.76 lakhs and ₹5468.27 lakhs (March 2011: ₹3771.66 lakhs) representing support services rendered.		
21 Other income		
Interest income		
From banks on deposits	6402.74	4196.38
On staff loan	59.00	75.31
On others	1401.28	3430.34
Rental income	1192.66	1588.30
Total	<u>9055.68</u>	<u>9290.33</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
22 Cost of materials consumed		
22a Raw materials consumed		
Opening stock	4075.82	3224.53
Add: Purchases	16722.89	20331.18
	<u>20798.71</u>	<u>23555.71</u>
Less: Closing stock	4816.54	4075.82
Cost of raw materials consumed (a) (Refer note 22a(i))	<u>15982.17</u>	<u>19479.89</u>
22b Packing materials consumed		
Opening stock	1013.96	514.36
Add: Purchases	6903.97	8284.78
	<u>7917.93</u>	<u>8799.14</u>
Less: Closing stock	822.79	1013.96
Cost of packing materials consumed (b)	<u>7095.14</u>	<u>7785.18</u>
Total cost of materials consumed (a+b)	<u>23077.31</u>	<u>27265.07</u>
22a(i) Raw material consumed comprises		
Vitamins	3170.92	3280.97
Codeine phosphate	2993.35	3087.75
Minipress XL bulk tablets	2423.38	2623.21
Sugar	1178.88	1166.75
Other items	6215.64	9321.21
Total	<u>15982.17</u>	<u>19479.89</u>
22c Purchases of stock-in-trade		
Liquid parentals	2687.71	2092.10
Powder parentals	1519.84	2131.31
Tablets and capsules	4625.98	3943.49
Liquids	2657.91	3159.57
Solids	998.57	975.02
Ointments	150.33	98.86
Feed supplements	792.81	1030.63
Feed liquid	1005.51	1150.38
Miscellaneous	242.28	417.68
Total	<u>14680.94</u>	<u>14999.04</u>
22 d Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year / period		
Finished goods	6621.65	5569.51
Work-in-progress	707.94	788.71
Stock-in-trade	5206.45	4329.28
	<u>12536.04</u>	<u>10687.50</u>
Inventories at the beginning of the year / period		
Finished goods	5569.51	5080.73
Work-in-progress	788.71	553.82
Stock-in-trade	4329.28	1837.86
	<u>10687.50</u>	<u>7472.41</u>
Net (increase) / decrease	<u>(1848.54)</u>	<u>(3215.09)</u>
23 Employee benefits		
Salaries and wages	16976.42	19002.32
Contributions to provident and other funds (Refer note 23.1)	555.20	930.38
Gratuity (Refer note 23.1)	88.06	1354.53
Staff welfare expenses	1343.30	1412.12
Total	<u>18962.98</u>	<u>22699.35</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

23.1 Employee Benefits	31 March, 2012			31 March, 2011			30 November, 2009			30 November, 2008		
	Gratuity	Compen- sated Absences	Provident Fund	Gratuity	Compen- sated Absences	Provident Fund	Gratuity	Compen- sated Absences	Provident Fund	Gratuity	Compen- sated Absences	Provident Fund
1 Changes in present value of obligations												
Projected Benefit Obligation, at beginning of the year / period	5241.84	2524.35	-	3827.17	2377.90	10059.67	3299.39	2232.61	8834.26	2863.59	1719.84	9084.11
Current service cost	399.46	769.70	-	390.38	332.71	-	214.96	243.92	-	186.85	191.65	-
Transfers in	-	-	-	271.33	236.43	-	-	-	-	-	-	-
Interest cost	399.92	195.30	-	422.08	227.48	-	235.59	161.70	-	223.43	132.93	-
(Benefits Paid)/(Expected Settlements)	(485.72)	(222.94)	-	(593.25)	(254.44)	(1485.22)	(264.22)	(166.89)	(992.36)	(319.86)	(232.42)	(1228.78)
Past Service Cost – Vested/ (Curtailment Gain)	-	-	-	282.41	(418.51)	-	-	-	-	-	-	-
Actuarial (gain)/loss on obligation/ Increase in account balance	(426.57)	(308.73)	-	641.72	22.78	940.68	341.45	(93.44)	1094.38	345.37	420.61	33.68
Employer's Contributions	-	-	-	-	-	864.35	-	-	493.82	-	-	415.66
Plan participants' Contributions	-	-	-	-	-	1099.64	-	-	629.57	-	-	529.59
Projected Benefit Obligation, at the end of the year / period	5128.93	2957.68	-	5241.84	2524.35	11479.12	3827.17	2377.90	10059.67	3299.38	2232.61	8834.26
2 Changes in fair value of plan assets												
Fair Value of Plan Assets at beginning of the year / period	2997.98	1918.67	-	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10	2489.64	1434.46	8210.58
Expected Return on Plan Assets	284.81	182.27	-	338.22	185.45	999.65	218.78	124.74	660.93	229.17	122.76	645.50
Contributions	485.72	222.94	-	593.25	254.44	-	306.02	-	-	-	-	-
Benefits Paid/ Transfer Out/Expected settlements	(485.72)	(222.94)	-	(1184.33)	(254.44)	(1608.71)	(264.22)	-	(992.36)	-	-	-
Actuarial (gain)/(loss) on plan assets	(0.07)	(40.11)	-	43.84	34.72	212.01	58.55	14.57	24.02	169.06	1.97	(1228.78)
Employer's Contributions	-	-	-	-	-	1099.64	-	-	493.82	-	-	415.66
Plan participants Contributions	-	-	-	-	-	864.35	-	-	629.57	-	-	529.59
Fair value of plan assets at end of the year / period	3282.72	2060.83	-	2997.98	1918.67	10579.02	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10
3 Net Asset/(Liability) recognized in the balance sheet												
Projected Benefit Obligation, at the end of the year / period	(5128.93)	(2957.68)	(324.14)	(5241.84)	(2524.35)	(11479.12)	(3827.17)	(2377.90)	(10059.67)	(3299.39)	(2232.61)	(8834.26)
Fair Value of Plan Assets at end of the year / period	3282.72	2060.83	-	2997.98	1918.67	10579.02	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10
Net Asset/(Liability) recognized in the balance sheet	(1846.21)	(896.85)	(324.14)	(2243.86)	(605.68)	(900.10)	(620.17)	(679.40)	(1047.59)	(411.52)	(673.42)	(638.16)
4 Expense recognized in the statement of profit and loss												
Current Service Cost	399.46	769.70	126.95	390.38	332.71	924.97	214.96	243.92	586.71	186.85	191.65	61.08
Interest cost	399.92	195.30	72.01	422.08	227.48	101.34	235.59	161.70	42.16	223.43	132.93	-
Past Service Cost – Vested/ (Curtailment Gain)	-	-	-	282.41	(418.51)	(129.62)	-	-	-	-	-	-
Expected Return on Plan Assets	(284.81)	(182.27)	-	(338.22)	(185.45)	-	(218.78)	(124.74)	-	(229.17)	122.76	-
Net Actuarial (Gain)/Loss recognized	(426.57)	(288.62)	(774.92)	597.88	(11.94)	(1044.18)	282.90	(108.01)	(147.76)	176.32	418.63	(178.29)
Expense recognized in the statement of profit and loss	88.06	514.11	(575.96)	1354.53	(55.71)	(147.49)	514.67	172.87	481.11	357.43	620.45	(117.21)
5 Balance sheet reconciliation												
Opening Net Liability	2243.86	605.68	900.10	620.17	679.40	1047.59	411.52	673.42	638.16	451.76	273.79	117.97
Transition liability – adjusted in General reserve	-	-	-	-	-	-	-	-	-	-	-	-
Reserve at the beginning of the year / period	-	-	-	-	-	-	-	-	-	-	-	-
Expense as above	88.06	514.11	(575.96)	1354.53	(55.71)	(147.49)	514.67	172.87	481.11	367.43	620.46	(117.21)
Transfer In / (Out)/(Benefits Paid)/Expected settlements	(485.71)	(222.94)	-	269.16	(18.01)	-	(306.02)	(166.89)	(71.68)	(319.86)	(232.42)	(118.16)
Amount recognized in the balance sheet	1846.21	896.85	324.14	2243.86	605.68	900.10	620.17	679.40	1047.59	411.52	673.42	638.16
6 Actuarial assumptions												
Discount rate	8.65%	8.65%	8.65%	8.00%	8.00%	8.00%	7.30%	7.30%	7.30%	7.50%	7.50%	7.50%
Expected rate of return on plan assets	9.50%	9.50%	8.24%	8.00%	8.00%	0.00%	8.00%	8.00%	0.00%	8.00%	8.00%	0.00%
Annual increase in compensation	5% to 9.5%	5% to 9.5%	NA	5% to 9.5%	5% to 9.5%	5% to 9.5%	5% to 8%	5% to 8%	5% to 8%	5% to 9.25%	5% to 9.25%	5% to 9.25%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

Defined contribution plan:

During the year / period, the Company has contributed ₹24.30 lakhs (March 2011: ₹27.80 lakhs) towards employees' superannuation fund.

General description of significant defined benefit plans

i) Gratuity plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, as per Company's rules or as per provisions of the Payment of Gratuity Act, 1972.

ii) Leave plan

All eligible employees can carry forward and avail / encash leave as per Company's rules subject to a maximum accumulation of 180 / 170 / 90 days in case of privilege leave and 75 / 70 days in case of sick leave as per Company's rules.

iii) Provident fund

The employee's provident fund is administered by a Trust created specifically for the purpose. The employee's and employer's contributions are transferred to the trust. All liabilities arising on account of provident fund payouts on resignation or retirement from service or death while in service are made from the trust.

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
24 Finance costs		
Interest expense on others	59.03	38.53
Bank charges	131.72	208.06
Total	<u>190.75</u>	<u>246.59</u>
25 Depreciation and amortization		
Tangible assets (Refer note 9)	804.70	997.60
Investment property (Refer note 10)	151.43	202.05
Total	<u>956.13</u>	<u>1199.65</u>
26 Other expenses		
Consumption of stores and spare parts	342.90	235.13
Processing charges	3717.42	3998.74
Power and fuel	907.35	863.71
Water	30.66	50.12
Clinical trials	935.29	2172.15
Rent	1899.82	2322.59
Repairs and maintenance - buildings	19.00	15.27
Repairs and maintenance - machinery	272.60	173.42
Equipment rentals, service charges, low cost assets written off	2252.33	1974.79
Insurance	467.65	388.46
Rates and taxes	210.01	385.67
Communication	861.72	985.56
Travelling and conveyance	3694.57	4332.87
Freight and forwarding	3408.49	3234.13
Commission	1625.89	1684.95
Advertisement and sales promotion	7215.27	6415.01
Legal and professional fees	2825.48	2097.51
Payments to auditors (Refer note 26.1)	50.10	62.88
Royalty	42.91	571.31
Loss on fixed assets sold / scrapped / written off	-	49.07
Bad trade and other receivables, loans and advances written off	111.69	590.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Printing and stationery	185.42	213.37
Service charges	491.72	165.70
Miscellaneous expenses	3221.64	3592.73
Total	34789.93	36576.09

26.1 Payment to auditors *

Audit fees	28.00	28.00
Other services	21.00	33.00
Reimbursement of expenses	1.10	1.88
Total	50.10	62.88

* Figures exclude service tax ₹5.62 lakhs (March 2011: ₹6.48 lakhs)

27 Discontinuing operations

The Company incorporated Pfizer Animal Pharma Private Limited ("PAPPL"), Wholly-owned Subsidiary on 10 February, 2012 for temporary purpose in order to spin-off its animal health business in line with Pfizer Global Strategy and as a pre- step for subsequent sale to a wholly-owned subsidiary of Pfizer Inc (" Ultimate Holding Company").

The Company had entered into a Business Transfer Agreement with PAPPL for sale / transfer of the animal health business on a slump sale basis. The transfer of the said business was completed on 2 April, 2012 for a consideration of ₹44000 lakhs, subject to adjustment for working capital.

Necessary information relating to the discontinuing operations is as follows

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Revenue	13347.00	15920.01
Expenditure	11067.42	12800.72
Profit before tax	2279.58	3119.29
Profit after tax	1516.33	2137.00
Total Assets	6439.84	6154.18
Total Liabilities	2453.11	1569.30

Profit after tax attributable to discontinuing operations of the Company has been calculated using the effective tax rate of the Company.

In terms of para 11 (a) of AS 21, the Company is not required to consolidate the accounts of its wholly-owned subsidiary company, Pfizer Animal Pharma Private Limited, since the control of the same is held for a temporary period as a pre-step for subsequent sale.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

28 Drugs Prices Equalisation Account (DPEA)

(a) Oxytetracycline and other formulations

In respect of certain price fixation Orders of 1981 of the Government of India, the Supreme Court vide its Order of 22 March 1993 held that, pending disposal of the Company's Writ Petition in the High Court of Mumbai, the Company may deposit 50% of the impugned amount of ₹87.61 lakhs, less ₹19.90 lakhs already deposited, with the Union of India before 15 May 1993 which has been done. In the event that the Company succeeds before the High Court of Mumbai, this amount will be returned within one month from the date of the decision of the High Court with interest at the rate of 15% per annum. However, if the Company loses the Writ Petition, the balance amount of ₹43.80 lakhs with interest at the rate of 15% per annum will have to be paid to the Government.

(b) Multivitamin Formulations

In respect of certain price fixation Orders of 1986 of the Government of India, the Supreme Court vide its Order dated 3 December 1992, held that, pending disposal of the Company's Writ Petition in the High Court of Mumbai, the Company may deposit 50% of the impugned amount of ₹98.00 lakhs with the Union of India before 31 January 1993 which has been done. In the event that the Company succeeds before the High Court of Mumbai, this amount will be returned within one month from the date of the decision of the High Court with interest at the rate of 15% per annum. However, if the Company loses the Writ Petition, the balance amount of ₹49.00 lakhs with interest at the rate of 15% per annum will have to be paid to the Government.

(c) Protinex

In yet another case, the Company had challenged in 1986 a price fixation Order of the Government of India by a Writ Petition before the High Court of Mumbai. The Honorable Court passed an ad interim and interim order staying the impugned order. The Petition, while it was still pending for hearing and final disposal, was withdrawn in 1989 on redressal of the Company's grievances. After protracted correspondence on the subject, in 1993 the Government raised a demand of ₹81.83 lakhs on the Company for the period April 1986 to July 1989 and directed the Company to deposit the same into the DPEA. Thereafter, the Drug Prices Liability Review (DPLR) Committee sent a letter dated 15 February 1996 seeking the Company's submission/ representation against the reduced claim amount of ₹33.87 lakhs for the period April 1986 to August 1987 as intimated to the DPLR Committee by the Government of India. The Company has made its submissions to the DPLR Committee vide its letter of 29 March 1996 claiming that no amount whatsoever is due and payable having regard to the facts and relevant material of the case.

In the meantime, the Department of Chemicals and Petrochemicals vide their letter dated 11 February 1997 raised an additional demand of ₹178.56 lakhs for the earlier period of February 1984 to March 1986 over and above the revised claim of ₹33.87 lakhs for the period April 1986 to August 1987. Thus, the total demand raised now stands revised to ₹212.43 lakhs. The DPLR Committee had, vide its letter dated 24 February 1997 invited the Company to make its submissions/ representations against the above said claim. The Company has made its submissions to the DPLR Committee vide its letter dated 14 May 1997 claiming that no amount whatsoever is due and payable having regard to the facts and relevant material of the case.

Pursuant to the submissions made by the Company, the DPLR Committee directed by an Order on 17 November 1998 that clarifications should be obtained from the Mumbai High Court on whether the Interim Stay granted in the Civil Writ Petition Number 2368 of 1996 is applicable to this matter. (This Writ Petition is filed by OPPI and IDMA jointly against any Notice issued by the Government of India after 25 August 1987 to any member of the OPPI or IDMA, initiating proceedings for recovery of an amount demanded in respect of a period prior to that date).

On a Notice of Motion filed by the Company in the said Writ Petition, the Mumbai High Court has granted ad interim Order that "pending the hearing and final disposal of this Notice of Motion, further proceedings in the said Case No 49/ 1996 pending before the said Drug Prices Liability Review Committee be stayed."

The Bombay High Court vide its judgement dated 22 December, 2011 dismissed the Writ Petition filed by OPPI & IDMA and directed the Companies who have been issued show cause notices to file appropriate replies and directed the government to pass appropriate orders accordingly.

(d) Vitamin and other formulations

The Government has arbitrarily determined the liability of the Company at ₹1466 lakhs being the difference in price in respect of Vitamin and other formulations sold by the Company during the years 1983 to 1989. The Company has repudiated the liability on this account. The Company's Solicitors have advised that the repudiation by the Company is legally sustainable. The Government has pursued the matter. The Company maintains its position that the claim by the Government is not legally sustainable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

(e) Chloramphenicol

The Government has arbitrarily determined the liability of the Company at ₹145 lakhs and ₹14 lakhs being the difference between the price of bulk drug Chloramphenicol powder and Chloramphenicol Palmitate respectively allowed in the formulation price and actual procurement price for the period 1979 to 1988. The Company has repudiated the liability on this account as advised by the Company's Solicitors. The Company has also obtained a Stay order from the Honorable High Court of Mumbai against the demand.

Pursuant to the submissions made by the Company, the DPLR Committee directed by an Order on 17 November 1998 that clarifications should be obtained from the Mumbai High Court on whether the Interim Stay granted in the Civil Writ Petition Number 2368 of 1996 is applicable to this matter. (This Writ Petition is filed by OPPI and IDMA jointly against any Notice issued by the Government of India after 25 August 1987 to any member of the OPPI or IDMA, initiating proceedings for recovery of an amount demanded in respect of a period prior to that date).

On a Notice of Motion filed by the Company in the said Writ Petition, the Mumbai High Court has granted ad interim Order that "pending the hearing and final disposal of this Notice of Motion, further proceedings in the said Case No 23/95 pending before the said Drug Prices Liability Review Committee be stayed".

The Bombay High Court vide its judgement dated 22 December, 2011 dismissed the Writ Petition filed by OPPI & IDMA and directed the Companies who have been issued show cause notices to file appropriate replies and directed the government to pass appropriate orders accordingly.

(f) Pursuant to the repeal of DPCO 1970, erstwhile Warner-Hindustan Limited (merged with Parke-Davis (India) Limited in 1988 and Parke – Davis (India) Limited merged with Pfizer Limited in 2003) had classified ISOKIN TABLETS, ISOKIN LIQUID AND PYRIDIDIUM TABLETS as decontrolled products under the DPCO 1979. The categorization was, however, challenged by the Government in 1984 and a demand of ₹113 lakhs was raised against the Company. Against this demand an excise duty set off of ₹7 lakhs was allowed to the Company and a final demand of ₹106 lakhs was raised in 1987.

The Company had deposited an amount of ₹30 lakhs in February 1987 and ₹25 lakhs in May 1990 totaling to an aggregate of ₹55 lakhs in full and final settlement of the demand, as per the arguments set forth by the Company. The Government subsequently raised a demand of ₹117 lakhs towards interest on principal demand. (i.e. interest of ₹43 lakhs for Pyridium for the period 1982 to August 1995 and ₹74 lakhs for Isokin for the period 1982 to June 1997).

The Company filed a Writ Petition in the Andhra Pradesh High Court in September 1997 for staying all further proceedings against the Company. The High Court stayed the demand in respect of collection of interest but directed the Company to deposit the balance demand of ₹51 lakhs (which amount was deposited in November 1997).

The said Writ Petition has been heard and disposed off by final judgement of the Hon'ble Hyderabad High Court, on 15 April 2011. The Hon'ble High Court has inter alia set aside all the demand notices and further directed the Respondents to refund the monies paid under the interim orders.

(g) Multivitamin Formulations:

The Government has arbitrarily raised a demand of ₹182.38 lakhs on account of alleged overpricing of certain multivitamin formulations marketed by erstwhile Pharmacia Healthcare Limited (merged with Pfizer Limited) for the period 1983 to 1986. The Company has repudiated the liability on this account as advised by its solicitors. The Company filed a Writ Petition No.814 of 1992 in the High Court at Mumbai. The Supreme Court of India, in a Special Leave Petition (SLP) filed by the Company held that pending disposal of Writ Petition filed before the High Court at Mumbai, the Company shall furnish an undertaking in respect of 50% of its liability and shall deposit the balance 50% aggregating to ₹91.19 lakhs. This amount has been deposited with the Government of India and is included under the head " Long term Loans and Advances".

Pursuant to a Transfer Petition (Civil) no 475-496 of 2003 filed under Article 139A(1) of the Constitution of India, all pending writ petitions in respect of DPEA liabilities are now to be transferred to the Supreme Court to be heard and finally decided by the Supreme Court of India. Consequently as a result of the said transfer petition, Writ Petitions referred to in (a), (b), (c), (e), (f) and (g) above will now be heard and disposed off by the Supreme Court.

The Supreme Court however, by order dated 3 May 2010 disposed off the Transfer Petition, directing that the concerned High Courts to take up the writ petitions before them and dispose them on merits.

In view of matters (a), (b), (c), (e), (f) and (g) being subjudice, the legal opinion being in favor of the Company, and based on the assessment of the Management, no further provision is considered necessary over and above the sum of ₹198.37 lakhs which has been paid off in earlier years.

The Company would continue to seek legal recourse in all the above matters.

The Union of India has preferred a SLP before the Honorable Supreme Court against the above judgement. The SLP is currently pending for admission before the Supreme Court.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	31 March 2012	31 March 2011
29 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	Amount unascertainable	Amount unascertainable
(b) Other guarantees	370.48	403.20
(c) Other contingent liabilities in respect of		
1. Excise duty	1037.67	1033.40
2. Customs duty	40.54	59.45
3. Sales tax	4150.32	1192.39
4. Service tax	193.11	193.11
5. Income tax	29070.00	31529.64
6. Pending labour matters contested in various courts	103.57	109.66
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	24.30	206.41
30 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below		
	31 March 2012	31 March 2011
	Foreign currency (US\$ in lakhs)	Foreign currency (US\$ in lakhs)
	₹ in lakhs	₹ in lakhs
Accounts receivable	56.18	12.22
Accounts payable	44.73	42.65
Net receivable / (payable)	11.45	(30.43)
	2858.59	544.88
	2277.83	1901.61
	580.76	(1356.73)
		Year ended 31 March 2012
		Sixteen months ended 31 March 2011
31 Value of imports calculated on CIF basis		
Raw materials	5765.33	5696.71
Goods for resale	4534.48	3229.60
Total	10299.81	8926.31
32 Expenditure in foreign currency (accrual basis)		
Royalty	33.07	131.65
Travel and conveyance	84.64	122.12
Service charges	229.93	233.31
Legal and professional fees	11.31	18.62
Other matters	92.52	41.67

Note : The disclosure relating to the period 31 March 2011 is on payment basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

33 Details of consumption of imported and indigenous raw materials

	Amount	%
Imported		
March 2012	6007.50	38%
March 2011	(7101.29)	(36%)
Indigenous		
March 2012	9974.67	62%
March 2011	(12378.60)	(64%)
Total		
March 2012	15982.17	100%
March 2011	(19479.89)	(100%)
	Year ended	Sixteen months
	31 March	ended 31 March
	2012	2011

34 Earnings in foreign exchange

Export of goods calculated on FOB basis	171.02	190.27
Service income	2038.61	3620.76

35 Amounts remitted in foreign currency

Amount of dividend remitted in foreign currency	844.53	5278.30
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	5	5
Total number of shares held by them on which dividend was due	21113171	21113171
Year to which the dividend relates	31st March 2011 final dividend	31st March 2011 Interim dividend, 30th November 2009 final dividend

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

36 Segmental information

	Business segments			Total
	Pharmaceuticals	Animal Health	Services	
Segment revenue				
March 2012	88383.06	13347.00	7506.88	109236.94
March 2011	(101790.76)	(15920.01)	(7392.42)	(125103.19)
Segment result				
March 2012	21751.58	2279.58	698.46	24729.12
March 2011	(28630.71)	(3193.79)	(791.48)	(32615.98)
Unallocable expenses (net)				
March 2012				4569.96
March 2011				(5279.77)
Operating income				
March 2012				20159.16
March 2011				(27336.21)
Exceptional items (net)				
March 2012	37.50	-		37.50
March 2011	(228.06)	(74.50)		(302.56)
Other income (net)				
March 2012				7631.23
March 2011				(7428.31)
Profit before taxes				
March 2012				27752.89
March 2011				(34461.96)
Tax expense				
March 2012				9292.27
March 2011				(11827.89)
Net profit				
March 2012				18460.62
March 2011				(22634.07)

	Business segments			Total
	Pharmaceuticals	Animal Health	Services	
Segment assets				
March 2012	29730.38	6439.84	4459.94	40630.16
March 2011	(26148.81)	(6154.18)	(4421.72)	(36724.71)
Unallocable assets				
March 2012				117015.33
March 2011				(101900.54)
Total assets				
March 2012				157645.49
March 2011				(138625.25)
Segment liabilities				
March 2012	16326.28	2453.11	605.81	19385.20
March 2011	(15240.58)	(1569.30)	(548.06)	(17357.94)
Unallocable liabilities				
March 2012				7790.58
March 2011				(4922.60)
Total liabilities				
March 2012				27175.78
March 2011				(22280.54)
Other information				
Capital expenditure (allocable)				
March 2012	106.61	12.26	35.44	154.31
March 2011	(238.71)	(1.21)	(56.65)	(296.57)
Capital expenditure (unallocable)				
March 2012				138.93
March 2011				(311.46)
Depreciation and amortization (allocable)				
March 2012	675.65	5.41	17.29	698.35
March 2011	(949.75)	(6.81)	(14.10)	(970.66)
Depreciation and amortization (unallocable)				
March 2012				257.78
March 2011				(228.99)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately

Geographic Segment	Revenues for the year / period	Segment assets	Capital expenditure incurred during the year / period
India			
March 2012	107027.31	154781.39	293.24
March 2011	(121292.16)	(138080.35)	(608.03)
Other countries			
March 2012	2209.63	2864.10	-
March 2011	(3811.03)	(544.90)	-

Notes:

- Business Segments: The business operations of the Company comprise Pharmaceuticals, Animal Health and Services. The business segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and the internal financial reporting systems.
The Pharmaceuticals business comprises of manufacturing of bulk drugs and formulations, trading of formulations and also includes rendering of marketing services.
The Animal Health business has a presence primarily in the large animal health and poultry market segments and also includes rendering of marketing services.
Services - Clinical Development Operations primarily include conducting clinical trials, new product development and undertaking comprehensive data management for new drug development.
- Geographical Segments: For the purpose of geographical segments the consolidated sales are divided into two segments – India and other countries.
- The accounting policies of the segment are the same as those described in the summary of significant accounting policies as referred to in Note 1 to the financial statements.

37. Disclosures as required by the Accounting Standard 18 on “Related Party Disclosures” are given below

I. Names of Related Parties and description of Relationships

A. Parties where control exists:

Ultimate holding company

Pfizer Inc., USA

Companies collectively exercising significant influence

Pfizer Corporation, Panama

Warner-Lambert Company, LLC, USA

Parke-Davis & Company, LLC, USA

Pharmacia Corporation, USA

Pfizer Investments Netherlands, B.V.

[Collectively holding 70.75% of the aggregate of equity share capital of the Company]

B. Fellow Subsidiaries with whom transactions have taken place during the year / period

Pfizer Asia Manufacturing Pte Limited, Singapore

Pfizer Corporation Hong Kong Limited, Hong Kong

Pfizer Enterprises SARL, Luxembourg

Pfizer Export Company, Ireland

Pfizer Global Trading, Ireland

Pfizer Limited, United Kingdom

Pfizer Overseas LLC., USA

Pfizer Pharmaceutical India Private Limited, India

Pfizer Singapore Trading Pte Limited, Singapore

Pfizer Limited, Phillipines

Pfizer Private Limited, Singapore



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

Pfizer Products India Private Limited, India
Pfizer International LLC., USA
Pfizer Products Inc., USA
Pfizer Australia Pty Limited, Australia
Pfizer Laboratories(Proprietary)Limited, South Africa
Pfizer Animal Health India Limited, India
AHP Manufacturing B.V. India
Wyeth Limited, India
Wyeth Ayerst International LLC.

C. Subsidiaries with whom transactions have taken place during the year / period

Pfizer Animal Pharma Private Limited

D. Executive Committee Members

Kewal Handa *
Dr B M Gagrat *
Sunil Madhok
Chandrashekhhar Nilkanth Potkar
Yash Goyal
Shiva P Nair
Partha S. Ghosh
Hiroo Mirchandani
Venkatesh S
Pradeep Patni
Samir S Kazi
Sridhar S
Suresh Subramanian
Vivek Dhariwal
Sarita Bahl (w.e.f. 1st February, 2012)

* Executive Directors on the Board.

II. Transactions during the year / period and Balances Outstanding as at the year / period end with the Related Parties are as follows:

No.	Nature of Transactions	31 March 2012				31 March 2011			
		Ultimate Holding Company	Companies exercising significant influence	Subsidiary Company	Fellow Subsidiaries	Ultimate Holding Company	Companies exercising significant influence	Subsidiary Company	Fellow Subsidiaries
1	Sale of finished goods (net of returns)	-	-	-	161.33	-	-	-	150.95
2	Service income	395.39	-	-	7674.70	-	-	-	7392.42
3	Recovery of expenses	1505.72	-	0.24	1228.47	341.24	-	-	1552.88
4	Purchase of finished goods	-	-	-	2323.56	-	-	-	2577.29
5	Purchase of raw / bulk materials	-	-	-	2277.26	-	-	-	2225.62
6	Royalty expense	42.91	-	-	-	58.45	512.86	-	-
7	Service charges	-	-	-	491.72	-	-	-	165.70
8	Write back (Royalty)	-	-	-	-	-	-	-	578.81
9	Expenses reimbursed	13.74	-	-	231.06	-	-	-	406.36
10	Dividend in respect of the year ended 31 March 2012 and period ended 31 March 2011	-	844.53	-	-	-	5278.30	-	-
11	Rental income	-	-	-	637.99	-	-	-	923.61
12	Loans given	-	-	338.00	13585.69	-	-	-	33400.00
13	Loans repaid	-	-	-	33850.00	-	-	-	31250.00
14	Interest received on loans given	-	-	2.05	1393.14	-	-	-	3430.11
15	Outstanding as at the year / period end – Due from	337.30	-	340.29	13183.29	-	-	-	31421.55
16	Outstanding as at the year /period end – Due to	78.14	434.72	-	3002.94	132.07	432.02	-	1901.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Executive committee members		
Remuneration to Key Management Personnel	1357.33	1731.52
III. Others		
Under the terms of the agreement between Pfizer Inc. (Ultimate Holding Company) and the Company for conducting clinical trials and studies in India, Pfizer Inc., has agreed to indemnify, defend and hold the Company and its directors, employees and agents harmless against any and all liability, loss or damage they may suffer as a result of any claims, demands, costs, penalties, fines or judgments incurred or imposed against it arising out of any clinical trial and study or otherwise pursuant to the agreement		
IV Details of material transactions during the year / period		
a) Sale of finished goods (net of returns)		
Pfizer Laboratories (Pty) Limited, South Africa	46.97	75.00
Pfizer Pharmaceutical India Private Limited, India	-	1.28
Wyeth Limited, India	100.76	62.48
b) Service Income		
Pfizer Limited, United Kingdom	1576.80	2757.38
Pfizer International LLC, USA	66.43	857.29
Pfizer Inc., USA	395.39	-
Pfizer Pharmaceutical India Private Limited, India	38.83	58.37
Wyeth Limited, India (including service tax)	5394.98	3342.78
Pfizer Products India Private Limited, India (including service tax)	597.67	775.40
c) Recovery of expenses		
Pfizer Inc., USA	1505.72	341.24
Pfizer Pharmaceutical India Private Limited, India	306.11	167.33
Pfizer Products India Private Limited, India	518.34	376.83
Wyeth Limited, India	359.10	804.08
d) Purchase of finished goods		
Pfizer Export Company, Ireland	54.26	432.63
Pfizer Overseas LLC, USA	616.95	733.25
Pfizer Global Trading, Ireland	251.13	36.59
Pfizer Singapore Trading Pte Limited, Singapore	732.85	682.07
Pfizer Enterprises SARL, Luxembourg	280.79	156.22
Pfizer Asia Manufacturing PTE	324.90	-
e) Purchase of Raw / Bulk materials		
Pfizer Export Company, Ireland	2248.49	2163.16
f) Royalty expense		
Pfizer Inc., USA	42.91	45.05
Parke-Davis & Company LLC, USA	-	137.09
Warner - Lambert Company LLC, USA	-	259.66
g) Expenses reimbursed		
Pfizer Private Limited, Singapore	229.94	233.31
Pfizer Corporation Hong Kong Limited, Hong Kong	-	4.22
Pfizer Products India Private Limited, India	1.39	49.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
h) Service Charges		
Wyeth Limited, India	285.46	165.70
Pfizer Animal Health India Limited	206.26	-
i) Dividend Paid		
Pfizer Corporation, Panama	375.04	2344.03
Pfizer Investment Netherlands, B.V.	352.41	2202.56
j) Inter Corporate Deposits given		
Pfizer Pharmaceutical India Private Limited, India	13585.69	32100.00
Pfizer Products India Private Limited, India	-	1300.00
Pfizer Animal Pharma Private Limited	338.00	-
k) Inter Corporate Deposits repaid		
Pfizer Pharmaceutical India Private Limited, India	33850.00	28650.00
Pfizer Product India Private Limited, India	-	2600.00
l) Interest received on Inter Corporate Deposits given		
Pfizer Pharmaceutical India Private Limited, India	1393.14	3412.31
Pfizer Products India Private Limited, India	-	17.80
m) Rental Income		
Pfizer Pharmaceutical India Private Limited, India	637.99	923.91
n) Remuneration to Key Management Personnel		
Kewal Handa	340.87	413.24
Dr. B.M.Gagrath	74.58	126.16
o) Outstanding as at the year / period end due from		
Pfizer Pharmaceutical India Private Limited, India	8591.43	28650.00
Wyeth Limited, India	1756.97	1795.86
Pfizer Limited, United Kingdom	1812.32	73.74
p) Outstanding as at the year / period end due to		
Pfizer Export Company, Ireland	1305.95	1188.62
Warner Lambert Co., LLC	-	259.63
Wyeth Limited, India	391.97	78.84

38 Details of leasing arrangements

As Lessor

The Company has let out some of its owned property during the year on operating lease. The lease terms is in the range of 1 - 3 years.

The information in respect of the same is as follows:

Gross book value (Refer note 10)	5316.91	5316.91
Accumulated Depreciation (Refer note 10)	573.51	422.08
Depreciation for the lease period	151.43	244.85
Rental income	740.51	1043.35

Lease income recognised in the statement of profit and loss for the year / period in respect of sub-let property is ₹452.15 lakhs (March 2011: ₹544.95 lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

Year ended
31 March 2012 Sixteen months ended
31 March 2011

As Lessee

The Company has taken various residential/godowns/office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and licence, or longer for other leases and in certain cases are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.

Future minimum lease payments not later than one year	1202.65	1152.89
later than one year and not later than five years	200.44	1345.04
later than five years	-	-

Lease payments are recognised in the statement of profit and loss under Rent.

The Company has entered into an MOU with Patel Engineering Limited for taking on licence, premises for its new head office for a period of 9 years. The leave and licence agreement in this regard will be entered upon completion of construction of building as per Company's specification. The license is expected to commence from November, 2013.

39 Earnings per share (Basic and Diluted)

Net profit for the year for total operations	18460.62	22634.07
Weighted average number of equity shares	29,841,440	29,841,440
Par value per share	₹10	₹10
Earnings per share - Basic and diluted (Total operations)	₹61.87	₹75.85
Net Profit for the year for Continuing operations	16944.29	20497.07
Earnings per Share - Basic and Diluted (Continuing operations)	₹56.78	₹68.69

40 Expenditure on research and development

Capital	35.43	28.63
Revenue	612.26	1038.09
Total	647.69	1066.72

41 Employee stock option scheme

The employees of the Company have been issued 78795 (March 2011: 50490) Share Options and 15763 (March 2011: 10149) restricted stock units under the Pfizer Inc 2004 Share Option Plan by Pfizer Inc. The cost incurred by Pfizer Inc pursuant to the said Pfizer Inc 2004 Share Option Plan for the year ended 31 March 2012 amounts to ₹162.61 lakhs (March 2011: ₹47.87 lakhs). These amounts have not been charged to the Company by Pfizer Inc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

42 Previous period figures

The previous period figures relate to sixteen months period ended 31 March 2011, while the current period figures are for the year ended 31 March 2012. Accordingly, the current year figures are not comparable to those of the previous period.

As per our report of even date attached.

For B S R & Co.

Chartered Accountants

Firms Registration no: 101248W

SANJAY AGGARWAL

Partner

Membership No: 40780

Mumbai, 21 May 2012

For and on behalf of the Board of Directors of Pfizer Limited

R A SHAH

Chairman

KEWAL HANDA

Managing Director

PRADIP SHAH

Director

PRAJEET NAIR

Company Secretary

Mumbai, 21 May 2012



Pfizer Limited

Regd. Office : Pfizer Centre, Patel Estate, Off S.V. Road, Jogeshwari (W), Mumbai 400 102
Tel No.: 022 6693 2000 Fax: 022 2678 4569

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

Dear Shareholder,

June 28, 2012

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. Your Company supports this environment friendly initiative of the Government of India and proposes to send Notices for General Meetings / Annual Reports / Other Shareholder Communication through electronic mode to the registered e-mail addresses of shareholders.

Please note that as a shareholder of the Company, you will be entitled to receive physical copies of all notices and documents free of cost upon specific request made to the Company. All such notices and documents including the Annual Report, Notice for General Meetings and other shareholder communication will also be made available on the Company's website 'www.pfizerindia.com'.

Shareholders holding share in the physical form and wishing to receive the Annual Report and other documents in the electronic mode, are requested to fill the form below and send the same to our Registrar and Transfer Agents viz., M/s. Karvy Computershare Pvt. Ltd.

Shareholder(s) holding share in dematerialized mode and wishing to receive the Annual Report and other documents in electronic mode are requested to register their e-mail id with their Depository Participants (DP) where their Demat account is maintained.

Thanking you,

Yours truly,
For Pfizer Limited

Prajeet Nair
Company Secretary

Karvy Computershare Pvt. Ltd.
UNIT: Pfizer Limited
Plot No. 17-24, Vittalrao Nagar,
Near Image Hospital, Madhapur,
Hyderabad – 500 081.

Pfizer Limited

Regd. Office : Pfizer Centre, Patel Estate, Off S.V. Road, Jogeshwari (W), Mumbai 400 102
Tel No.: 022 6693 2000 Fax: 022 2678 4569

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE



(Pursuant to Circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

To,
Karvy Computershare Pvt. Ltd.
UNIT: Pfizer Limited
Plot No. 17-24, Vittalrao Nagar,
Near Image Hospital, Madhapur,
Hyderabad – 500 081.

Dear Sir,

With reference to your Circular dated June 28, 2012, I/We shareholder(s) of Pfizer Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other shareholder communication in electronic mode.

I/We request you to kindly register my/our e-mail id in the Company's records for sending such communication through e-mail.

Folio No./Client ID No. : _____

Name of the Sole/First Shareholder : _____

Name of the Joint Shareholders : _____

No. of Shares : _____

E-mail id for receipt of documents in electronic mode : _____

Date:

Signature: _____

Place:

(Sole/First Shareholder)

Notes: 1. Shareholders are requested to inform the Company as and when there is change in their registered e-mail id.
2. For shares held in demat mode, shareholders are requested to inform their respective Depository Participants.



Pfizer Limited

Regd. Office: Pfizer Centre, Patel Estate, Off S.V. Road, Jogeshwari (West), Mumbai - 400 102.

PROXY

I/We
of in the district of
being a member/members of Pfizer Limited, hereby
appoint of in the district of
or failing him/her of in the district of
as my/our proxy to attend and vote for me/us on my/our behalf at the
**61st Annual General Meeting of the Company to be held on Thursday, August 2, 2012
and at any adjournment thereof.**

Signed this day of 2012.

Folio No. / Client ID:

No. of Shares:

Signature.....

Please Affix ₹1 Revenue Stamp
--

Note: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company shown above, not later than 48 hours before the time of the Meeting.



Pfizer Limited

Regd. Office: Pfizer Centre, Patel Estate, Off S.V. Road, Jogeshwari (West), Mumbai - 400 102.

ATTENDANCE SLIP

To be handed over at the entrance of Meeting Hall

I hereby record my presence at the SIXTY FIRST ANNUAL GENERAL MEETING of the Company at Yashwantrao Chavan Pratishthan Auditorium, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 on Thursday, August 2, 2012, at 3.00 p.m.

Name of the Member
Folio No. / Client ID

Name of the Proxy / Representative (In Block Letters) (To be filled in if the Proxy / Representative attends instead of the Member)

SIGNATURE OF THE MEMBER OR PROXY / REPRESENTATIVE



Working together for a healthier world™

Pfizer Centre, Patel Estate, Off S.V. Road, Jogeshwari (W), Mumbai - 400 102
www.pfizerindia.com