



Pfizer Limited

Get
HEALTHY
Stay
HEALTHY

Annual Report
2016-17



HIGHLIGHTS FY 16-17

Net Revenue (₹ Lakhs)

FY 16-17	201,726
FY 15-16	207,160

▼2.6% Y-o-Y

Net Revenue [excluding Corex Cough Syrup and products sold/transitioned in FY 16-17] (₹ Lakhs)

FY 16-17	176,332
FY 15-16	168,775

^4.5 Y-o-Y

Profit after Tax (₹ Lakhs)

FY 16-17	33,678
FY 15-16	30,498

^10.4% Y-o-Y

Cash & Bank Balance (₹ Lakhs)

FY 16-17	152,309
FY 15-16	102,465

^48.6% Y-o-Y

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Get HEALTHY Stay HEALTHY

The world today is changing by the minute. Newer and better healthcare solutions are being developed to improve the quality of life at a breathtaking pace.

From medicines to devices to diagnostics, we are witnessing innovations that will prove to be game changers in the healthcare industry. However, lifestyle challenges and lack of awareness pose as barriers for people to get healthy and more importantly staying healthy.

While every country around the world works towards addressing this issue, every individual can also take control of the choices they make to stay healthy. We are cognizant of the fact that it is important for people to be aware of relevant information and tools that will help identify health symptoms that call for attention towards prevention and to take an informed decision on whether it is time to meet the doctor.

'Get Healthy, Stay Healthy' is our global initiative to empower and guide individuals to make the right choice and informed decisions about their health. Every year, we stay true to this principle and continue to help create platforms that provide sharable information to our stakeholders that will be translated in making patients lead a better and healthier life.

Keeping patients at the center of everything we do, we will continue to remain committed to our principle of helping people stay healthy.

The 2016-17 Annual Report is a dedication to all those who take the initiative in making the right choices to 'Get Healthy, Stay Healthy', contributing to a better, happier and healthier world.

PFIZER AT A GLANCE

Pfizer's purpose is to innovate to bring therapies to patients that significantly improve their lives. With more than 140 R&D collaborations, 63 manufacturing sites and over 91,000 colleagues across the world; Pfizer Inc. is committed to working with patients, healthcare providers and governments to help improve the health of people.

Pfizer Inc.

Pfizer Inc., the parent Company of Pfizer Limited, was founded in New York in 1849 and today, is the world's premiere biopharmaceutical corporation with annual revenues of \$ 53 billion in 2016. It produces and markets its medicines, vaccines and other consumer healthcare products across 175 markets globally.

Pfizer's rich and diverse pipeline includes small-molecule drugs, large-molecule biotherapeutics such as antibodies, cell and gene-based therapies and vaccines. For each of these programs, Pfizer scientists draw on a wealth of state-of-the-art science and technology, spanning many disciplines, with a single aim to deliver best-in-class treatment to patients. Pfizer works to translate advanced science and technologies into the therapies that matter most.

Pfizer Inc. manages its commercial operations through two businesses: Pfizer Innovative Health and Pfizer Essential Health.

➔ Pfizer Innovative Health (PIH)

Pfizer Innovative Health (PIH) includes six business groups – Inflammation & Immunology, Internal Medicine (neuroscience and pain, cardiovascular and metabolic), Oncology, Rare Disease, Vaccines and Consumer Healthcare. These therapy areas under PIH work towards developing, registering and commercialising novel medicines in areas where Pfizer can lead and significantly impact patients' lives.

PIH is focused on increasing access to Pfizer's innovative portfolio of medicines to people across developing countries. Its Patient and Health Impact group develops solutions for increased patient access, demonstrates the value of its innovations and ensures broader business model innovation. With a renewed mission and bold structure designed to amplify each group's strengths, PIH is positioned to lead change for healthcare around the world.

➔ Pfizer Essential Health (PEH)

Formerly known as the Global Established Pharma business – PEH is a leader in non-viral anti-infectives, biosimilars and sterile injectable medicines. In emerging markets, the PEH portfolio of affordable, well-known branded medicines makes it a critical partner in the global public health community.

It markets legacy established products in developed countries that have lost marketing exclusivity. In emerging markets, it brings quality legacy brands that provide significant value to patients and health care professionals. With the acquisition of Hospira, Pfizer Inc. is now the number one sterile injectables Company globally and number two in biosimilars. PEH pursues growth opportunities in both developed and emerging markets including organic and inorganic initiatives, such as partnerships, product enhancements and innovative delivery technologies.

Pfizer Limited

Pfizer Limited began its operations in India in 1950. Today, with an annual total income of ₹2,017 crores, it is the 3rd largest pharmaceutical multinational company in India. It has a portfolio of over 200 products across 15 therapeutic areas. Its top brands include Prevenar, Lyrica, Becosules, Gelusil and Folvite among others. It has the distinction of being the first pharmaceutical company in India to start clinical research. The Company has a state-of-the-art and award winning manufacturing facility in Goa that produces more than a billion tablets annually. Employing 2,839 colleagues across commercial operations, manufacturing and other functions, the Company is committed to providing therapies to prevent, treat and cure some of the most critical diseases that affects India today.



₹2,017 crores

Total revenue



Over 200 products

across 15 therapeutic areas



2,313

Field force colleagues

1st

pharmaceutical
company to start
clinical research in India

60+ years

of serving the healthcare
needs of the country

Household brands

Gelusil, Becosules, Folvite

Key Highlights

12 brands are in the leadership position in their respective represented product markets

Prevenar 13 leads the Pneumococcal Vaccine segment with 59.6% market share*

Acquisition / New launches

Meropenem, Nexium,
Corex T and Folvite Active

* IMS MAT March 2017

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,
Let me start by taking this opportunity to thank you for the support you have provided during my first year as Managing Director of your Company. Among our most important decisions this year was a 'reimagination' of the larger strategy to shape the organisation in a much more focused way around core customer needs.

Our business teams are now structured as Primary Care, Critical Care, Specialty Care, Vaccines, Inflammation and Immunology and Consumer Healthcare with focus on product portfolio, customer identification and go-to-market strategy that best addresses each of these segments. We believe that this approach will enable your Company to build very specific competencies on high priority therapy areas. Our strategy has received a strong endorsement from the global Pfizer organization, expressing and extending support of the global Pfizer community towards achieving our goals.

BUSINESS STRATEGY

Our 'reimagined' strategy also opened up opportunities to review and strengthen the product portfolio. In this direction, we have taken some of the most impactful steps possible.

The respiratory portfolio was reviewed thoroughly during the year with an objective to launch new products that leverage the equity of our flagship brands while discontinuing those that did not align with our portfolio plans. As a result, we decided to discontinue the manufacturing of Corex Cough Syrup (Chlorpheniramine Maleate + Codeine Phosphate) and introduced Corex T (Triprolidine Hydrochloride 1.25mg & Codeine Phosphate 10mg), a new offering, that will better address patient and Physician needs. I am proud to say that the launch of Corex T has been one of the most meticulous and successful launches in the recent history of your Company and will extend the equity of the Corex brand to a wider segment of prescribers. We have similarly built upon the strengths of our major brands with the launch of new products in the folic acid category and gastro-intestinal therapy area.

With the acquisition of Nexium and Meronem, we remain committed towards our strategy of both organic and inorganic growth. We continue to explore opportunities to bring our global brands to India.

OPERATING ENVIRONMENT

The pharmaceutical operating environment has been challenging for some time now and the year under review was not different. Your unwavering support and trust in the Management has enabled us take important decisions in order to mitigate some of these operating challenges as best possible and set grounds for future growth.

Some of the key challenges faced by your Company along with the industry were

1. **National List of Essential Medicines:** The expansion of this list has had an impact on your Company this year. A large part of our portfolio in therapy areas such as Women Healthcare and Anti-infectives, came under price control.
2. **Fixed Dose Combinations:** The year also saw continuing litigation on the Fixed Dose combinations ban imposed by the Government, causing loss of revenue due to the uncertainties around the future of these products. As we had stated earlier, we fully support the intent of removing irrational combinations from the marketplace, but not the process where products with due state and central approvals were also included in this list.
3. **Demonetisation:** The policy decision to withdraw ₹500 and ₹1,000 currency notes had a short-term impact in the trade, thereby impacting our business in the months of November and December.
4. **Medical Council of India (MCI) guidelines on generic prescriptions:** The confusion around generic prescription prevails. The sudden announcement caught the industry by surprise. As a country, we are not yet ready for this and such regulations need deeper consideration before being implemented.
5. **Goods and Services Tax (GST):** As we started the new financial year, the implementation of GST led to significant down-stocking in trade channel and short-term revenue impact.

We do strongly believe that some of these reforms such as demonetization and GST will have a positive impact on the industry in the long-term. However, the short-term negative impact will need to be closely monitored and mitigated where possible.

PEOPLE AND CULTURE

As we progress, our greatest asset remains our People and Culture. Throughout the year, we have undertaken several initiatives to build and invest in these capabilities. Our focus on the Field Force continues through to the current year with several new initiatives to upgrade skills and develop talent in the field organization.

CORPORATE SOCIAL RESPONSIBILITY

I am happy to share that your Company continued to pursue an active Corporate Responsibility agenda during the year. Our flagship CSR initiative – the Pfizer IIT-Delhi Innovation and IP Program provided grants and resident incubation at IIT - Delhi to the first batch of indigenous healthcare innovators this year. These young individuals and start-ups are developing important



new innovations that can address some of India's pressing healthcare needs through novel products and solutions. Your Company has also initiated a comprehensive partnership program with key stakeholders to combat Anti-microbial resistance – one of the most significant challenges that India, and indeed the world, is facing today. Our Swachh Vidyalaya program grew from strength to strength this year with an expansion to new territories including Delhi, Lucknow, Haryana and Goa. Pfizer colleagues volunteered to build sanitation facilities in schools to provide this basic human right where it did not exist earlier.

In summary, FY 16-17 has been a year of laying foundations for success while navigating through an unpredictable and challenging operating environment. I am reassured of the resilience of your Company to face and succeed in a volatile environment as also its agility to spot and invest in growth opportunities. The focus remains on our business fundamentals i.e. product portfolio augmentation in core therapy areas, innovative go-to-market model, investing in building capabilities and culture. And while doing so, we will continue to be ethical and compliant as that is the core of our operating principle.

As always, I look forward and seek your support towards building your Company's growth story.

Yours sincerely,

S. SRIDHAR
MANAGING DIRECTOR

PRODUCT PORTFOLIO

Key Brands

VACCINES

Prevenar 13



INFLAMMATION AND IMMUNOLOGY

Lyrica, Enbrel, Champix



CONSUMER HEALTHCARE

Anacin, Anne French



CRITICAL CARE

AI (Anti-Infective)

Magnex, Zosyn, Tygacil



PREVENAR-13

1

DALACIN C Inj

1

MAGNEX

1

OVRAL-L

1

PREMARIN VC

1

MUCAINE

1

Top brands and their positions in the Represented Product Market* (RPM)

* RPM as defined by internal teams based on the Indications of Pfizer brand. Market value of brands included in the RPM is basis IMS MAT MAY 2017.

SPECIALTY CARE

WHC (Women Healthcare)

Folvite, Ovrall L, Autrin, Premarin



CV (Cardiovascular)

Minipress XL, Amlogard, Viagra



CNS (Central Nervous System)

Ativan, Daxid, Pacitane



PRIMARY CARE

Respiratory

Corex T, Corex Dx, BronCorex, Trulimax



Trade Team

Gelusil, Wysolone, Becosules



Pain Team

Dolonex



MINIPRESS-XL

1

FOLVITE

1

PACITANE

1

ATIVAN

1

WYSOLONE

1

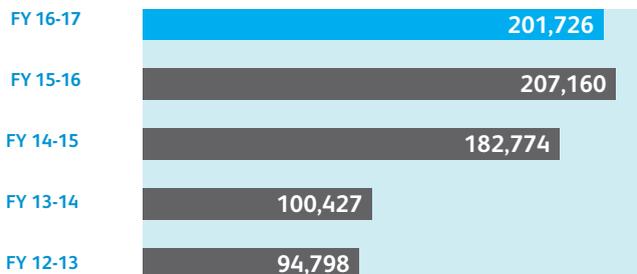
BECOSULES/Z

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KEY PERFORMANCE INDICATORS

NET REVENUE (₹ Lakhs)

▼ 2.6%* Y-o-Y



*Adjusting for discontinuation of Corex and sale/transition of products in FY 16-17, growth would have been 4.5%

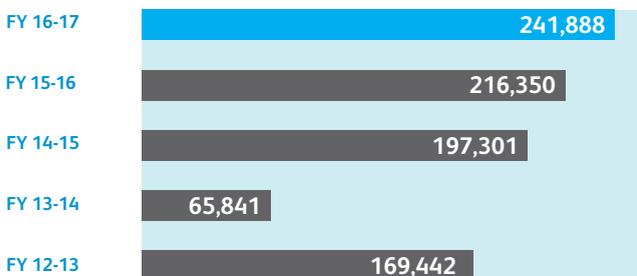
EBITDA MARGINS (%)



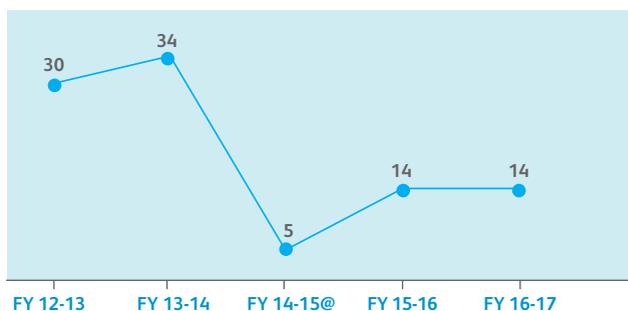
@EBITDA margin impacted by series of price reduction notifications announced by the Government during FY 16-17

NET WORTH (₹ Lakhs)

▲ 11.8% Y-o-Y



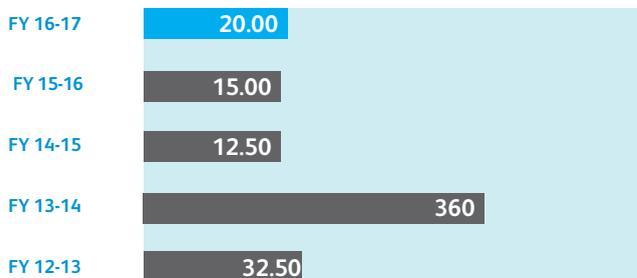
RETURN ON NET WORTH (%)



@Before giving effect to the impact of scheme of amalgamation with erstwhile Wyeth Limited

DIVIDEND PER SHARE (₹)

▲ 33.3% Y-o-Y



EPS & BOOK VALUE (₹)



@EPS is before giving effect to the impact of scheme of amalgamation with erstwhile Wyeth Limited

◆ EPS before exceptional ■ EPS after exceptional
▲ Book Value

The Company has transitioned from Previous GAAP to Ind AS effective April 1, 2015.

10 YEAR SUMMARY

Currency: ₹ in Lakhs (except EPS and DPS)

	Previous GAAP								Ind AS*	
	Nov 2007	Nov 2008	Nov 2009	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017
Statement of Profit and Loss	#	**	^	16 months		@		***		●
Net Sales	67,266	67,771	77,227	116,956	101,732	94,798	100,427	182,774	207,160	201,726
Other Income	34,270	9,342	10,074	17,579	16,870	20,733	21,692	9,292	10,915	12,583
Total Expenditure	54,788	56,047	65,208	99,771	90,812	87,124	88,160	160,220	172,021	175,669
Profit Before Tax and Exceptional Items	46,748	21,066	22,093	34,764	27,790	27,965	33,959	31,846	46,054	38,640
Profit Before Taxation	45,013	41,856	21,001	34,462	27,753	69,377	33,959	23,801	47,042	51,684
Profit After Taxation ^^	33,893	29,912	13,688	22,634	18,461	50,320	22,086	10,033	30,498	33,678
Total Dividend Amount	8,206	3,730	3,730	4,924	3,730	9,699	107,429	5,718	6,862 ¹	9,150 ¹
Balance Sheet										
Fixed Assets	7,040	8,306	9,329	8,621	3,186	2,594	2,318	95,690	92,813	88,241
Cash and Bank Balances	47,979	54,306	52,740	57,701	86,627	143,294	30,779	60,929	102,465	152,309
Net Deferred Tax (Net)	1,298	2,267	2,750	3,554	3,708	3,988	3,419	6,714	(2,824)	(1,756)
Net Other Assets	8,547	25,077	34,614	46,468	36,949	19,566	29,325	34,218	24,146	3,344
Share Capital	2,984	2,984	2,984	2,984	2,984	2,984	2,984	4,575	4,575	4,575
Reserves and Surplus	61,880	86,972	96,449	113,360	127,486	166,458	62,857	192,726	211,775	237,313
Loan Funds	-	-	-	-	-	-	-	250	250	250
Key Ratios										
Profit Before Tax Margin ##	44%	54%	24%	26%	23%	60%	28%	12%	22%	24%
Book Value Per Share	217.37	301.46	333.22	389.84	437.17	567.76	220.64	431.28	472.92	528.74
Return on Net Worth (%)	52%	33%	14%	19%	14%	30%	34%	5%	14%	14%
Earnings Per Share of ₹ 10	113.58	100.24	45.87	75.85	61.87	168.63	74.01	15.26	66.66	73.61
Dividend Per Share of ₹ 10	27.50	12.50	12.50	16.50	12.50	32.50	360.00	12.50	15.00 ¹	20.00 ¹

Includes profit on sale of Chandigarh property.

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

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

@ Includes gain on sale of the animal health business and sale of investment in the subsidiary.

*** Includes results of erstwhile Wyeth Limited on its amalgamation with the Company.

^^ Profit for FY 2014-15 is before giving effect to the Impact of Scheme of Amalgamation (₹ 3,052) Lakhs.

Profit before tax margin is calculated on Total Income.

● Includes profit on sale of four brands and office premises.

* The Company has transitioned from Previous GAAP to Ind AS effective April 1, 2015.

¹ Dividend recommended by the Board for the respective financial years.

BOARD OF DIRECTORS



Mr. R. A. Shah
*Independent Director
(Chairman)*



Mr. Pradip Shah
Independent Director



Mr. Uday Khanna
Independent Director



Mr. S. Sridhar
Managing Director



Dr. Anurita Majumdar
Executive Director - Medical



Mr. Ravi Prakash Bhagavathula
*Executive Director - Finance
& Chief Financial Officer*



Mr. Sunil Lalbhai
Independent Director



Mr. Vivek Dhariwal
Executive Director - Technical Operations

Mr. R. A. Shah*Independent Director (Chairman)*

Mr. R. A. Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a firm of Advocates & Solicitors. Mr. Shah specializes in a broad spectrum of corporate laws in general, with special focus on Foreign Investments, Joint Ventures, Technology and License Agreement, Intellectual Property Rights, Mergers and Acquisitions, Industrial Licensing, and Anti-Trust Laws, Company Law and Taxation. Mr. Shah is the Chairman/Director of various public limited companies and Chairman/Member of various Board Committees. Mr. R. A. Shah was first appointed on the Board on November 9, 1965.

Mr. Pradip Shah*Independent Director*

Mr. Pradip Shah holds an 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 and is also a member of various prestigious committees/commissions. Mr. Shah is presently the Chairman of IndAsia Fund Advisors Pvt. Ltd. Mr. Shah was appointed to the Board on December 7, 1999.

Mr. Uday Khanna*Independent Director*

Mr. Uday Khanna is a Chartered Accountant by profession, with a distinguished career spanning close to four decades with Hindustan Lever / Unilever and Lafarge India and had handled a variety of roles in finance, commercial and general management. Mr. Khanna was the Chairman of Lafarge India Private Limited. Mr. Khanna is currently the Chairman of Bata India Limited. Mr. Khanna is on the Board of several reputed companies.

Mr. Khanna was the President of the Indo-French Chamber of Commerce & Industry in 2008 and 2009 and was the President of the Bombay Chamber of Commerce & Industry in 2012 and 2013. Mr. Khanna was appointed to the Board on May 21, 2012.

Mr. S. Sridhar*Managing Director*

Mr. S. Sridhar is a Chartered Accountant by profession with over 25 years of experience. Mr. Sridhar has led a number of strategic initiatives that have significantly expanded the Company's business footprint in the country.

Prior to being appointed as the Managing Director, Mr. Sridhar held the position of Business Unit & Distribution Head. Mr. Sridhar joined the Company as the Chief Financial Officer in 2008. Prior to joining the Company, Mr. Sridhar held the position of Finance Director of Diageo India Private Limited.

Dr. Anurita Majumdar*Executive Director - Medical*

Dr. Anurita Majumdar has completed her MBBS from G.S.V.M. Medical College, Kanpur, MD (Radiation Oncology) from J.K. Cancer Institute, Kanpur and Senior Residency (Radiation Oncology) from Tata Memorial Hospital, Mumbai.

Dr. Anurita Majumdar joined Pfizer Limited in July 2015 as Senior Director, Medical. Dr. Majumdar has over 15 years of experience in leading clinical research and medical affairs in the pharmaceutical and CRO industry. Prior to joining Pfizer, Dr. Majumdar held position of Director Medical, Regulatory and Quality (supporting India, Sri Lanka, Nepal and Bangladesh) for 7 years at Eli Lilly and Company (India) Private Limited.

Mr. Ravi Prakash Bhagavathula*Executive Director - Finance & Chief Financial Officer*

Mr. Ravi Prakash Bhagavathula holds a Master's Degree in Business Administration from University of Delhi and has a Bachelor's Degree in Engineering (Mechanical) from Andhra University.

Mr. Ravi Prakash joined Pfizer Limited in May 2015 as Chief Financial Officer. He has over 20 years of experience in finance with strong domain experience and a successful track record of supporting businesses in India, Europe and South East Asia. Prior to joining the Company, Ravi Prakash held the position of Chief Financial Officer at Coca-Cola Bottlers, Malaysia and Singapore.

Mr. Sunil Lalbhai*Independent Director*

Mr. Sunil S. Lalbhai, holds MS degree in Chemistry from the University of Massachusetts and MS degree in Economic Policy and Planning from Northeastern University. Mr. Lalbhai has expertise and wide experience in the Management field. He is presently the Chairman and Managing Director of Atul Limited, a diversified chemical company.

Mr. Lalbhai was also on the Board of Wyeth Limited since 2002 till its amalgamation with Pfizer Limited. Mr. Lalbhai was appointed to the Board on February 14, 2015.

Mr. Vivek Dhariwal*Executive Director - Technical Operations*

Mr. Vivek Dhariwal heads the manufacturing operations of the Company. Mr. Dhariwal holds a Bachelor's Degree in Chemical Engineering from the Indian Institute of Technology, Mumbai and a Master's 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, Specialty Chemicals and Bulk and Heavy Chemicals. Mr. Dhariwal has held senior positions in Baxter (India) Private Limited and ICI Plc, UK. Mr. Dhariwal was appointed to the Board on May 21, 2012.

**Mr. Prajeet Nair***Company Secretary*

Mr. Prajeet Nair heads the Corporate Secretarial functions of the Company. He has over 20 years of experience and expertise in handling Corporate Secretarial matters and compliances under security exchange and corporate laws. He is a member of the Institute of Company Secretaries of India and holds a Bachelor's Degree in Law. Mr. Nair has an extensive experience in mergers and acquisitions having handled the amalgamations of Parke-Davis (India) Limited, Pharmacia Healthcare Limited and Wyeth Limited with Pfizer Limited.

Mr. Prajeet Nair has over 10 years of experience in handling drug price control matters and currently leads the Pricing function. Mr. Nair also supports the Company on policy advocacy and making representations to government on pricing policy matters.

LEADERSHIP TEAM



S. Sridhar
Managing Director



Masood Alam
Country Lead -
Pfizer Innovative Health



**Ravi Prakash
Bhagavathula**
Executive Director - Finance
& Chief Financial Officer



Shashank Shanbhag
Senior Director -
Specialty Care



Arvind Jain
Director - Vaccines



Madhav Joshi
Senior Director -
Primary Care



Ashish Venkataramani
Senior Director -
Critical Care

Vivek Dhariwal
Executive Director -
Technical Operations



Dr. Anurita Majumdar
Executive Director -
Medical



Sharad Goswami
Director - Public Affairs



Samir Kazi
Director - Legal



Alind Sharma
Senior Director -
Human Resources



Navin Singhania
Director - Business
Technology



Sandeep Seth
Director - Compliance



Deepak Rakheja
Director - Global
Commercial Operations



Director/Senior Director denotes functional Director and not a Director on the Board of Directors of the Company

GET HEALTHY STAY HEALTHY



Four powerful words – **Get Healthy, Stay Healthy** – summarize the aspirations that people around the world have for themselves and their loved ones. The journey to better health is a powerful motivator in shaping everything from personal behaviors to societal choices, and certainly, in driving our work at Pfizer.

Everywhere we operate, Pfizer has a longstanding commitment to offer people not only medicines and vaccines of high value and quality but also practical and scientifically grounded information on achieving and maintaining optimal health. This commitment is especially evident in nations like India, where innovation and development are moving ahead at a rapid pace and giving many more people the hope of living both longer and better.

Pfizer in India, like Pfizer itself, is more than a Company and the Pfizer colleagues in India understand that they have a special role in better healthcare globally as well as in the development of India specifically. They have taken the core message of **‘Get Healthy, Stay Healthy’** to heart and exhibit ‘Pride in Every Stride.’ They are making notable advances in improving the health of India’s citizens and demonstrating to the world that better healthcare should be within everyone’s reach.

You will see in this report that Pfizer now has the opportunity to connect millions of additional patients to reliable and practical health information through our website – www.gethealthystayhealthy.com especially in places where this information may not be readily accessible.

This Annual Report will acquaint you with the work and dedication of Pfizer in India and demonstrate the value we strive to bring to India’s citizens. Our Pfizer colleagues in India and everywhere are strongly committed to supporting many more people in their journeys to better health.

**Dr. Freda Lewis-Hall, M.D.,
Executive Vice President &
Chief Medical Officer, Pfizer Inc.**

Asia Pacific (APAC) is a highly diverse region that is home to 40% world's population includes highly developed economies such as Japan to emerging economies like India, Vietnam and Thailand.

This diversity is also reflected in health systems and challenges seen in healthcare delivery. We are seeing an increase in the ageing population, rising incidence of chronic diseases leading to dual and in some countries triple disease burdens, Twin challenges of cost containment and universal health coverage are driving increasing adoption of evidence based health policy.

Against this backdrop, Pfizer Medical in APAC is playing an active role to improve health of our communities through our portfolio, programs, partnerships and policy advocacy initiatives. Our portfolio of efficacious and quality medicines both innovative as well as essential, impact more than 300 million patients in the region. Our medical educational programs in Anti-infective, Cardiovascular, Pain,

Neurosciences and Men and Women Healthcare have helped bridge knowledge and practice gaps in our region. We have partnered with the Ministries of Health as well as medical societies in a number of countries across APAC to improve education, patient outcomes and access. Pfizer has been an active partner to facilitate networks and exchange expertise towards evidence based health policy in our region.

'Get healthy, Stay healthy' is one key platform for Pfizer that intends to drive patient education enabling them in their health journey. Informed patients are fundamental to better compliance, improving outcomes and reduce medication errors. We believe in the tremendous healthcare potential of India and are keen to contribute and partner India in its plan towards becoming a healthier nation.



Dr. Chandrashekhar Potkar,
Regional Medical Affairs
Lead - APAC, Pfizer Inc.



Dr. Anurita Majumdar,
Executive Director –
Medical, Pfizer Limited

This year we have chosen the theme of 'Get Healthy, Stay Healthy' for our Annual Report. Health as most people would know is a state of physical, social and emotional well-being but probably, very few people really understand that the journey to good health begins from awareness and knowledge of what really is a healthy life style and how does it get impacted.

It is important to note that nutrition plays a critical role not just in 'weight management' but in prevention of numerous diseases. Basic knowledge about common diseases and nutrition goes a long way in preventing occurrence of both infectious and non-communicable diseases.

At Pfizer Limited, we take pride not just in bringing innovative, novel drugs and healthcare solutions to patients all over the world but also in helping create the right level of awareness amongst, patients and physicians to combat various diseases. Some of our awareness efforts are focused on infection control, combating anti-microbial resistance and different aspects of woman's health especially

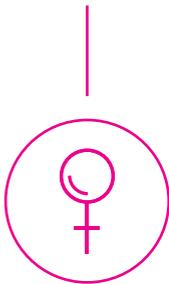
on contraception and menopause awareness.

We know awareness starts right from the time of childhood and it is important to inculcate good health and hygiene practices among the children of our community. Towards this, we have been supporting sanitation projects in schools to refurbish sanitation units as part of our Corporate Social Responsibility.

Through this Annual Report, we have attempted to create awareness about some general health conditions which commonly affect most of us in India. It is a small yet a significant step towards creating a healthy world around us.

OUR MAJOR THERAPY AREAS

WOMEN
HEALTHCARE



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NO PAUSE FOR MENOPAUSE

Menopause is an unspoken reality of life and its cause is mostly unattended among women. It is a difficult physiological event in a woman's life leading to permanent cessation of menstruation at the end of reproductive life. Most women with menopause ignore the associated symptoms unless it affects their daily activities. Early recognition of symptoms can diminish the discomfort and fears among women.

Burden of Menopause

The final menstrual period (FMP) usually occurs between the ages of 45 and 55. The average age of menopause in Indian women is 47 years. With increasing life expectancy, women spend 1/3rd of life in this phase. Currently, there are more than 130 million women in India, necessitating substantial care. Estrogen levels decline during menopause thus affecting mood, quality of sleep and the ability to regulate body temperature.

WOMEN HEALTHCARE

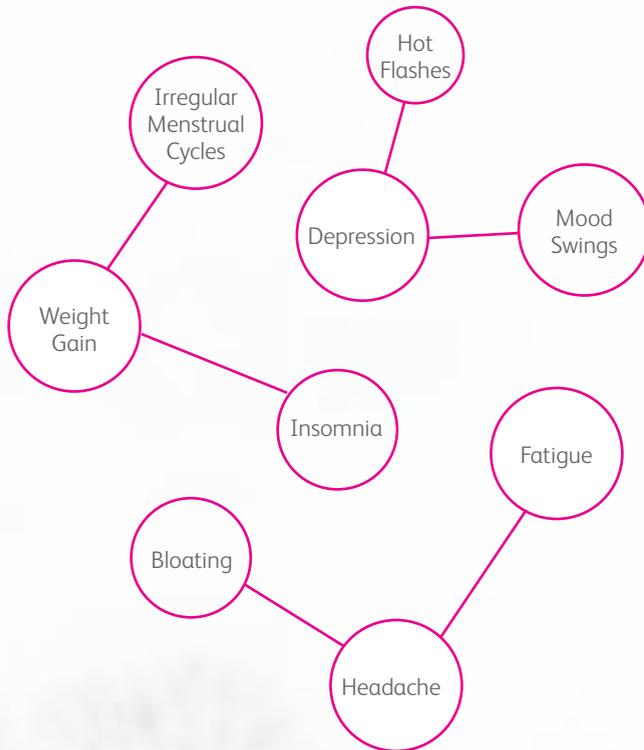
What is Menopause?

Menopause is a natural phenomenon which occurs in all women. In this phase, natural oestrogen and progesterone hormone levels fall, and luteinizing hormone and follicle stimulating hormone increase in response.



Symptoms

Women often experience a range of symptoms, including the following:



Common Causes

- Premature menopause may be caused by surgery, removal of the ovaries, radiation therapy or autoimmune diseases
- Low socio-economic factors are associated with premature menopause
- Factors that affect the age at which women have their final period include age at menarche, parity, previous oral contraceptive history, BMI, ethnicity and family history

Pfizer Limited in this Therapy Area



Menopausal Health is one of our key focus areas within Women Healthcare. The team continues to engage and partner with Indian Menopause Society (IMS) for cascading emerging scientific data that favours the use of Hormone Therapy to treat symptoms of Menopause.

As part of the scientific engagement with IMS, webinars were organized at 10 locations across the country involving International Speakers of repute. The panel of speakers involved President and President-Elect of International Menopause Society and Key Opinion Leaders (KOLs) from India. In addition, about 35 CMEs were conducted to improve confidence of Gynaecologists in Menopausal Hormone Therapy as an appropriate first line option in deserving patients. These scientific initiatives helped engage approx. 1000+ Gynecologists across the country that will inturn be beneficial for many deserving patients to overcome menopausal symptoms and ensure better quality of life.

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Menopause complications

After menopause, the following chronic conditions may appear commonly.



OSTEOPOROSIS



CARDIOVASCULAR DISEASE



URINARY INCONTINENCE



OVERWEIGHT/ OBESITY



LOW LIBIDO



BREAST CANCER



Treatment options*

Hormonal Therapy, also known as Hormone Replacement Therapy (HRT) and Vaginal Estrogen are the available options for treatment.

Treatment varies depending on the signs and symptoms experienced by the menopausal woman.

With doctors' consultation, various management options like lifestyle modifications, Hormone Replacement Therapy (HRT), age-appropriate preventive tests can be explored to maintain a healthy life. Women should take the initiative and get themselves educated and clarify their doubts to help themselves feel empowered.



WAYS TO STAY HEALTHY DURING /AFTER MENOPAUSE



Reduce stress

Few menopausal symptoms are difficult to cope along with stress, hence managing stress levels with techniques like yoga or meditation is important.



Stay active

Exercising during menopause prevents weight gain, reduces cancer risk, strengthens bones and boosts general mood.



Try to get enough sleep

Regularising sleep cycle may ease menopausal symptoms.



Eat right

Avoid alcohol and spicy foods, which may trigger hot flashes.



Fight hot flashes

Stay as cool as possible by avoiding tight clothing and increase water intake. And don't forget to dress in layers so you can stay as comfortable as possible.



Consult your doctor

Visit your doctor for regular tests and discuss your symptoms.

Content sourced from [GetHealthyStayHealthy.com](https://www.gethealthystayhealthy.com) and the Association of Physicians of India. Edited by Medical Team, Pfizer Limited

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BREATHE EASY

RESPIRATORY



Smoking is amongst the most preventable causes of premature deaths globally. India has over a 100 million smokers, second only to China. In India, where 11.2% of the world's smokers live, 7.43 lakh deaths were attributed to smoking in 2015.

However, it is not just the risk of early death that should put one off smoking; it is the leading cause of Chronic Obstructive Pulmonary Disease (COPD).

In India, 30% of patients seen in chest clinics and 1-5% of hospitalized patients suffer from COPD.

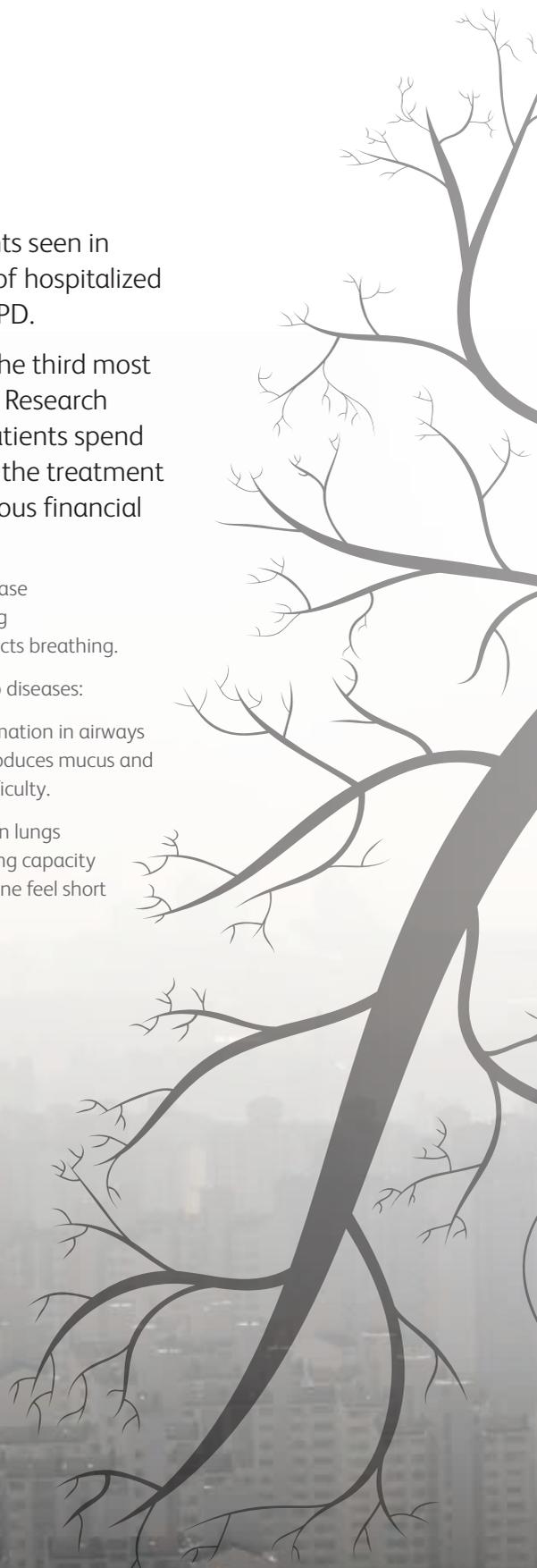
By 2020, COPD will be the third most deadly disease globally. Research indicates that Indian patients spend 30% of their income in the treatment of COPD leading to various financial problems.

COPD is a slow progressing disease of the respiratory tract, including airways and lungs, which obstructs breathing.

It is often a combination of two diseases:

Chronic Bronchitis: An inflammation in airways that carry air to lungs, which produces mucus and ultimately causes breathing difficulty.

Emphysema: The tiny air sacs in lungs get damaged, which reduces lung capacity to exchange more air, making one feel short of breath.



Pfizer Limited in this Therapy Area

Our wide portfolio offers solutions to common ailments like cough, allergy, asthma and respiratory infections. These include a combination of antitussives and antihistaminics for dry cough, bronchodilators and expectorants/mucolytic for productive cough with wheeze.

Common Causes

- Smoking
- Inhalational exposure to tobacco
- Exposure to occupational dust, chemicals
- Serious lung infections in childhood
- Genetic deficiencies

We have always been at the forefront of many scientific and education initiatives. Continuing our endeavor, we continue conducting ECHO (Education to Enhance Physician's Clinical Outcomes) meetings to impart knowledge to general physician on cough and asthma management for improving clinical outcomes of their patients. The team also conducts a series of Meet the Expert webinars, Walk Against Respiratory diseases ('WAR') on topics like cough management and asthma and SMART meetings on superior management of asthma and related therapies.

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Symptoms

In the early stages of COPD, there may be no symptoms, or mild symptoms, such as:

- A nagging cough ('smoker's cough')
- Shortness of breath, especially with physical activity
- Wheezing
- Tightness in the chest

Diagnosis of COPD requires a careful and thorough examination by a registered healthcare practitioner using a lung function test.

As the disease worsens, symptoms may include:

- Having trouble catching breath or talking
- Blue or gray lips and/or fingernails
- Trouble with mental alertness
- Fast pace of heartbeat
- Swollen feet and ankles
- Weight loss



Managing COPD

Quitting smoking is the first and most important step one can take to combat COPD. Avoiding secondhand smoke is also critical.

For people with COPD who have trouble eating because of shortness of breath or being tired:

- Have smaller, more frequent meals
- Rest before eating
- Take vitamins and nutritional supplements

A broad program that improves the well-being of people who have chronic breathing problems would include:

- Exercise training
- Nutritional counseling
- Energy-conserving techniques
- Breathing strategies
- Psychological counseling



In today's world, lifestyle changes and compliance to treatment under medical supervision can help one breathe easy, stay more active, and slow the progress of the disease. Studies demonstrate improved outcomes with smoking cessation regardless of severity. It is important to start today and talk to a doctor about quitting smoking.



Treatment options*

Treatment options are usually advocated by registered healthcare practitioners in combination and include bronchodilators, antibiotics, and in some cases, steroids.

If appropriate, a vaccination is added to the treatment during flu season.

In very advanced cases, patients may require oxygen therapy and/or surgery.

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Contributed by the Medical Team, Pfizer Limited. Parts of this content has been sourced from GetHealthyStayHealthy.com and the Association of Physicians of India.

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KNOW YOUR BASICS!



MULTIVITAMINS



Known as micronutrients, vitamins and minerals are needed in minute quantities to perform vital functions within the body. They are necessary for most metabolic functions in the body including producing enzymes, hormones and other substances. A balanced diet with consumption of wide variety of foods is required to ensure adequate intake of vitamins and minerals.

Deficiency of one or more micronutrients can affect metabolic functions.

Micronutrient deficiency can be more serious in certain populations:

- Delay in physical and cognitive growth, weak immune system and disease can occur in deficient children
- In pregnant women, nutrition deficiency can lead to low birth weight, birth defects, stillbirths and in some cases even fatal. Deficiency that occurs during fetal life can affect the individual as an adult
- Deficiency can arise due to anorexia (appetite loss) or chronic alcoholism or increased intake in cases of pregnancy, lactation and illness. In the National Family Health Survey (2015-16), 50.3% women aged 15 - 49 years were found to be anaemic.

In India, more than 70% of the population consumes less than 50% of the required quantity of micronutrients. As a consequence, India loses 1% of its GDP due to micronutrient deficiencies that result in loss of productivity, illness, increased health care costs and death.

Tips for better nutrient intake:

Eat variety of foods to ensure a balanced diet

Eat plenty of colored vegetables and fruits

Include micronutrient rich foods in the diet of elderly people to enable them to be fit and active

Ensure provision of extra food and healthcare to pregnant and lactating women

Ensure adequate and appropriate diet for children and adolescents both in health and sickness

Nutrient dense food items to include:

These foods have a lot of nutrients relative to the number of calories

- Green leafy vegetables
- Bell peppers
- Mushrooms
- Sweet potatoes
- Papaya, raspberries, strawberries
- Low-fat yogurt/curd
- Eggs
- Seeds (flax, pumpkin, sesame and sunflower)
- Dried beans (garbanzo, kidney)
- Lentils, peas
- Avocados
- Almonds, cashews, peanuts
- Barley, oats, quinoa, brown rice
- Salmon, cod, shrimp, tuna
- Chicken

To ensure a balanced diet one should consume food items that provide us with adequate intake of both macronutrients and micronutrients. Although needed in small quantities, micronutrients pave the way to healthy eating.

Contributed by Medical Team, Pfizer Limited

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Pfizer Limited in this Therapy Area



For several decades now, the Vitamins and Minerals Supplements category continues to help meet the goal of fulfilling the nutritional needs of our patients.

With patient-centric initiatives like education programs that focuses on boosting immunity with the right Vitamin B-complex supplements and engaging with general practitioners to reach out to maximum patients, we continue to take the lead in the Nutrition segment. This momentum is set to continue, with the combined impact of rising awareness of Vitamins/Nutrition amongst Indian population and the positive impact of our reach within the Indian Healthcare Professionals community.

In its efforts to build a healthy nation, we are developing new growth avenues, particularly by coming up with new introductions that are customized to suit particular age-group and other lifestyle requirements.

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CARE FOR YOUR HEART

CARDIOVASCULAR



Heart attack is the leading cause of death worldwide. As of 2016, heart attack had claimed one life every 33 seconds in India. According to the World Health records, by 2020, about 2.6 million deaths in India would be due to coronary heart disease which constitutes 54.1% of all Cardiovascular Disease (CVD) deaths. As per a global study, only 23% of CVD deaths occur in the Western population before the age of 70 years versus 52% in India.



Pfizer Limited in this Therapy Area

Our pioneering contribution to Cardiology, started with the first line antihypertensive Amlodipine and subsequent launch of Prazosin for uncontrolled hypertension, followed by products for diabetic hypertension.

Over the years, we have played an important role in improving outcomes of Cardiovascular patients. With the second most prescribed antihypertensive offering in the Indian market, we have partnered with various experts to roll out consensus statement for management of Hypertension in Chronic Kidney Disease patients with Nephrologists and also various awareness programs during World Kidney Day, World Hypertension Day and World Heart Day.

Causes

Coronary heart disease is the most common cause of heart attack. Heart attack occurs when the blood flow carrying oxygen to the heart is reduced or blocked due to fat/cholesterol accumulation (plaque) in the coronary arteries. Plaque builds up over time. When plaque breaks off, it forms a blood clot due to which heart does not receive oxygen supply hence resulting in heart attack. If the artery is blocked for longer time it results in permanent heart damage.

Another cause of heart attack (less common) is a coronary artery spasm (tightening of the heart artery) which reduces or cuts off the blood supply to the heart. The exact cause is unknown; however, use of illicit drugs, smoking and intense emotional stress can be related factors.

Heart attack occurs when the blood flow carrying oxygen to the heart is reduced or blocked due to fat/cholesterol accumulation (plaque) in the coronary arteries.

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Do's for a healthy heart



Control cholesterol

Manage blood pressure

Reduce blood sugar



Symptoms

Some people feel mild pain or discomfort at first and some won't experience chest pain at all.

Heart attack signs and symptoms may include:

- Chest pain or discomfort
- Pain moving down the left arm up to the left side of the jaw
- Pain or discomfort in the back or stomach
- Pain and discomfort in the upper body (e.g., arm, back, neck, jaw, stomach)
- Shortness of breath
- Nausea or vomiting
- Light-headedness
- Cold sweat

Women can have different heart attack symptoms as compared to men. Women are more likely to experience chest pain without pressure, along with other symptoms such as shortness of breath, weakness, fatigue, indigestion, nausea/vomiting and palpitations.

You should seek immediate medical attention if you experience any of the above mentioned symptoms.



Risk Factors

There are various factors which can contribute to clogged arteries. Risk factors are as follows:

- Age
- Family history
- Smoking and alcohol
- High cholesterol
- High blood pressure
- Lack of exercise
- Obesity or being overweight
- Diabetes

Common Tests

Heart attack can be diagnosed by conducting a physical exam and reviewing signs and symptoms, medical history and test results of a patient.

Some common diagnostic tests include:

- Electrocardiogram (ECG)
- Blood tests
- Coronary angiography
- Stress tests
- CT scan
- MRI



Treatment Options*

Usually advocated in combination, the recommended treatment is controlling blood pressure and use of blood thinning agents. In complicated cases, your doctor may recommend angioplasty or a bypass surgery.

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Content sourced from GetHealthyStayHealthy.com. Edited by Medical Team, Pfizer Limited

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KNOW MORE

Pneumonia affects millions of people every year in the world and is the leading cause of death in children, particularly those under the age of 5 years – as reported by the Centers for Disease Control and Prevention.

India ranks first among fifteen countries contributing to the highest burden of pneumonia and diarrhea deaths in the world. Although the Global Action Plan for Pneumonia and Diarrhea (GAPPD) score for India has seen an improvement in 2015-2016, its 2016 Pneumonia Intervention GAPPD Score still remains at 53%.

VACCINES



What is Pneumonia?

Pneumonia is an infection of the lungs caused by different germs, including viruses, bacteria and fungi. Although the body prevents germs which cause pneumonia from reaching the lungs, a weak immune system, or inability of the body to prevent germs from entering the lungs can result in infection.

Different types of pneumonia

- **Community-acquired pneumonia (CAP):** This type of pneumonia is most common and occurs in people who are not in the hospital or other healthcare facility
- **Hospital-acquired pneumonia:** Type of pneumonia developed during or after staying in a hospital
- **Healthcare-acquired pneumonia:** Type of pneumonia acquired in nursing homes, outpatient clinics or centers for dialysis
- **Aspiration pneumonia:** This type of pneumonia is acquired by breathing large amounts of liquids, vomit, or food or other objects into the lungs. A medical condition that affects the ability to swallow may result in aspiration pneumonia (e.g., seizure or stroke)



Symptoms

The severity of Pneumonia symptoms may range from mild to severe, depending on factors such as age, the type of pneumonia, overall health, etc. The most common symptoms of pneumonia are:

- High fever
- Chills
- Cough (usually significant); sputum (phlegm) may be reddish or yellow-green in color
- Shortness of breath
- Chest pain
- Fatigue

Diagnosis of pneumonia is usually performed by a doctor listening to the lungs for crackling or other abnormal sounds. A chest X-ray to analyze the lungs and other organs may also assist the doctor in diagnosis.



Risk Factors

Pneumonia can affect all people, particularly infants and children younger than 5 years of age, and people of 65 years of age or older. Other factors that increase the risk of having pneumonia include:

- Respiratory conditions (e.g. asthma, chronic obstructive pulmonary disease)
- Chronic conditions (e.g. diabetes, heart disease, liver disease, kidney disease)
- Weak immune system (caused by conditions such as HIV/AIDS, organ transplant, chemotherapy, prolonged use of steroids)
- Smoking
- Being on a ventilator
- Recent cold/flu



Prevention*

The following steps can be taken to protect one's health:

- Limit contact with others if you are unwell and avoid contact with those who are unwell
- Maintain hand hygiene
- Avoid coughing and sneezing into your hands
- Avoid/quit smoking and being exposed to smoke
- Maintain regular health visits
- Maintain a healthy diet, good sleep-cycle and exercise routine

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Pfizer Limited in this Therapy Area

Pfizer is positioned as the second largest in the Indian Vaccines market (IMS MAT March 2017)

260+

field colleagues

26000+

HCPs reached out to

Early detection of pneumonia is important to avoid progression to fatal complications. Infants and elderly should take added precautions. Adequate treatment should be sought to cure patients affected with the illness. Following simple preventive measures, along with maintaining a healthy immune system, can be useful in evading the infection.

Content sourced from GetHealthyStayHealthy.com. Edited by Medical Team, Pfizer Limited

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ANTIMICROBIAL RESISTANCE

By virtue of the extensive use of antimicrobials in hospitals, they are considered the 'epicenters' of drug resistant microorganisms. The patients who carry these organisms transfer them to the 'community' and these organisms once introduced, can spread like fire.

Current scenario: some facts and figures

The current rate of increase in resistance to antimicrobials is alarming. High rates of resistance are observed in bacteria that cause community acquired infections like urinary tract infections and pneumonia. Drug resistant TB, malaria and HIV infections are on the rise. Bacteria that cause infections like boils and acne called *Staphylococcus aureus* have evolved mechanisms of resistance to Vancomycin, an antibiotic used for the treatment of serious life threatening infections with this organism.

ANTI-INFECTIVE



The problem of antimicrobial drug resistance and 'Multiply Drug Resistant Organisms' (MDRO) is a growing concern worldwide. In India the threat is more serious because antibiotics are available 'across the counter' sometimes without prescription and resultant misuse. The use of antibiotics in veterinary practice adds to this problem. The development of antibiotic resistance is related to their use.



Bacteria like *Escherichia coli* that reside in the gut have evolved with resistance to the entire group of 'Beta lactam antibiotics' with enzymes like Extended spectrum beta lactamases and carbapenamases which empower them with resistance to even the highest antibiotics. The levels of resistance in India are as high as 80%*. Medical literature is flooded with articles on the high levels of resistance in Gram negative bacteria like *Klebsiella pneumoniae*, *Pseudomonas aeruginosa*, *Acinetobacter baumannii* etc. New mechanisms of resistance are being described like the NDM bacteria as superbugs! This indicates that microorganisms are smarter than the mankind! There are hardly any options for the treatment of serious life threatening infections.

Antibiotic use is a major driver of resistance. In 2010, India was the world's largest consumer of antibiotics for human health at 12.9 x 10⁹ units (10.7 units per person).¹

Pfizer Limited in this Therapy Area

With a wide portfolio of anti-infectives, one of our key priorities continues to be conducting awareness and education programs on proper management of critical infections and promote judicious use of antibiotics that would help combating Anti-Microbial resistance.

Some of these programs include a sustained digital interaction between the regional centers of excellence with nursing homes in Tier II and Tier III cities, educational initiative towards antimicrobial stewardship. Infection prevention workshops, online training and hands-on workshop on management of fungal infections are other key elements within our programs.

We rank 5th in the hospital segment and are leaders in six out of the nine molecules in the Anti-Infectives portfolio. Our position of leadership has been built over the years through scientific engagements and strong medical advocacy. We have further strengthened this with the strategy of establishing 'Leadership in Hospitals' through segmentation of the market and key accounts to ensure optimal focus.

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*Laxminarayan R, Chaudhury R. Antibiotic Resistance in India: Drivers and Opportunities for Action. PLOS Medicine. 2016; 13(3):e1001974

Solutions

Infections are caused by bacteria, viruses, parasites and fungi. There is a need to treat infections and not reports generated by laboratories. It is essential to collect appropriate samples for the diagnosis of an infection and the laboratory results be interpreted appropriately by a clinician before starting patients on antibiotics. It may not be necessary to start antibiotics for a patient who has a cold without any fever or productive cough which is likely to be caused by a virus. However, if the cough continues for as long as three weeks, this may be a more serious infection requiring advice and investigations guided by a specialist.

A rational approach to this huge problem is through an effective 'antibiotic policy' or an 'antimicrobial stewardship program'.

The Government has framed guidelines, policies and programs that focus on the judicious use of antimicrobials to provide better patient outcomes (results), better patient safety through reduced risk of side effects (adverse effects), cost effective treatment and reduction or stabilization in the levels of drug resistant microorganisms.

Local data of surveillance on the prevalence of multidrug resistant organisms forms the backbone of the policy.

ESBL producers (type of resistant organisms), are close to 24% in community acquired infections.²

The clinical microbiologist plays a pivotal role and is responsible for the timely delivery of reports on the cause of an infection and the choice of the antimicrobial agent.



Strengthening infection control is important to prevent the spread of these MDRO from one case to another and from the healthcare provider to the patients. One of the most effective means of controlling this spread from person to person is by following simple infection control measures like 'hand hygiene'.

Infections like tuberculosis spread by the airborne route. Cases of tuberculosis with bacteria in the sputum contribute to the spread by spitting indiscriminately. These bacteria can survive in dust for long periods of time and carried over long distances. A process like 'brooming', can contribute to the spread. India is a country with a rich heritage and culture of 'hygiene'. Hence the age-old practice of watering the soil in the evenings before children go out to play!

In a country like India one of the simplest solutions is to improve hygienic standards to prevent infections. Education of the masses including school children on the importance of hygiene, handwashing before meals, provision of safe drinking water and food hygiene, will prevent gastroenteritis, Hepatitis E and A and many other infections transmitted by 'contact' and on the hands of individuals.

It is clear that the threat of antimicrobial resistant bacteria is now a reality. These infections are more often fatal, result in prolonged illness and a greater

chance for resistant organisms to spread to other people and finally increased costs of care, newer more expensive drugs.

In order to contain drug resistance, it is essential to use the correct antimicrobial administered by the best route, in the right dosage, at optimum intervals for the appropriate period.

The control of antimicrobial drug resistance is in our 'hands'. We need to join hands in this war against drug resistance. The key to success lies in the age old statement, 'Prevention is better than cure'.

Dr. Rohini Kelkar MD., DPB.
Chairperson, HIS-Mumbai Forum

Dr Rohini Kelkar, with over 20 years of experience, holds the position of Prof. & Head, Department of Microbiology, Tata Memorial Centre, Mumbai. She has a keen interest in infection control, and currently is Chairperson, HIS-Mumbai Forum and Vice-President, Hospital Infection Society of India.



Over 1.5 million children under five die each year as a result of diarrhea. It is the second most common cause of child deaths worldwide.



Handwashing with soap at critical times – including before eating or preparing food and after using the toilet – can reduce diarrhea rates by more than 40%.



Handwashing with soap can reduce the incidence of acute respiratory infections (ARIs) by around 23%.³

References

¹Laxminarayanan R et al. Antibiotic Resistance in India: Drivers and opportunities for action. PLoS Med. 2016 Mar 2; 13(3):e1001974. doi: 10.1371/journal.pmed.1001974. eCollection 2016 Mar.

²Rath S et al. Surveillance of ESBL producing multidrug resistant Escherichia coli in a teaching hospital in India. Asian Pac J Trop Dis. 2014 Apr; 4(2): 140–149.

³<http://unicef.in/Story/129/Fast-Facts-And-Figures-About-Handwashing>

CORPORATE SOCIAL RESPONSIBILITY

Our CSR Purpose

We continue to stay true to our stated purpose of promoting access to quality healthcare in the country by nurturing innovations, encouraging community involvement of our employees and synergising efforts in partnerships with Government and other stakeholders for collective impact.

CSR Initiatives

Our CSR initiatives are a demonstration of its commitment to giving back to society. The selected programs under CSR align to our strategic priorities to include initiatives in the area of encouraging healthcare innovations, fostering partnerships with relevant stakeholders to create awareness around national healthcare priorities such as combating anti-microbial resistance, blood donation camps etc.

Employee Volunteering forms a core part of our CSR framework where our colleagues volunteer their time to drive awareness around ambient healthcare conditions. Engaging in these volunteering activities instills a sense of pride and purpose in our colleagues beyond their everyday work.

Some key initiatives undertaken during the year were:

Encouraging Healthcare Innovations Made in India

The Pfizer IIT-Delhi Innovation and IP Program launched in 2015-16, aims at encouraging innovators to create healthcare innovations Made in India. We partnered with the Foundation for Innovation and Technology Transfer (FITT) at the Indian Institute of Technology, Delhi to launch an incubation accelerator initiative – Pfizer IIT-Delhi Innovation & IP Program. The Phase 1 of this project selected and awarded two full-time innovators with an unencumbered funding of upto ₹50 lakh per incubatee and three innovators towards Intellectual Property (IP) Filing support services.

Further to the success of Phase 1, we rolled out Phase 2 by calling in entries at a national level. The five winners of the second phase have been identified and will shortly be awarded the grants.

Strategic Priority Areas



Encourage and support Indian innovation and Indian Intellectual Property with a focus on Healthcare;



Undertake awareness and access programs ourselves or in partnership with NGO's, Government and Healthcare Providers in areas such as Women and Child health, among others;



Support Government's national and/or state programs and priorities with linkages to healthcare;



Enlist employees as volunteers to support activities around health, sanitation and disease awareness;



Participate in disaster relief activities.



Team that is developing the portable device for early diagnosis of typhoid and antibiotic susceptibility.



The team developing a novel wearable device for combating air pollution

Projects Selected for Resident Incubation

Phase 1

Early diagnosis of typhoid



The team has developed a portable device for early stage typhoid diagnosis (within 6 hours), followed by antibiotic susceptibility information of S.typhi strain to address the challenge of unavailability of timely and accurate diagnosis of typhoid fever.

Phase 2

Synthetic Simulator for Endoscopic Third Ventriculostomy and Ventricular Shunt Placement



Development of a synthetic physical simulator to provide training of surgical treatment during Neurosurgery.

Endonasal air purification device



The proposed solution is to develop a novel wearable device, with unique air-purification technology, for minimizing inhalation of air-pollutants.

A novel platform for delivery of multi-micronutrients



A novel platform formulation that augment efforts to support interventions for multi-micronutrient malnutrition.

Combating Antimicrobial Resistance

India being the largest consumer of antibiotics, the Government in 2016 committed to tackling AMR by taking further steps towards a new National Action Plan on AMR. Globally, Pfizer has been aligning with governments, medical societies and healthcare institutions to enhance antibiotic surveillance programs and improve awareness.

In India, during the last couple of years, we have been conducting several Antimicrobial Stewardship Education Program and workshops to promote rational use of antibiotics and infection control practices in smaller hospitals and nursing homes. This year, we will be working with Government stakeholders to expand existing surveillance programs and enhance stewardship initiatives to combat AMR.

Doing Good

'Doing Good' is Pfizer Limited's employee volunteering platform that encourages and inspires colleagues to make a tangible, responsible, and lasting impact in the community it serves in. It is a demonstration and reflection of your Company's commitment towards making a difference in people's lives.

Under the Doing Good platform, we continued our efforts in providing basic sanitation facilities aligning to the Swachh Vidyalaya/Swachh Bharat Campaign. This year, we undertook the sanitation build activities in Goa, Delhi, Mewat (Haryana) and Lucknow (UP) covering 13 schools. We would be expanding the sanitation drive to Andhra Pradesh and Chennai in the coming years.



Completed sanitation unit in Maharashtra



~100

hours of outreach activities

219

sanitation units

18,000

children benefitted

Fundraiser Charity Match

We held a fundraising charity match to support two NGOs – 'Armmaan' and 'Doctors for You' that work in the areas of improving healthcare access to vulnerable communities. We matched the equivalent of the funds raised by our employees and this amount was donated to the above NGOs.

₹5 lakhs

collected

250+

children benefitted



Our MD S. Sridhar handing over the donation cheque to the NGO

Blood Donation Drive

World Blood Donor Day was celebrated across our offices, which included the headquarters and regional centers. In partnership with Indian Red Cross Society and The Lion's Blood Bank (Chennai), blood donation camps were organized through the week June 14 - 22 at Mumbai, Chennai, Kolkata, Lucknow, Hyderabad and Gurgaon. Our colleagues demonstrated the 'Doing Good' spirit by volunteering in great numbers to donate blood that would help in saving human lives.



A Pfizer colleague volunteering at the Blood Donation drive

650+

donors

During the year under review, we also provided Educational Grants worth ₹88 lakhs to partners who work in the area of healthcare development. We are proud to have exceeded the mandated CSR spends for the year, with our total contribution being ₹788 lakhs.

Corporate Information

Registered Office

Pfizer Limited

The Capital, 1802 / 1901, Plot No. C-70, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel: +91 22 6693 2000 | Fax: +91 22 2654 0274
Website: www.pfizerindia.com | E-mail ID: contactus.india@pfizer.com
CIN: L24231MH1950PLC008311

Registrar & Share Transfer Agent

Karvy Computershare Private Limited

UNIT: PFIZER LIMITED

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032.
Tel: +91 40 6716 2222 | Fax: +91 40 2300 1153
Toll Free No: 1-800-3454-001 | E-mail ID: einward.ris@karvy.com

Solicitors & Advocates

Crawford Bayley & Co.
Veritas Legal

Bankers

Citibank N.A.
Deutsche Bank AG
HSBC Limited
ICICI Bank
State Bank of India

Company Secretary

Prajeet Nair

Statutory Auditor

B S R & Co. LLP

Cost Auditor

RA & Co.

Secretarial Auditor

Saraf & Associates

Notice

66th Annual General Meeting

NOTICE is hereby given that the 66th Annual General Meeting of the Members of Pfizer Limited will be held at **Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, next to Sachivalaya Gymkhana, Mumbai – 400 021, on Wednesday, August 30, 2017 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of the Audited Financial Statement

To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2017, including the Reports of the Board of Directors and Auditors thereon.

Item No. 2 - Declaration of dividend

To declare a dividend of ₹20.00 (200%) per equity share for the financial year ended March 31, 2017.

Item No. 3 - Appointment of Mr. Vivek Dhariwal as a Director liable to retire by rotation

To consider and if thought fit, to appoint a Director in place of Mr. Vivek Dhariwal (DIN: 02826679), who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 - To consider the appointment of Messrs. Walker Chandio & Co LLP, as the Statutory Auditors of the Company

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs. Walker Chandio & Co. LLP, Chartered Accountants, having Firm’s Registration No. 001076N/N500013 be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of the 71st Annual General Meeting (subject to ratification by members at every subsequent Annual General Meeting), at such remuneration as may be approved by the Board of Directors of the Company from time to time.”

SPECIAL BUSINESS:

Item No. 5 - To consider re-appointment of Mr. Vivek Dhariwal (DIN: 02826679) as a Whole-time Director of the Company for a period of 5 years effective May 21, 2017.

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 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, Schedule V to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. Vivek Dhariwal (DIN: 02826679) as a Whole-time Director designated as Executive Director, Technical Operations of the Company for a term of 5 years with effect from May 21, 2017 and to his receiving remuneration, payments, perquisites, benefits and amenities 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. Vivek Dhariwal shall be subject to a maximum limit of ₹3,50,00,000/- (Rupees Three Crores and Fifty Lakhs only) per annum.

B. Other Perquisites, Benefits and Amenities:

Mr. Vivek Dhariwal shall be entitled to the following perquisites, benefits and amenities:

(a) Conveyance:

Mr. Vivek Dhariwal shall be entitled to a Conveyance Allowance of ₹10,80,000/- (Rupees Ten Lakhs and Eighty Thousand only) per annum, payable monthly on proportionate basis, with such increments as may be decided by the Board from time to time.

(b) Medical Expenses:

Mr. Vivek Dhariwal shall be entitled to reimbursement of hospitalization expenses incurred by him, his wife and children ("family") as per rules of the Company.

(c) Leave and Leave Travel Passage:

Mr. Vivek Dhariwal shall be entitled to leave as per rules of the Company. Leave Travel Assistance for Mr. Vivek Dhariwal and his family once in a year as per the rules of the Company.

(d) Personal Accident Insurance and Group Term Assurance:

Mr. Vivek Dhariwal shall be entitled to Personal Accident Insurance and Group Term Assurance as per the rules of the Company.

(e) Provident Fund:

Mr. Vivek Dhariwal shall be entitled to contribution to the Company's Provident Fund Scheme, in accordance with the rules of the Scheme.

(f) Gratuity

Mr. Vivek Dhariwal shall be entitled to contribution to Gratuity Fund as per the rules of the Company.

(g) Reimbursement of Expenses:

Mr. Vivek Dhariwal shall also be entitled to reimbursement of expenses incurred by him for the purpose of the business of the Company.

(h) Mr. Vivek Dhariwal shall also be entitled to 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 for car for use of Company's business and telephone at place of residence will not be considered as perquisite. Personal use of Company's car will be considered as perquisite in accordance with the prevailing provision of Income-Tax Rules, 1962, wherever applicable.

The Company's contribution to provident fund, gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure shall not be included in the computation of the above ceiling of ₹3,50,00,000/- (Rupees Three Crores and Fifty Lakhs only) per annum.

C. Minimum Remuneration:

Notwithstanding anything contained above, wherein any financial year during Mr. Dhariwal's tenure as a Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Dhariwal shall be subject to the provisions of Section 197 of the Companies Act, 2013 and to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being in force.

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 limit stipulated. The terms of remuneration payable to Mr. Vivek Dhariwal shall be in compliance with the provisions of Sections 197 and 198 of the Act read with Schedule V to the Act.

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."

Item No. 6 - To consider the appointment of Dr. Anurita Majumdar (DIN: 05291758) as a Director of the Company effective November 4, 2016.

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Anurita Majumdar (DIN: 05291758) who holds office as an Additional Director of the Company up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (“the Act”) and being eligible for appointment, in respect of whom the Company has received a notice in writing from a Member along with requisite deposit pursuant to Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Item No. 7 - To consider the appointment of Dr. Anurita Majumdar (DIN: 05291758) as a Whole-time Director of the Company for a period of 5 years effective November 4, 2016.

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 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, Schedule V to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of Dr. Anurita Majumdar (DIN: 05291758) as a Whole-time Director designated as Executive Director, Medical of the Company for a term of 5 years with effect from November 4, 2016 and to her receiving remuneration, payments, perquisites, benefits and amenities 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 Dr. Anurita Majumdar shall be subject to a maximum limit of ₹2,50,00,000/- (Rupees Two Crores and Fifty Lakhs only) per annum.

B. Other Perquisites, Benefits and Amenities:

Dr. Anurita Majumdar shall be entitled to the following perquisites, benefits and amenities:

(a) Conveyance:

Dr. Anurita Majumdar shall be entitled to a Conveyance Allowance of ₹10,80,000/- (Rupees Ten Lakhs and Eighty Thousand only) per annum, payable monthly on proportionate basis, with such increments as may be decided by the Board from time to time.

(b) Medical Expenses:

Dr. Anurita Majumdar shall be entitled to reimbursement of hospitalization expenses incurred by herself, her husband and children (“family”) as per rules of the Company.

(c) Leave and Leave Travel Passage:

Dr. Anurita Majumdar shall be entitled to leave as per the rules of the Company. Leave Travel Assistance for Dr. Anurita Majumdar and her family once in a year as per the rules of the Company.

(d) Personal Accident Insurance and Group Term Assurance:

Dr. Anurita Majumdar shall be entitled to Personal Accident Insurance and Group Term Assurance as per the rules of the Company.

(e) Provident Fund:

Dr. Anurita Majumdar shall be entitled to contribution to the Company’s Provident Fund Scheme, in accordance with the rules of the Scheme.

(f) Gratuity:

Dr. Anurita Majumdar shall be entitled to contribution to Gratuity Fund as per the rules of the Company.

(g) Reimbursement of Expenses:

Dr. Anurita Majumdar shall also be entitled to reimbursement of expenses incurred by her for the purpose of the business of the Company.

- (h) Dr. Anurita Majumdar shall be entitled to 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 for car for use of Company's business and telephone at place of residence will not be considered as perquisite. Personal use of Company's car will be considered as perquisite in accordance with the prevailing provision of Income-Tax Rules, 1962, wherever applicable.

The Company's contribution to provident fund, gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure shall not be included in the computation of the above ceiling of ₹2,50,00,000/- (Rupees Two Crores and Fifty Lakhs only) per annum.

C. Minimum Remuneration:

Notwithstanding anything contained above, wherein any financial year during Dr. Majumdar's tenure as a Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration payable to Dr. Anurita Majumdar shall be subject to the provisions of Section 197 of the Companies Act, 2013 and to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Dr. Anurita Majumdar lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limit stipulated. The terms of remuneration payable to Dr. Anurita Majumdar shall be in compliance with the provisions of Sections 197 and 198 of the Act read with Schedule V to the Act.

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."

Item No. 8 - To consider the appointment of Mr. Ravi Prakash Bhagavathula (DIN: 07282100) as a Director of the Company effective January 30, 2017.

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ravi Prakash Bhagavathula (DIN: 07282100) who holds office as an Additional Director of the Company up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ("the Act") and being eligible for appointment, in respect of whom the Company has received a notice in writing from a Member along with requisite deposit pursuant to Section 160 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."

Item No. 9 - To consider the appointment of Mr. Ravi Prakash Bhagavathula (DIN: 07282100) as a Whole-time Director of the Company for a period of 5 years effective January 30, 2017.

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 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, Schedule V to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of Mr. Ravi Prakash Bhagavathula (DIN: 07282100) as the Whole-time Director designated as Executive Director, Finance of the Company for a term of 5 years with effect from January 30, 2017 and to his receiving remuneration, payments, perquisites, benefits and amenities 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. Ravi Prakash Bhagavathula shall be subject to a maximum limit of ₹3,50,00,000/- (Rupees Three Crores and Fifty Lakhs only) per annum:

B. Other Perquisites, Benefits and Amenities:

Mr. Ravi Prakash Bhagavathula shall be entitled to the following perquisites, benefits and amenities:

(a) Conveyance:

Mr. Ravi Prakash Bhagavathula shall be entitled to a Conveyance Allowance of ₹10,80,000/- (Rupees Ten Lakhs and Eighty Thousand only) per annum, payable monthly on proportionate basis, with such increments as may be decided by the Board from time to time.

(b) Medical Expenses:

Mr. Ravi Prakash Bhagavathula shall be entitled to reimbursement of hospitalization expenses incurred by him, his wife and children ("family") as per rules of the Company.

(c) Leave and Leave Travel Passage:

Mr. Ravi Prakash Bhagavathula shall be entitled to leave as per the rules of the Company. Leave Travel Assistance for Mr. Ravi Prakash Bhagavathula and his family once in a year as per rules of the Company.

(d) Personal Accident Insurance and Group Term Assurance:

Mr. Ravi Prakash Bhagavathula shall be entitled to Personal Accident Insurance and Group Term Assurance as per the rules of the Company.

(e) Provident Fund:

Mr. Ravi Prakash Bhagavathula shall be entitled to contribution to the Company's Provident Fund Scheme, in accordance with the rules of the Scheme.

(f) Gratuity:

Mr. Ravi Prakash Bhagavathula shall be entitled to contribution to Gratuity Fund as per the rules of the Company.

(g) Reimbursement of Expenses:

Mr. Ravi Prakash Bhagavathula shall also be entitled to reimbursement of expenses incurred by him for the purpose of the business of the Company.

(h) Mr. Ravi Prakash Bhagavathula shall also be entitled to 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 for car for use of Company's business and telephone at place of residence will not be considered as perquisite. Personal use of Company's car will be considered as perquisite in accordance with the prevailing provision of Income-Tax Rules, 1962, wherever applicable.

The Company's contribution to provident fund, gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure shall not be included in the computation of the above ceiling of ₹3,50,00,000/- (Rupees Three Crores and Fifty Lakhs only) per annum.

C. Minimum Remuneration:

Notwithstanding anything contained above, wherein any financial year during Mr. Bhagavathula's tenure as a Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Ravi Prakash Bhagavathula shall be subject to the provisions of Section 197 of the Companies Act, 2013 and to the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being in force.

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Mr. Ravi Prakash Bhagavathula lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limit stipulated. The terms of remuneration payable to Mr. Ravi Prakash Bhagavathula shall be in compliance with the provisions of Sections 197 and 198 of the Act read with Schedule V to the Act.

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."

Item No. 10 - To consider and ratify the remuneration payable to Messrs. RA & Co., Cost Accountants for the financial year ending March 31, 2018

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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other rules, if any, made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹11,50,000/- (Rupees Eleven Lakhs and Fifty Thousand only) plus applicable taxes and out-of-pocket expenses as approved by the Board of Directors of the Company payable to Messrs. RA & Co., Cost Accountants, having Firm’s Registration No. 000242 for conducting Cost Audit of the cost records maintained by the Company for manufacturing of pharmaceutical formulations for the financial year ending March 31, 2018, be and is hereby ratified.”

By Order of the Board of Directors

Prajeet Nair
Company Secretary

Mumbai, May 6, 2017

Registered Office: Pfizer Limited
The Capital, 1802 / 1901,
Plot No. C – 70, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Tel: +91 22 6693 2000 Fax: +91 22 2654 0274
Website: www.pfizerindia.com
E-mail ID: contactus.india@pfizer.com
CIN: L24231MH1950PLC008311

Notes:

1. A Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”) with respect to Item Nos. 5 to 10 of the Notice is annexed hereto.
2. **The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 24, 2017 to Wednesday, August 30, 2017 (both days inclusive) for the purpose of payment of dividend.**

Dividend for the financial year ended March 31, 2017, as recommended by the Board of Directors of the Company, if approved at the Annual General Meeting, will be paid to the Members on September 14, 2017 as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, August 23, 2017;
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Wednesday, August 23, 2017.
3. IN TERMS OF SECTION 105 OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as Proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder.

The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on a poll.

4. Members / Proxies / Authorized Representatives 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. The Annual Report duly circulated to the Members of the Company, is available on the Company’s website at ‘www.pfizerindia.com’.

6. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company, at least one week before the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.
7. Members holding shares in the physical mode are requested to address their communications regarding transfer of shares, change of address etc., quoting their folio number(s) to the Company's Registrar & Share Transfer Agents:

Karvy Computershare Private Limited

UNIT: PFIZER LIMITED

Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli Financial District, Nanakramguda, Serilingampally,
Hyderabad, Telangana – 500032

Contact person: Mr. Premkumar Nair

Tel: +91 40 6716 2222

Fax: +91 40 2300 1153

TOLL FREE NO.: 1-800-3454-001

E-mail ID: einward.ris@karvy.com

8. Pursuant to Schedule V and VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 66,055 unclaimed shares held by 2,407 shareholders were outstanding in the Company's Unclaimed Suspense Account as on March 31, 2017, details of which are as follows:

Particulars	Number of Shareholders	Number of Outstanding Shares
Aggregate number as at April 1, 2016	2,415	66,266
Number of shares claimed and transferred from the Unclaimed Suspense Accounts during the year	8	211
Aggregate number as at March 31, 2017	2,407	66,055

Voting rights on shares lying in the unclaimed suspense account shall remain frozen till the rightful owner of such shares claims the shares.

9. In compliance with Sections 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid and unclaimed dividends declared up to the financial year ended November 30, 2008 and March 31, 2009 for Pfizer Limited and Erstwhile Wyeth Limited respectively, from time to time to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 5, 2016 (date of previous Annual General Meeting) on the website of the Company, 'www.pfizerindia.com' and also on the website of the Ministry of Corporate Affairs.

Members are requested to contact the Company's Registrar & Share Transfer Agents, in respect of their outstanding dividends for the succeeding years. Members are requested to note that dividends that are not claimed or remain unpaid up till seven years from the date of transfer to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF).

Further, equity shares in respect whereof dividend remains unclaimed/unpaid for seven consecutive years or more will be transferred to the demat account of the IEPF Authority as per Section 124 of the Act read with Rules notified thereunder, as may be amended from time to time.

10. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2016-17 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company / Depository Participants, a physical copy of the Annual Report for 2016-17 is being sent by the permitted mode.

To support the 'Green Initiative' Members who have not registered their E-mail addresses are requested to register the same with Karvy Computershare Private Limited / their respective Depository Participants.

11. **In terms of Section 72 of the Act read with the applicable rules thereto, every holder of shares in the Company may nominate, in the prescribed manner, a person to whom his / her shares in the Company shall vest, in the event of his / her death. Nomination forms can be obtained from the Registrar & Share Transfer Agents. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.**

12. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility, which will enable the Members to cast their votes electronically on all resolutions set out in the Notice. The remote e-voting period commences on Saturday, August 26, 2017 (9.00 a.m. IST) and ends on Tuesday, August 29, 2017 (5.00 p.m. IST).

13. Remote e-voting facility:

- A. The Company has appointed Karvy Computershare Private Limited (“Karvy”) to provide the remote e-voting facility. In case of any query pertaining to e-voting, please visit Help & FAQ’s section of Karvy e-voting website: <https://evoting.karvy.com>
- B. The Instructions for e-voting are as under

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e., User ID and password mentioned in your email / printed on the Attendance Slip. Your Folio No. / DP ID - Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote

User ID:	For Members holding shares in demat form:
	a. For NSDL: 8 character DP ID followed by 8 digit Client ID
	b. For CDSL: 16 digit Beneficiary ID / Client ID
	For Members holding shares in Physical form:
	Event No. (EVEN) followed by Folio No. registered with the Company
Password:	Your unique password is printed on the Attendance Slip/provided in the E-mail forwarding the Notice of the Company.

- iii) After entering these details appropriately, click on “LOGIN”.
- iv) You will now reach Password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,\$,#, etc). The system will prompt you to change your password and update your contact details like mobile number, E-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the “EVENT” i.e., Pfizer Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR / AGAINST” taken together should not exceed your total shareholding. If the shareholder does not indicate either “FOR” or “AGAINST”, it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii) You may then cast your vote by selecting an appropriate option and click on “**Submit**”. A confirmation box will be displayed. Click “**OK**” to confirm else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolutions.
- ix) Once the vote on the Resolution is cast by the shareholder, he / she shall not be allowed to change it subsequently.
- x) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. to the Scrutinizer at E-mail ID pfizerevoting2017@dholakia-associates.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_EVEN NO.” Alternatively, the aforesaid documents may be uploaded on the Karvy e-voting website: <https://evoting.karvy.com>

- xi) The Cut-off date for determining the eligibility of Members for remote e-voting and poll is Wednesday, August 23, 2017 at close of business hours.
- xii) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., Wednesday, August 23, 2017 at close of business hours. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Wednesday, August 23, 2017 at close of business hours only shall be entitled to avail the facility of remote e-voting / poll.
- xiii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Wednesday, August 23, 2017, at close of business hours may obtain the User ID and password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399 Example for NSDL: MYEPWD <SPACE> IN12345612345678, Example for CDSL : MYEPWD <SPACE> 1402345612345678, Example for Physical : MYEPWD <SPACE> XXXX1234567890
 - b) If E-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID, Client ID and PAN to generate a password.
 - c) Member may call Karvy's toll free number 1-800-3454-001
- xiv) The Annual Report 2016-17 of the Company containing the Notice of the Annual General Meeting is also available on Karvy e-voting website: <https://evoting.karvy.com>
- xv) Karvy Computershare Private Limited shall block the remote e-voting module after 5.00 p.m. IST on Tuesday, August 29, 2017.
- xvi) Members who have voted electronically through remote e-voting shall not be eligible to vote at the Annual General Meeting.

14. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through polling paper shall also be made available to those Members who attends the Annual General Meeting and have not already cast their vote by remote e-voting.

15. The Company has appointed (CS) Mr. Bhumitra V. Dholakia, Designated Partner of Dholakia & Associates LLP, Company Secretaries in practice as the Scrutinizer for conducting the electronic voting and polling process in a fair and transparent manner.

The Scrutinizer shall within a period of two days from the conclusion of the Annual General Meeting, submit his report of the votes cast in favour or against, through electronic voting and polling process to the Chairman or to any other person as authorized by the Chairman. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company www.pfizerindia.com and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.

AS REQUIRED UNDER REGULATION 36(3) OF THE LISTING REGULATIONS AND SS 2-SECRETARIAL STANDARDS ON GENERAL MEETINGS GIVEN BELOW ARE THE DETAILS OF THE DIRECTOR PROPOSED FOR RE-APPOINTMENT AND A STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, ("THE ACT") FOR ITEM NOS. 3 TO 10:

ITEM NOS. 3 AND 5:

Mr. Vivek Dhariwal (DIN: 02826679), aged about 50 years, 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. He has a wide range of Industrial experience in Pharmaceuticals, Agrochemicals, Specialty Chemicals and Bulk and Heavy Chemicals. He was earlier the Director, Manufacturing at Baxter (India) Private Limited and was responsible for India and Philippine markets. He has held senior positions in Baxter (India) Private Limited and ICI Plc, U.K.

The Board of Directors of the Company at their meeting held on May 6, 2017, had pursuant to the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Vivek Dhariwal (DIN: 02826679) as Whole-time Director of the Company, on such remuneration, payments, perquisites, benefits and amenities as set out in the Resolution at Item No. 5 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.

Mr. Dhariwal was appointed as a Whole-time Director on the Board designated as Executive Director, Technical Operations for a period of 5 years with effect from May 21, 2012.

Mr. Dhariwal does not hold any shares in the Company. Mr. Dhariwal is not a Director in any other Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Dhariwal (being the appointee) are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 3 and 5.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2 - Secretarial Standard on General Meetings.

The given particulars of his appointment and remuneration as set out at Item No. 5 of the Notice may be treated as an abstract pursuant to Section 190 of the Act. None of the Directors or Key Managerial Personnel are related to each other. The Number of Board / Committee Meetings attended during the year and other Directorships, Membership / Chairmanship of Committees is stated in Corporate Governance Report (Annexure H to the Board's Report).

A copy of the letter of appointment shall be made available for inspection by the Members at the Registered Office of the Company on all working days, (Monday to Friday), between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

The Board recommends the Ordinary Resolutions set out at Item Nos. 3 and 5 of the Notice for the approval of the Members.

ITEM NO. 4:

Messrs. B S R & Co. LLP having Firm's Registration No. 101248W/W-100022, were appointed as Statutory Auditors to hold office for a term of 3 (three) years from conclusion of 63rd Annual General Meeting till the conclusion of the 66th Annual General Meeting. Accordingly the Statutory Auditors, Messrs. B S R & Co. LLP would be completing their maximum term permitted under Section 139 of the Companies Act, 2013 and the Rules made thereunder at the ensuing Annual General Meeting.

The Board of Directors of the Company at their meeting held on May 6, 2017, have recommended, the appointment of Messrs. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company. Messrs. Walker Chandiook & Co LLP have confirmed their eligibility for re-appointment under Section 139 read with Section 141 of the Companies Act, 2013.

Messrs. Walker Chandiook & Co LLP, will hold office for a period of 5 (five) consecutive years from the conclusion of the ensuing 66th Annual General Meeting of the Company till the conclusion of the 71st Annual General Meeting, subject to ratification by shareholders at every subsequent Annual General Meetings.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

ITEM NOS. 6 AND 7:

The Board of Directors of the Company at their meeting held on November 4, 2016, had pursuant to the recommendation of the Nomination and Remuneration Committee, appointed Dr. Anurita Majumdar (DIN: 05291758) as an Additional Director of the Company with effect from November 4, 2016. In terms of Section 161 of the Companies Act, 2013 ("the Act") Dr. Anurita Majumdar will hold office up to the date of this Annual General Meeting.

The Board of Directors of the Company at their meeting held on November 4, 2016, also appointed Dr. Anurita Majumdar as a Whole-time Director of the Company for a period of 5 (five) years with effect from November 4, 2016 on such remuneration, payments, perquisites, benefits and amenities as set out in the Resolution at Item No. 7 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.

Dr. Anurita Majumdar, aged about 46 years, has completed her MBBS from G.S.V.M. Medical College, Kanpur, MD (Radiation Oncology) from J. K. Cancer Institute, Kanpur and Senior Residency (Radiation Oncology) from Tata Memorial Hospital, Mumbai.

Dr. Anurita Majumdar joined Pfizer Limited in July 2015 as Senior Director, Medical where she was responsible for oversight and management of country medical operations, including Medical Affairs and Quality Standards. Dr. Majumdar has over 16 years of experience in leading clinical research and medical affairs in the pharmaceutical and Clinical Research Organization industry.

Prior to joining the Company, Dr. Majumdar held position of Director Medical, Regulatory and Quality (supporting India, Sri Lanka, Nepal and Bangladesh) for 7 years at Eli Lilly and Company (India) Private Limited.

Dr. Anurita Majumdar does not hold any shares in the Company. Dr. Majumdar is not a Director in any other Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Dr. Anurita Majumdar (being the appointee) are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 6 and 7.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2 - Secretarial Standard on General Meetings.

The given particulars of her appointment and remuneration as set out at Item No. 7 of the Notice may be treated as an abstract pursuant to Section 190 of the Act. None of the Directors or Key Managerial Personnel are related to each other. The Number of Board / Committee Meetings attended during the year and other Directorships, Membership / Chairmanship of Committees is stated in Corporate Governance Report (Annexure H to the Board's Report).

A copy of the letter of appointment shall be made available for inspection by the Members at the Registered Office of the Company on all working days, (Monday to Friday), between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

The Board recommends the Ordinary Resolutions set out at Item Nos. 6 and 7 of the Notice for approval by the Members.

ITEM NOS. 8 AND 9:

The Board of Directors of the Company at their meeting held on January 30, 2017, had pursuant to the recommendation of the Nomination and Remuneration Committee, appointed Mr. Ravi Prakash Bhagavathula (DIN: 07282100) as an Additional Director of the Company with effect from January 30, 2017. In terms of Section 161 of the Companies Act, 2013 ("the Act") Mr. Ravi Prakash Bhagavathula will hold office up to the date of this Annual General Meeting.

The Board of Directors of the Company at their meeting held on January 30, 2017, also appointed Mr. Ravi Prakash Bhagavathula as a Whole-time Director of the Company for a period of 5 (five) years with effect from January 30, 2017 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.

Mr. Ravi Prakash Bhagavathula, aged about 47 years, holds a Master's Degree in Business Administration from University of Delhi and has a Bachelor's Degree in Engineering (Mechanical) from Andhra University.

Mr. Ravi Prakash Bhagavathula joined Pfizer Limited effective May 13, 2015 as Chief Financial Officer with financial management responsibility. Mr. Ravi Prakash has over 20 years of experience in finance with strong domain experience and a successful track record of supporting businesses in India, Europe and South East Asia. Prior to joining the Company, Mr. Ravi Prakash held the position of Chief Financial Officer at Coca-Cola Bottlers, Malaysia and Singapore.

Mr. Ravi Prakash Bhagavathula does not hold any shares in the Company. Mr. Bhagavathula is not a Director in any other public Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Ravi Prakash Bhagavathula (being the appointee) are concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 8 and 9.

This Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS 2 - Secretarial Standard on General Meetings.

The given particulars of his appointment and remuneration as set out at Item No. 9 of the Notice may be treated as an abstract pursuant to Section 190 of the Act. None of the Directors or Key Managerial Personnel are related to each other. The Number of Board / Committee Meetings attended during the year and other Directorships, Membership / Chairmanship of Committees is stated in Corporate Governance Report (Annexure H to the Board's Report).

A copy of the letter of appointment shall be made available for inspection by the Members at the Registered Office of the Company on all working days, (Monday to Friday), between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

The Board recommends the Ordinary Resolutions set out at Item Nos. 8 and 9 of the Notice for approval by the Members.

ITEM NO. 10:

Pursuant to Section 148 of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors at its meeting held on May 6, 2017, on the recommendation of the Audit Committee, appointed Messrs. RA & Co., Cost Accountants (having Firm's Registration No. 000242) for conducting Cost Audit of the cost records maintained by the Company for manufacturing of pharmaceutical formulations for the financial year ending March 31, 2018, at a remuneration of ₹11,50,000/- (Rupees Eleven Lakhs and Fifty Thousand only) plus service tax and out-of-pocket expenses which is subject to ratification by the Members. The said remuneration as approved by the Board of Directors payable to the Messrs. RA & Co., requires to be ratified by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 10 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the Members.

By Order of the Board of Directors

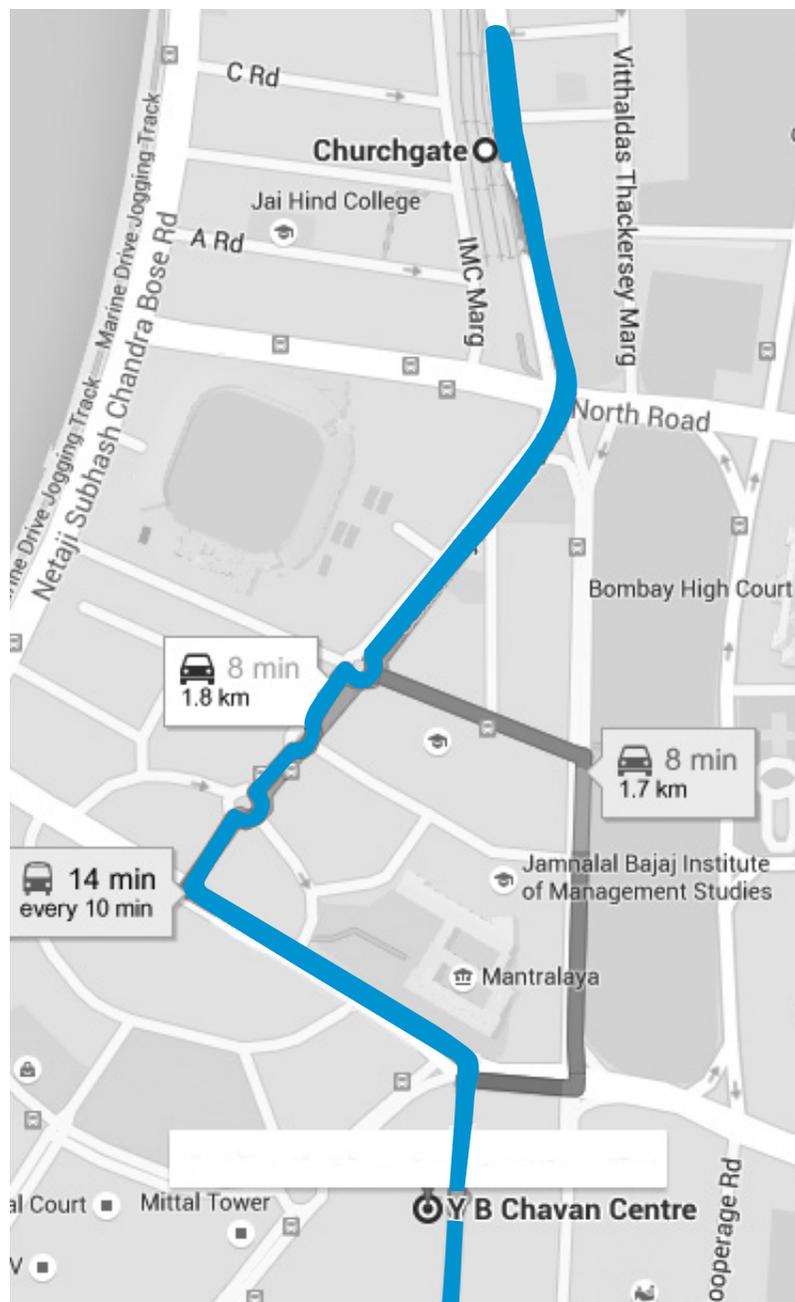
Prajeet Nair
Company Secretary

Mumbai, May 6, 2017

Registered Office:
Pfizer Limited
The Capital, 1802 / 1901,
Plot No. C – 70, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Tel: +91 22 6693 2000 Fax: +91 22 2654 0274
Website: www.pfizerindia.com
E-mail ID: contactus.india@pfizer.com
CIN: L24231MH1950PLC008311

Road Map to the AGM Venue

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



Landmark : Opposite Mantralaya

Distance from **Churchgate Station** : around 2 km

Distance from **Chatrapati Shivaji Terminus** : around 4 km

Distance from **Marine Lines Station** : around 5 km

Board's Report

Including Management Discussion and Analysis

TO THE MEMBERS

Your Directors take pleasure in presenting this 66th Annual Report along with the Audited Financial Statement for the financial year ended March 31, 2017. The Company operates only in one business segment viz., "Pharmaceuticals" and this Report covers its Pharmaceutical business performance.

DIVIDEND

Your Directors recommend a normal dividend of ₹15.00 (150%) per equity share and a special dividend of ₹5.00 (50%) per equity share on account of exceptional income, aggregating to total dividend of ₹20.00 (200%) per equity share for the financial year ended March 31, 2017. The dividend payout will be ₹9,150 Lakhs and the dividend distribution tax payable by the Company would amount to ₹1,863 Lakhs. This aggregates to a total dividend outgo of ₹11,013 Lakhs.

FINANCIAL HIGHLIGHTS

	Year ended March 31, 2017	Year ended March 31, 2016
		₹ in Lakhs
Revenue from Operations (gross)	204,193.14	209,376.02
Other Income	10,116.32	8,699.00
Profit Before Exceptional Items and Tax	38,640.44	46,053.65
Exceptional Items (Expenses)/Income	13,043.45	988.65
Profit Before Tax	51,683.89	47,042.30
Less: Taxation		
Current Tax	18,866.43	18,780.84
Deferred Tax (Credit)/Debit	(860.90)	(2,236.67)
Profit for the year	33,678.36	30,498.13
Total other comprehensive income (net of tax)	(390.86)	104.07
Total comprehensive income for the year	33,287.50	30,602.20

Your Company's sales for the financial year ended March 31, 2017 was ₹201,726.40 Lakhs as compared to ₹207,160.03 Lakhs in the previous year, which represents a decline of 3%. The revenue for the financial year was impacted mainly on account of external regulatory factors like impact of price control notifications pursuant to the revision to the National List of Essential Medicines and other internal strategic decisions like (i) the decision to discontinue manufacturing of Corex Cough Syrup (Chlorpheniramine Maleate + Codeine Phosphate); (ii) sale of four products to Piramal Enterprises Limited and (iii) transition of certain products consequent to expiry of License Agreement.

Profit before tax and exceptional items for the financial year ended March 31, 2017 was ₹38,640.44 Lakhs as compared to ₹46,053.65 Lakhs in the previous year, recording a decline of 16% mainly on account of the external regulatory factors and internal strategic decisions, as stated above. Income from exceptional items of ₹13,043.45 Lakhs for the year under review includes income from sale of four products of ₹10,346.21 Lakhs and income from sale of premises of ₹2,697.24 Lakhs.

Your Company achieved a Net Profit of ₹33,678.36 Lakhs for the financial year ended March 31, 2017 as compared to ₹30,498.13 Lakhs in the previous year registering an increase of 10%.

Indian Economic Overview

The Indian Economy has seen certain fundamental structural changes in the past 18 months viz., demonetization and implementation of Goods and Services Tax (GST), which your Company believes will make a positive impact in the long run. While demonetization is expected to foster a more transparent and digitized economy, the implementation of GST is expected to benefit most sectors by making the taxation process easier, as it replaces the current regime of multiple taxes and duties. These structural changes are expected to fundamentally improve the ease of doing business, transparency and compliances in the business operating environment.

While these changes will bring about long term gains and efficiencies, the industry is currently coping with significant short term challenges posed during this transition phase viz., sluggish offtake from wholesalers / retailers and ambiguous regulatory provisions around the overall implementation. Uncertainties in the operating environment have impacted the trade, leading to significant impact on sales and earnings across industries.

In spite of these short term challenges, India is expected to emerge as the fastest growing major economy in the world, with a projected annual growth of 7.5% in 2017-18.[@] Private consumption is expected to increase with a rise in public wages and pensions and on account of higher agricultural production which will be an outcome of a predicted good monsoon. It is expected that the reforms by the Government will enable the country to perform better compared to its peers over the medium and long term. Private investments have been low in the last year but are expected to gradually revive as some sectors stabilize in output, infrastructure projects mature, banks clean up their bad debts and the implementation of GST.

Indian Pharma Industry

(i) Overview

The short term impact of demonetization has resulted in a slowdown of industry growth to 9.1%. Of the 9.1% growth seen in March MAT 2017 period, new introductions (or products that have been launched in the last 24 months) have contributed 5%, while volumes contributed 2.5% and price increases have added 1.6%. Growth across most therapy areas, has been in the range of 9-10%. However, "Lifestyle"/ Chronic related TAs have shown higher growth such as Anti-diabetics at 17%, Dermatology at 16%, Neurology/ Central Nervous System at 11%. The largest therapy area within the IPM, Anti-Infectives, has seen slow growth of 5% this year, primarily on account of pricing regulations and Fixed Dose Combinations (FDC) issue^{*}.

The Indian Pharmaceutical Market (IPM) is expected to grow at a CAGR of about 12% till 2020 and is expected to surpass the growth of the global pharma industry, pegged at an annual rate of five per cent in the same period. The IPM growth is slower than its historical CAGR of about 14% (2010-2015). The IPM is expected to grow to \$55 billion by 2020, thereby emerging as the sixth largest pharma market globally by absolute size[#].

This year the government released the National Health Policy 2017 with multiple objectives, right from strengthening primary care services while ensuring improved access and affordability of quality secondary and tertiary care services, to significantly reducing out-of-pocket expenditure and proportion of households experiencing significant health expenditure. Although the said Policy stipulates a commendable reform agenda and proposed increasing public spending on healthcare from 1% to 2.5% of GDP by 2020, the Budget for FY 2016-17 has not significantly increased resources for the healthcare sector. Public resources invested in healthcare continues to be low and inequitably distributed across the country. The policy indicates the Government's intent to provide universal access to free medicines. While this is an ambitious intent, the road to achieving this is riddled with gaps on access related challenges. Your Company believes that an innovative approach of bridging the access gap is that of "Tiered Pricing" and simultaneously strengthening other pillars of access such as, heightened disease awareness, access to physicians and healthcare facilities. Your Company has been a strong proponent of this approach, that will also enable a more sustainable access model across populations in India.

The government has rolled out a unified Goods and Service Tax (GST) across the country effective July 1, 2017 in line with the concept of "One Country One Tax". This is a significant change from the existing tax structure where the right to levy taxes are divided between Union Government and the State Governments. The Company welcomes this change as it expects a unified tax structure to improve ease of doing business, make cross-country logistics easier and to provide an overall boost to the tax compliance.

This introduction is expected to boost consumption and spur manufacturing as savings are expected in a number of household items. While certain life-saving medicines have been placed in the lower GST slab of 5%, for other pharmaceutical medicines the GST has been pegged at 12% from an existing effective total tax rate of about 9%. The increase in tax rates is expected to be partially offset by savings on account of input tax credit and other operational savings. While the National Pharmaceutical Pricing Authority has allowed the companies to take price increase on scheduled formulations to the extent of increase in the tax rate, your company intends to take an increase of approx. 1% after considering the available tax credit and other operational savings. While the GST implementation resulted in an increased tax incidence, your Company has maintained the MRP for its non-scheduled formulations which constitutes approx. 85% of its portfolio. Your Company has maintained the MRP on the inventory on hand, as on the date of implementation of GST, in order to ensure that the products of the Company continued to be available to the patients at the same price. Your Company had also extended discounts and credit facilities to the trade to avoid any shortages of medicines in the supply chain.

Source:

@ Central Statistics Office Report

* IMS TSA MAT MAR 2017

IMS Prognosis Report Q3 2016

(ii) Operating Environment

The pharmaceutical industry is perhaps among those that continue to face the most volatile and uncertain operating environment in India. The industry continues to witness policy uncertainty and ambiguity that impact the business environment whether it's the companies' ability to price their products, labeling norms, regulations around prescription of medicines, etc. Each of these and more are fundamental operating conditions for pharmaceutical manufacturers to be able to meet the growing need of the healthcare sector. Some of the recent key industry challenges are summarized below:

- 1. Ban on Fixed Dose Combinations (FDCs):** Last year, the Government announced a ban on approx 350 FDCs. While the Company supports the intent of the Government in taking action against unsafe and irrational pharmaceutical products that have not received due approvals by the central and state drug regulators, concerns have been raised on including products that have received all requisite approvals, as also on the process followed to arrive at the list. Post this ban your Company challenged the ban in the Hon'ble Delhi Court and obtained an interim injunction. In December 2016, the Hon'ble Delhi High Court set aside the said notification banning the FDCs. The government has recently filed an appeal against the judgment staying the FDC ban and the matter is currently pending before the Supreme Court. The ban and the litigation that followed did see a negative impact on the Industry.
- 2. MCI Guidelines on generic prescriptions:** The Medical Council of India has issued a notification directing physicians to prescribe drugs with generic molecule names. This shift in dynamics of dispensing may result in confusion among consumers, retailers and increased concerns around the quality of medicines.
- 3. Pricing policy and implementation:** During the year under review, your Company has witnessed a series of price notifications pursuant to revision to the National List of Essential Medicines ('NLEM') along with price reduction for negative Wholesale Price Index ('WPI') which impacted its revenue. Unpredictable expansion of the price control continues to remain the single most significant challenge for the Industry.
- 4. Implementation challenges on Goods and Services Tax ('GST'):** The introduction of GST effective July 1, 2017, has posed short term implementation challenges mainly on account of ambiguous regulatory provisions around the anti-profiteering rules and lack of clarity on consequent price changes.

As a consequence of these and other business environment challenges, there has been a slowdown in the IPM growth, more so the average quarterly growth of 14-15% has now dropped to ~6% for the last 2 quarters (i.e., Oct 2016 – Mar 2017)*.

While the year under review witnessed several operating challenges, your Company commends the positive developments in the regulatory environment, viz.,

- 1. New Regulations on Clinical Research:** The Board of Health (BoH) has initiated certain steps to the shape regulations that would effectively control and promote the conduct of clinical research in the country. The BoH has released new regulations to ensure that adequate responsibilities are absorbed by the Sponsors, Clinical Research Organizations, Ethics Committee and investigators.
- 2. Additional requirement for Bio-availability/Bio equivalent studies :** While applying for manufacturing licenses from state licensing authorities, Bio-availability/Bio equivalent study results are required to be submitted based on Biopharmaceutical Classifications System for class II and IV. This will help in ensuring availability of efficacious medicine to patients.
- 3. Risk based inspection and self-assessment for GMP compliance:** BoH has issued a Biopharmaceutical classifications system check list for self-assessment of manufacturing plants and to submit the same to licensing authorities on annual basis. BoH will adopt a preferential approach for GMP inspection based on self-assessment reports.
- 4. Steps towards acceptance of electronic submission:** Government has taken steps to accept electronic submission of various categories of application like import registration, clinical trials, Fixed Dose Combinations and supplemental New Drug Application, medical devices and cosmetic etc. This has helped in streamlining review and approval process at BoH and also resulted in reduction of approval timelines.

Historic performance of the Indian pharmaceutical industry shows that the industry would still face concerns on the growth which may get impacted due to policy and regulatory challenges. Though there would be a short term setback, the Industry is expected to bounce back given the strong fundamentals of the Indian economy.

Source:

* IMS TSA MAT MAR 2017

REVIEW OF OPERATIONS:

During the year under review, your Company re-aligned its strategy to shape the organization to address the needs in a customer centric go-to-market strategy and to deliver market beating growth. Accordingly, the commercial teams were restructured to bring product, portfolio and channels together, while maintaining a high therapeutic area (TA) focus. The Company also initiated enhanced digital marketing capabilities to engage the customers effectively. Simultaneously your Company formed a specialized marketing function that will be able to drive innovative marketing solutions and strategies for successful execution of the customer facing business model.

In conjunction with realignment of the organizational structure, your Company also brought on board, key leadership members to build future capabilities. With a diverse and rich experience in leadership and business management, they bring with them competence to drive your Company towards its vision for growth.

Your Company as part of the growth plan also focused on the expansion and review of the current portfolio leading to the following strategic developments:

- i. Acquisition of the brand “Neksium” from AstraZeneca AB, Sweden. This will enhance your Company’s presence in the Gastro Intestinal therapeutic area.
- ii. Pursuant to a global agreement between Pfizer Inc. and AstraZeneca PLC, Meronem IV Injection was transitioned to your Company. Meronem compliments and enhances your Company’s Anti-Infectives portfolio.
- iii. Your Company undertook a thorough review of its respiratory portfolio with an objective to launch new products that would leverage the equity of our flagship brands while discontinuing those that did not align with our portfolio. Consequent to this, the decision to discontinue the manufacturing of its Corex Cough Syrup (Chlorpheniramine Maleate + Codeine Phosphate) was taken; and introduced Corex T (Triprolidine Hydrochloride 1.25mg & Codeine Phosphate 10mg), a new offering that will better address patient and Physician needs.
- iv. Sale of four products viz., Neko Soap, Sloans, Ferradol and Waterbury’s Compound to Piramal Enterprises Limited.

Your Company operates through the following six commercial teams and has 12 of its products in leadership position in their represented product markets.

1. Vaccines:

- Your Company continues to enjoy leadership position in Pneumococcal Vaccines Market with a market share of 59.6%. Prevenar13 is our pneumococcal conjugate vaccine for the prevention of pneumococcal disease in children between 6 weeks to 5 years and adult above 50 years of age. Overall revenue of Prevenar13 recored a 4 year CAGR growth of 25.4% (2014 -2017) strongly driven by private market uptake in pediatric & adult segments. Prevenar13 is currently no. 1 vaccine in Indian vaccine market with 15% market share*.
- The Vaccines team continued to conduct various scientific educational and awareness programs that provides value to healthcare professionals.
- Your Company undertook various innovative initiatives for educating stakeholders which included training of upcoming speakers to enhance scientific knowledge and soft skills, educating nurses on importance of Pneumococcal disease prevention through ‘Nurture the Nurses’ program, engaging Company’s wholesalers on the importance of cold chain best practices through campaigns. Your Company collaborated with Indian Academy of Pediatrics on their initiative ‘ImmunizeIndia’ to improve the vaccine compliance among children.
- Prevenar 13 has been selected for India’s immunization program. The multi-dose vial used for this program has been specifically created by Pfizer Inc for such mass immunization settings. The vaccine will be supplied directly by Pfizer Inc. through UNICEF, under the auspices of the Global Alliance for Vaccines and Immunizations (‘GAVI’), to the Government of India.

2. Inflammation and Immunology (‘I&I’):

Your Company is ranked 3rd in the biologics market in India.#

Enbrel (Etanercept), ranked 3rd in Indian Biologics market, is your Company’s innovator biologic, prescribed for patients with rheumatoid arthritis, ankylosing spondylitis, psoriatic arthritis, juvenile idiopathic arthritis and psoriasis who are intolerant to DMARD (Disease modifying anti-rheumatic drugs like methotrexate) therapy. In August 2016, we introduced Xeljanz the first ever oral therapy with a new patented molecule (Tofacitinib) that is approved for the treatment of adult patients with moderate to severe active rheumatoid arthritis with inadequate response or intolerance to methotrexate. Healthcare professionals have welcomed this new innovative oral therapy, yet being new it will take time to become the preferred biologic for this indication.

Source:

* IMS TSA MAT MAR 2017

IPSOS Market Research MAT DEC 2016

The I&I team continued to conduct scientific educational and awareness programs that would provide value to healthcare professionals highlighting recent advances particularly, in the management of diseases like rheumatoid arthritis and ankylosing spondylitis.

3. Consumer Healthcare:

For the year under review, initiatives were undertaken by the Consumer Healthcare team to enhance the distribution coverage into smaller towns in select states. The team initiated campaigns to drive in-store visibility for Anne French & Anacin. Media campaigns were rolled-out to enhance brand equity, current user base retention and growth in key markets.

4. Primary Care focuses on a broad range of products that requires a differentiated route to market and competitive intensity. The Respiratory, Pain and Trade team portfolios form part of this segment.

(i) Respiratory team

- Your Company's Respiratory portfolio is ranked 3rd in the represented market. The flagship brand Corex Dx continued its leadership position with 46.3% market share (within molecule) and 30.8% growth. The brand also registered a robust 38.9%* prescription growth. The team continued physician education programs focusing on cough and asthma management with new insights.
- Your Company successfully launched Corex T (Triprolidine Hydrochloride 1.25 mg & Codeine Phosphate 10 mg/ 5 ml) Cough Syrup in December 2016, as part of its organic growth plan. Within four months of its launch, Corex T achieved 72% market share within its molecular segment*.

(ii) Pain team

- Your Company's Pain portfolio is ranked 6th in Non-Steroidal Anti Inflammatory Drugs (NSAID) market. Major brands under this portfolio include Dolonex and Dalacin C; both leading with 77.6% & 64.8% market share respectively in their molecule segments*. To leverage growth opportunities in targeted segments, the Pain Management team has implemented scientific initiatives like:
 - An innovative digital engagement platform "Digital Gurukul - Know Your Roots" for dentists
 - 'Go Active' mobile application and launch of mobile Wi-Fi clinics

(iii) Trade team

- With an endeavor of retaining continued market leadership through our major brands like Becosules & Gelusil, the team initiated innovative Healthcare Professionals ('HCP') engagement and retail engagement activities for ensuring higher repeat consumer purchases. For HCP engagement, a series of multi-center 'Hub and Spoke' webinars were conducted for Nutrition range products and engaging doctors through physical meetings and digital reach. Roll outs in new indications and high potential specialties, helped maintain a high 'Share of Voice' on major brands and drive prescription growth.
- Becosules continued its market leadership with 63% Market Share with prescription growth of 7% and prescriber growth of 3%*.
- The team drove high potential usage promotion for Gelusil and multi-channel marketing e-mailers to expand the reach to General Physicians and Chest Physicians. Gelusil retained its market leadership with 26.5% M.S. in the highly cluttered antacid category with a good prescription growth of 12%*.
- To ensure adequate retail availability, a series of innovative 'Trade Schemes' retail sell out activities were implemented for Becosules and Gelusil followed by chemist awareness programs.

5. Specialty Care focuses on products that require therapy area expertise and synergies. The Women Healthcare, Cardio-Vascular, Central Nervous System and Ophthalmology portfolios form a part of this segment.

In order to further optimize the benefits of stronger teams and a compelling product portfolio, your Company formed Chronic Care - a consolidation of CNS and CV teams, within the Specialty Care segment. This consolidation brought together the ability and opportunity to engage with a wider set of healthcare practitioners and offer a broader product portfolio.

Source:

* IMS TSA MAT MAR 2017

(i) Women Healthcare (WHC) Team

- Women Healthcare continues to be one of the most significant therapy areas for your Company. Your Company's products within this portfolio feature amongst top 3 brands across key categories, namely contraceptives, folic acid supplementation, and Menopausal Hormone Therapy.
- With the aspiration to be the market leader in this therapeutic area, the women healthcare was structured under two distinct business models namely, Maternal Health and Hormonal Health. The Maternal Health includes wellness, gynaec, contraceptives and intimate hygiene. The Hormonal Health includes menstrual disorder, menopause and other hormonal products including hormonal contraceptives.
- Your Company is constantly evaluating its portfolio and has penetrated the market with new products and line extensions. Product Life Cycle (PLC) initiatives to enhance treatment compliance, duration and indication roll outs for efficient and effective usage helped drive volumes for brands like Folvite, Folvite MB and Mucaine. Despite being impacted by pricing regulations during the year under review, Folvite continues to be the market leader with 14.6% market share. In-clinic promotion of Mucaine was strengthened through the digital initiative to maintain high brand visibility. Mucaine Gel continues to be the market leader with 17% market share and is also the most prescribed brand in Liquid Antacids category*. Becosules Women, a line extension of Becosules, launched in December 2015 has performed well in the highly fragmented multivitamin market comprising more than 500 brands.
- WHC focused on driving volumes through prescriptions by enhancing scientific engagement with physicians through sustained medical education programs. The team collaborated with FOGSI (Federation of Obstetrics & Gynecological Societies of India) and IMS (Indian Menopause Society) to conduct several meetings aimed at busting myths associated with long term hormonal use and providing Gynecologists and Physicians an opportunity to interact with key opinion leaders. Twenty five InfOCons (Informative Oral Contraceptives Conclaves) were conducted pan India involving more than 1100 Gynecologists. Being the leader in the contraceptive market with 26.8% market share, educating patients and encouraging them to take an informed decision on contraception in consultation with their doctor continues to be a focus area for your Company*.

(ii) Chronic Care team

- The Company's Neuroscience portfolio is ranked 6th in the Indian Neuroscience market. Major brands like Ativan, Pacitane and Daxid are leaders in the respective therapeutic category (molecule segment). Despite being impacted by the pricing regulations, Ativan (Lorazepam) continues to be No. 1 anxiolytic brand in the benzodiazepine tranquillizer market with 12.5% volume growth. The volumes were primarily driven by the new promotion viz., "Safety in Maniac Depressal Disorder ('MDD')/Anxiety patients with co-morbid alcohol use". Another original research drug Daxid, the No. 1 brand amongst sertraline segment registered 15.3% growth*. New communication was developed highlighting unique benefits to improve "Energy, Motivation and Interest in pleasurable activities" in patients with MDD. As part of your Company's continuous medical education programs, the Neuroscience team sensitized more than 1500 psychiatrists on recent updates/events in psychiatry through multiple innovative, digital and scientific engagements.
- The Cardiovascular team operates in the anti-hypertensive segment with its flagship brand 'Minipress XL', the second largest brand in the category leading through a series of therapy shaping programs in collaboration with International and Indian Societies. The major initiatives during the year were:
 - Development of protocol for treating hypertension in patients with chronic kidney disease in collaboration with the Association of Physicians of India (API)
 - Generated newer evidence by publishing review article on Alpha-blockers in JAPI (Journal Association of Physicians of India)
 - Educational initiatives for physicians to bridge the gap between Guidelines and Clinical practice in partnership with American College of Cardiology (ACC)
 - Partnered with Medical Colleges in India to educate young Nephrologists

6. Critical Care focuses on Hospitals and Nursing homes as prime customers of our Critical products and Sterile Injectables, Anti-Infectives portfolio which forms a part of this segment.

Anti-Infectives

- Your Company ranked 5th in the hospital segment with a wide portfolio covering categories across critical care segment, leads the market in 6 out of the 9 molecules in the portfolio. This position has been built over the years through scientific engagements and strong medical advocacy.

Source:

* IMS TSA MAT MAR 2017

- Your Company has further strengthened this position with the strategy of establishing “Leadership in Hospitals” through segmentation of the market and key institutions to ensure optimal focus. For the year under review, the team designed interventions with strong scientific engagement to address needs of each segment and achieve competitive advantage by:
 - Working with leading healthcare institutions to increase the Infectious Disease expert base through a Fellowship program
 - Connecting small hospitals / nursing homes to select Centres of Excellence for the dissemination of best practices in the field of infection control
 - Working with leading institutions across multiple aspects of Healthcare Leadership
- The recent acquisition of ‘Meropenem’ under this segment is expected to further strengthen the Company’s position in this segment.

Multi-Channel Marketing:

Your Company has pioneered several digital initiatives towards enhancing customer engagements and providing result-driven outcomes. This year too, several of our initiatives have achieved its desired outcomes. The Rep-Triggered-Email (RTE) campaign and other digital initiatives have received great support and feedback from Healthcare Professionals (HCPs) and other stakeholders. A total of approx. 18,000 doctors registered on the multi Therapy Area HCP portal – Inquimed and our webcasts including the Meet the Expert (MTE) have seen attendance of approx. 9000 doctors across different product teams.

MANUFACTURING OPERATIONS:

Your Company continued to deliver products to improve patient health and contribute towards creating a healthier world.

Your Company understands that its products impact millions of lives across the Country. At the core of our Manufacturing and Quality Operations, are the people who are one of the core pillar of a patient focused company.

The Company has various levels of stringent quality control systems starting from local quality assurance to global quality audits and approvals that ensure that the same standards of quality are followed across Pfizer worldwide.

The Company’s continued emphasis on conservation of resources and reduction of waste, across manufacturing sites, has created an excellent model for environmental sustainability. As the new economic environment requires high quality cost effective processes, your Company endeavor to ensure that this forms an essential part of our products and manufacturing processes.

The Company has a state-of-art and award winning manufacturing facility at Goa, that manufactures products with the most stringent global quality standards. Besides complying with Schedule M of the Drugs and Cosmetics Rules 1945, the site holds ISO 9001 and WHO GMP accreditation. The site has a Formulation Development Cell that caters to the product enhancement and technology transfer needs of our market. The Plant strictly adheres to Global Safety, environmental Health and Hygiene norms and has received a number of corporate awards. The site also holds accreditation of ISO 14001 & OHSAS 18001. The Plant was the recipient of “FUTURE READY (GOLD) AWARD” in 2016.

In addition to Goa plant, our manufacturing operations are strengthened by a pan India network of manufacturers, having the requisite technologies to enhance our product portfolio thereby partnering our growth and supporting our goal of meeting the demands of the health care industry. All manufacturers adhere to Pfizer’s global standards of quality, compliance and environment, health and safety norms. All these manufacturing sites periodically undergo audits by Pfizer Global teams.

We understand that in any society, good health is vital to all and finding innovative solutions to the healthcare challenges is paramount within Pfizer. We, at Pfizer are committed to being global leaders in health care and help to change millions of lives by providing access to Safe, Effective, Quality medicines.

Environment Sustainability

Your Company is conducting systematic audits across all the manufacturing facilities (Contract Manufacturing and Own Manufacturing) to assess environmental compliance and impact. This is with added focus on our antibiotics manufacturers and suppliers. Global Experts have been engaged with a purpose of educating suppliers and contractors across the country and also to ensure that our partners do not adversely impact the environment in any way.

Energy Conservation

Goa Site initiated the replacement of conventional CFL/Halogen/Tube lights by LED lightings in a phased manner to conserve energy. Manufacturing Process were modified for some of our products to eliminate high electricity consuming Fluidised Bed Processor operation.

Further, increased capacity utilization initiatives were implemented in Goa Plant to optimize energy usage and to protect environment. Other initiatives like EHS leader workshop and 'Near Miss' program were conducted at the site to strengthen EHS culture and promote injury free Pfizer.

Quality

Product quality is ensured in every aspect of the manufacturing. Input material control, various routine monitoring and oversight controls ensure that the product manufactured at any location meets the required Pfizer Quality Standards over the entire life cycle of our products. All suppliers of input materials and our Manufacturing Plants, undergo periodic on site audit by Pfizer global quality team to ensure each facility meets Pfizer Standards.

Specific Areas for Further Enhancing Quality

The specific focus areas this year are sustaining Quality and meeting Pfizer Standards, Data Integrity Assessment and upgrading overall Quality Compliance. Root Cause Analysis is also done to ensure robust quality system. To further improve on quality and compliance, proactive preparation for regulatory inspections, anticipating changes and aligning with global regulatory trends for all the manufacturing sites is being carried out. Additionally, enhancing systems for early detection of potential Quality concerns are the current focus areas.

Human Resource/ Industrial Relations / CSR

- a. During the financial year under review, your Company entered into an settlement agreement with the independent union at Goa plant.
- b. Goa Site rolled out "No Dust and No Rust" initiative for the colleagues to OWN cleanliness of their own area and ensure dust and rust free environment.
- c. Site created sanitation facilities for two schools in Goa under Pfizer's Doing Good initiative.

In September 2015, the Company entered into a Business Transfer Agreement (BTA) for transfer of the Company's manufacturing facility at Thane as a going concern. The BTA will be concluded upon receipt of all necessary approvals.

MEDICAL AFFAIRS DIVISION:

The Medical Affairs Division through its various scientific engagements with healthcare professionals supports all business units and works towards creating scientific partnerships with stakeholders beyond Key Opinion Leaders through various strategic initiatives

- **The General Physicians Education Program:** Your Company's medical affairs team continues to be a knowledge partner for General Physicians by providing relevant information including latest evidence and treatment trends for common clinical conditions seen in their practice. This year too, the medical team initiated a series of face-to-face webinars on "ECHO" (Education to Enhance Physicians' Clinical Outcomes) where these physicians engaged with experts in their respective therapy areas that provided them with certifications through accreditation bodies thereby improving their patients outcomes. The program aims to engage approx 6,000 GP's in 2017.
- **Menopause awareness education program in partnership with Indian Menopause Society:** Understanding from the unmet need of 'Menopause Awareness' among Gynecologists and their women patients, your Company launched 'MASS Initiative' (Menopause Awareness through Series of educational Sessions) in partnership with Indian Menopause Society (IMS). This initiative involved an accredited educational module from IMS focusing on Menopausal Hormonal Therapy Management and practical prescription experience through live sessions. The Program aims to engage approx 1,200 Gynecologists in 2017.
- **Physician association partnership:** Your Company has created strong scientific partnership with physician associations such as FOGSI (Federation of Gynecologists and Obstetricians in India) and International Menopausal Society (IMS) towards conduct of Continuing Medical Education programs with the aim of busting the myths around contraception and hormonal therapy. Your Company was acknowledged by FOGSI as a knowledge partner in this initiative in their annual newsletter
- **Young Specialists Program:** Your Company's Medical team launched a "Young Doctors Program" which is a multipronged education initiative involving webinars on case discussions, involving experts from reputed Institutes and also developing treatment algorithms in trauma management and infectious diseases for Specialists with less than five years of experience in clinical practice. This initiative aims to benefit over 5000 Doctors across multiple disciplines.

- **Antimicrobial Resistance Education Program for Nursing Homes:** To combat the emergence of Antimicrobial resistance at the grass root level, the medical team launched a “Meet The Expert- Institute Connect” program to train Nursing home physicians in tier 2 and 3 cities, on the concepts of Anti-microbial stewardship and Infection control. Experts in Infectious Diseases management from four Centers of Excellence across the country are connected to multispecialty doctors in Nursing Homes every two months, through a series of continual digital webinars. This initiative aims to benefit over 1000 doctors across 50 peripheral Nursing Homes.
- **Digital Continual Medical Education (‘CMEs’):** To scale up our physician reach in a cost effective way, our Company has developed a unique format of digital CMEs called “Meet The Expert” in partnership with commercial and business strategy team using an in-house HCP portal called ‘Inquimed’. Till date more than 6000 physicians have benefitted through these programs. This unique model has been adopted as a best practice in other countries within the Pfizer APAC region.
- **The Retail pharmacy education program:** With an objective of engaging pharmacists to upgrade their knowledge, your Company’s Medical Division conducted educational programs to create a shift in the approach from a product oriented to a patient oriented professional. Another interesting initiative undertaken was “STEP – UP” (Structured Training to Educate Pharmacists – Upskill) for retail pharmacists on accredited educational modules from IPA. Through hybrid engagement models, these programs aim to engage approx. 5000 retail pharmacists both from organized pharmacy chains and unorganized standalone retail outlets throughout the year.
- **PneuMasterclass:** With an objective to develop new speakers as advocates for pneumococcal disease and prevention, the vaccines medical team conducted PneuMasterclass (Train the Trainer Program/ Speaker Development Program) in a span of 30 days, training around 80 pediatricians for 2 days across 5 cities who in turn would cascade the key messages and information to their peer group on the importance of preventing pneumococcal disease in children in the country.

The Medical team partnered and provided effective medico-marketing support in conduct of this program. An innovative approach of better Customer Engagement & Patient outcomes with efficiency was demonstrated by bringing all important stakeholders together.

HUMAN RESOURCES (“HR”)

Your Company’s strategy for People and Human Capital development was focused on supporting business growth through career architecture implementation for the field force, a simplified organizational structure and investment in technology. Your Company also continued to drive leadership development, an integrated talent management approach and OWN IT! culture.

- **Sales Career Architecture**

To balance organizational objectives, field colleagues’ potential and aspirations, your Company developed a structured framework / career architecture. This framework provides a well-thought out growth path through vertical and lateral opportunities that empowers each field colleague and manager to take charge of their career. The architecture articulates clear direction and choices both within the sales function as also in other allied functions like marketing, supply chain, training, etc.

- **Organizational structure**

Your Company’s customer facing, business teams were restructured to ensure greater focus on customer and therapy areas, enhance marketing efficacy and provide a clear line of leadership.

- **Investment in technology**

With the guiding principle that leaders’ ownership of talent is critical to enhancing colleague engagement, your Company has invested in technology that supports greater ownership for managers. A widely used, cloud based, HRIS system – WorkDay – has now replaced the existing platform. This project, called “HR on Demand”, provides a digital platform to colleagues and managers for independent seamless interface to cover an all employee life-cycle events in one platform.

- **Leadership**

- o Your Company launched a unique framework for leadership development using the Head, Heart & Guts approach, a Pfizer Inc. initiative. This is a holistic leadership framework that supports leaders in delivering strategic goals, while engaging colleagues and taking appropriate risks.
- o Your Company’s growth is fueled by an enthusiastic team of 2,156 field force colleagues who communicate the value proposition of our products to healthcare professionals. To ensure continuous engagement and training for a widely spread field force, your Company continues to use differentiated technology enablers including virtual classroom training and mobile applications to drive anytime-anywhere learning.

PREVENTION OF SEXUAL HARASSMENT POLICY

The 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ("the Act") seeks to protect women colleagues against sexual harassment at their workplace. A specially-designed online course was rolled out to help all colleagues and contingent associates to understand what constitutes sexual harassment at workplace and how to address it; as well as the organization's role in preventing it. During the financial year under review, one complaint was received and the same was duly attended to, in accordance with the Act.

LEGAL DIVISION

Your Company's Legal Division is committed to providing responsive, client-centric service that protects and advances Pfizer's goals. The Legal team's activities include protecting your Company's interest in every transaction, ensuring compliance with all applicable laws governing the industry, protecting your Company's intellectual property and other assets, assisting various business units in evaluating the risks associated with completing transactions and other activities.

Some of the areas where your Company's Legal team partnered are:

- Supported the growth of your company's business through strategic acquisitions and divestments transactions
- Continuing the active role in mitigating risks relating to litigation of your company's key brands
- Ensuring your company's activities and transactions are aligned and in adherence with the statutory requirements

GLOBAL COMMERCIAL OPERATIONS

- Global Commercial Operations (GCO), celebrating its 3rd anniversary (now known as Commercial Operations (CO)) was formed to centralize and deliver certain commercial operational functions, achieving greater effectiveness and efficiency. CO team strives to make commercial operations easier and more impactful for businesses so that they remain focused on our patients, customers and achieve their goals. The team is committed to provide expert driven commercial operations across various businesses and meet the ever changing needs of our business and customers.
- Field Force has always been and will continue to be at the heart of everything the CO does for the Company. For their progress, the team focused on three themes across all programs and initiatives - 'Ease of Doing Things', 'Capability Development' and 'Compliance Enhancement'.
- The team focused on driving 'Ease of Doing Things' at Pfizer through automation and digitization – introduced a new platform, SARAL for conducting education programs for our customers and an improved integrated Sales Force Automation tool UNIFY to simplify processes and save field force time.
- Our initiative iLEAD (Leadership through Execution, Analysis and Development) is an ongoing 18 – 24 months comprehensive development journey for first line managers capability enhancement. It is identified as one of the key drivers for improving business performance and is a cross functional project.

BUSINESS TECHNOLOGY

Your Company's Business Technology (BT) Division is in the forefront of implementing cutting edge innovative Information Technology solutions which helps the business grow. The team's objectives' are closely aligned to your Company's growth strategy and the team has been actively partnering with the commercial teams to enhance the technological advancements that help improve customer engagement as well patient outcomes. While doing so, the BT team continues to align the technology function with global standards and processes. GST for India is a historical and long awaited tax transformation initiative and all industries have been impacted by this. The BT team along with Finance and Distribution teams managed this mega-transformation project seamlessly without any impact to the business operations.

Some other technical solutions which were implemented last year are as below.

- Unify – Integrating the reporting and digital detailing module thereby enabling easier daily reporting for field colleagues
- GoActive – India's first mobile Application for HealthCare Professional engagement
- Innovations in pipeline – Mobile WiFi Clinics, Pfizer Touch, Virtual Reality and Augmented Reality platforms
- Business Analytics for Distribution team and process automation

The BT team is committed to provide best in class solutions to our customers, employees, channel partners and vendors and to that effect, the team continues to explore various world class CRM solutions. Our focus for next year remains on a digital strategy that would cover the whole gamut of social connect, mobile apps, multi-channel marketing and other Virtual and Augmented reality platforms.

FINANCE

The Finance Division is a key partner to the Management in upholding internal controls and governance standards, driving performance and leading enterprise wide initiatives.

In the current year:

- Finance played a key role in the acquisition of Neksium from AstraZeneca AB, Sweden, for a consideration of ₹75 Crores, sale of four products to Piramal Enterprises Limited for ₹108.76 Crores and the transition of Meronem distribution to your Company from AstraZeneca Pharma India Limited.
- The Finance team successfully led the transition to Goods and Services Tax (GST), a complex initiative impacting all aspects of the Company's operations. The Finance team conceptualized the project and managed the re-configuration of all IT systems to be GST compliant in partnership with Business Technology. The team also ensured that the massive exercise of changing prices across channels, managing vendors relationships and tax compliances were managed smoothly.
- Finance is also leading the project for transitioning to a new integrated ERP system which will cover all aspects of the value chain - demand planning, supply network planning, direct and indirect procurement, manufacturing, quality, sales and distribution operations and financial accounting. The introduction of this ERP solution is a massive overhaul of all our current systems and processes. The deployment will be based on the parent company's global model which will help your Company to leverage on global processes, compliances and costs. The transition to the new ERP model is expected to be completed in October 2017.

Despite these multiple major initiatives, the Finance function has ensured that its core focus on ensuring fiduciary integrity, upholding governance standards and providing timely pro-active decision support to the business was maintained at highest levels.

INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY AND COMPLIANCE

Overview: Compliance Controls and Risk (CCR) Team is responsible for continuously monitoring the adequacy and effectiveness of internal controls. The team's objective is to provide to the Senior Management and Audit Committee, an independent and reasonable assurance on the adequacy and effectiveness of the Company's risk management, control and governance processes. This is achieved through a co-sourced internal audit model which includes independent reviews performed by CCR team together with audit reviews performed through an independent Chartered Accountant firm.

Internal Financial Control: The Company has laid down Internal Financial Controls that includes a risk based framework to ensure orderly and efficient conduct of its business, safeguarding of its assets, accuracy and completeness of the accounting records and assurance on reliability of financial information. The Audit Committee evaluated the design framework and operative assessment and deliberated with members of management and Statutory Auditors to ascertain their views or opinion. The Audit Committee is satisfied itself with the adequacy and effectiveness of the internal financial control system laid down by management. The Statutory Auditors have confirmed the adequacy of the internal financial control systems over financial reporting.

Risk Assessment: The CCR team conducts a risk assessment every year whereby all risks to the objectives of the company are assessed and mitigating plans are put in place. These risks include operational, regulatory, legal, business and compliance risks. All the key risks along with mitigating plans are presented and discussed annually with Audit Committee. This year the CCR team conducted joint risk assessment with the Corporate Compliance team of Pfizer Inc. to leverage the expertise and learnings from each other.

Internal Audit Plan: Annually, based on the risk assessment and findings from previous internal audits, the CCR Team prepares the annual audit plan which is approved by the Audit Committee and followed throughout the year. As part of the quarterly review, status of the annual audit plan, design assessment, operating effectiveness, key audit findings and remediation status of prior findings are presented and discussed with Audit Committee.

MAPP: Your Company has a policy covering interaction with Healthcare Professionals and Government officials called 'My Anti-Corruption Policy & Procedures' (MAPP). The policy addresses both local legal requirements while also leveraging on best practices followed in other markets. As a way of reinforcing its compliance culture, your Company has identified 108 odd colleagues as "Compliance Champions" from various teams who act as first point of contact for any colleague in case they have policy related questions.

Given all the above, your Company is well placed in driving the spirit of compliance across its colleagues and stakeholders.

CORPORATE AFFAIRS

The Corporate Affairs Division continued to focus on building engagement with key stakeholders through its functions of Government Relations, Communications, Employee Engagement and Corporate Social Responsibility.

Public Affairs & Communications:

As a part of leading industry associations like Organisation of Pharmaceuticals Producers of India ('OPPI'), Federation of Indian Chambers of Commerce & Industry ('FICCI'), Confederation of Indian Industries ('CII') and Associated Chambers of Commerce & Industry ('ASSOCHAM'), your Company has driven several stakeholder engagement initiatives in the year under review. Your Company's Managing Director Mr. S. Sridhar has also been elected as the Vice President of the OPPI and the Co-Chair of the FICCI Pharmaceutical Committee for the current year.

(i) Engagement through industry associations and direct advocacy

- As an OPPI member, your Company continues to participate and play an active role in engaging with the relevant government stakeholders on policy matters including pricing and regulatory amendments that would help in creating a more stable and transparent business environment for your Company as well as the industry to operate in
- Through the US-India Business Council ('USIBC') platform on 'Innovation Driven Expansion of Healthcare Access', your Company was able to present its position on innovative models that could aid in bridging the current gap in healthcare access to key government stakeholders and policy experts
- Your Company partnered the flagship Government of India events such as the FICCI 'India Pharma 2017' and CII 'Partnership Summit', showcasing its key CSR initiatives and manufacturing footprint respectively
- Your Company through a FICCI engagement was instrumental in programming the conference on - "Unlocking India's potential as the entrepreneurship hub in Healthcare" on current need for encouraging an indigenous healthcare innovation landscape with key government stakeholders present
- Your Company independently has initiated several dialogues with policy decision makers to work on a concentrated effort in increasing access to medicines. One such important dialogue in this area continues to be on advancing tiered pricing concepts through which targeted benefits can be extended to socio-economic segments that would benefit the most from them. This continues to be an area of focus where your company will play a leading role - advocating for solutions that provide for a better alternative to blanket price controls.

(ii) Communications: Your Company's Corporate Communications team plays the role of a key enabler in communicating its growth plans, strategic position to multiple stakeholders both internally and externally. This team is instrumental in ensuring that your Company colleagues are up-to-date on the several initiatives and engagements it pursues externally as well as internally through townhalls, messages from the Managing Director, Crucible – Pfizer's internal newsletter, etc. Externally, the team focuses on gaining visibility through media and non-media platforms for flagship Pfizer initiatives.

(iii) Employee Engagement initiatives: Your Company aims at creating and sustaining a culture of engagement and teamwork that drives high performance and builds a positive work environment. The team achieves that through an active calendar of employee engagement activities that focus on Health and Wellness, Family celebrations and the Annual Own It Day. By winning, celebrating and contributing together, your Company works toward providing happy environment where colleagues bond, collaborate across functions and teams, and above all – look forward to achieving shared goals by doing great work together.

Some of the key highlights for the year under review are:

- **Family Fiesta:** For the second consecutive year, Pfizer Family Fiesta brought together Your Company's colleagues and their families to celebrate the One Pfizer spirit. Across head office and regional offices, including Mumbai, Delhi, Goa, Hyderabad and Chennai, the celebrations were organized as fun-filled days at amusement theme parks
- **Rewards & Recognition:** Honoring 18 successful projects and more than 120 members of project teams, your Company conducted the Rewards & Recognition program in combination with Family Fiesta celebrations. Both the One Pfizer Jury Awards and the Country Manager Awards distinguished teams and individuals for their significant contributions to achieving business results
- **Year of the Field Force (YFF):** Dedicated to the field colleagues, who continue their commitment and determination to make your Company stand tall in front of its stakeholders, the institution of YFF has allowed many ideas to be implemented that help the field colleagues. From the Sales Career Architecture which charted a growth path for their role aspirations, to a 'Stay Hydrated'

campaign that aimed at helping them beat the heat and stay healthy during summer, as well as the YFF special edition of internal magazine Crucible, these initiatives boosted field force morale and effectiveness

- **Enhancement of Workplace Environment:** Your Company's move into a new open and vibrant office premises, having completed a year, continues to encourage ideation and cross-functional collaboration that has tremendously enhanced the work culture and the collective output from teams. Adding new recreational facilities, including an indoor games room, gym and garden, have provided the colleagues a chance to refresh and recharge at work thereby contributing to enhanced results. Similarly, the move to new offices at Delhi and Kolkata, brings the benefits of an open workplace environment and innovative space branding to these regional centers. Your Company's continued investment in its workplaces ensures that its colleagues have a great environment to innovate and collaborate to do their best work

CORPORATE SOCIAL RESPONSIBILITY

Our CSR Purpose

Your Company continued to stay true to its stated purpose of promoting access to quality healthcare in the country by nurturing innovations, encouraging community involvement of our employees and synergizing efforts in partnerships with government and other stakeholders for collective impact.

CSR Initiatives

Your Company's initiatives undertaken for the year under review is a demonstration of our commitment to its CSR purpose. Giving back to the society is embedded in our culture. With the intent of providing access to safe, effective and affordable medicines and healthcare services, your Company has undertaken several outreach initiatives that aligns to the global imperative of earning greater respect from society. These programs allows your Company colleagues to volunteer their time that instills a sense of pride and purpose going much beyond the conduct of everyday business.

This year Your Company continued to identify, choose and work on projects that are aligned to your Company's CSR priorities listed below:

- i. Encourage and support Indian innovation and Indian Intellectual Property with a focus on Healthcare;
- ii. Undertake awareness and access programs ourselves or in partnership with NGO's, Government and Healthcare Providers in areas such as Women and Child health, among others;
- iii. Support Government's national and/or state programs and priorities with linkages to healthcare;
- iv. Enlist employees as volunteers to support activities around health, sanitation and disease awareness;
- v. Participate in disaster relief activities.

Some key initiatives undertaken during the year were:

1. Project to encourage healthcare innovations Made in India

The Pfizer IIT Delhi Innovation and IP Program launched in 2015-16, aims at encouraging innovators to create healthcare innovations Made in India. We partnered with the Foundation for Innovation and Technology Transfer (FITT) at the Indian Institute of Technology, Delhi to launch an incubation accelerator initiative -- Pfizer IIT Delhi Innovation & IP Program.

Aligning with the Company's ethos of bringing healthcare innovative solutions that significantly improve lives, The Pfizer IIT-Delhi Innovation and IP Program is an example of an industry-academia collaboration that aligns with the "Startup India, Stand up India" program launched by the Hon'ble Prime Minister of India.

The Phase 1 of this project selected and awarded two full time innovators with an unencumbered funding of upto ₹50 Lakhs per incubatee. These innovators are incubated at IIT Delhi where they are currently developing the prototype of their innovation. The program also awarded grants to three innovators towards IP Filing support services. The two noteworthy projects selected under the resident incubation are the novel wearable device for air purification and portable device for early diagnosis of Typhoid and antibiotic susceptibility.

Further to the success of Phase 1, your Company rolled out Phase 2 of the program by calling in entries at a national level. This phase has selected the next two innovators for resident incubation and three innovators for IP filing support services. The second phase winners of the program have been identified and will shortly awarded the grants.

2. Project on combating Anti-Microbial resistance

India being the largest consumer of antibiotics, the government in 2016 committed to tackling AMR by taking further steps towards a new National Action Plan on AMR. Globally, Pfizer has been aligning with governments, medical societies and healthcare institutions to enhance antibiotic surveillance programs and improve awareness.

In India, during the last couple of years, your Company has been conducting several antimicrobial stewardship education programs and workshops to promote rational use of antibiotics and infection control practices in smaller hospitals and nursing homes. This year, your Company will be working with government stakeholders to expand existing surveillance programs and enhance stewardship programs to combat Anti-Microbial resistance.

3. Sanitation Project

As part of its contribution towards the Swachh Vidyalaya/Swachh Bharat Campaign, your Company continued its efforts in building and refurbishing sanitation facilities in schools across the country. This year, your Company continued its sanitation programs in Maharashtra, Goa, Delhi, Mewat (Haryana) and Lucknow (UP) taking the number of schools covered to a total of 31. Your Company would be expanding its sanitation drive to Andhra Pradesh and Chennai in 2017-18.

4. During the year under review, your Company also provided grants worth ₹88.39 Lakhs to institutions that work in the area of healthcare development.

The total amount spent by the Company towards CSR activities during the year is ₹788.19 Lakhs. Your Company is proud to exceed its mandated CSR spending for the year.

A brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in “**Annexure - A**” of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company - ‘www.pfizerindia.com’.

WHISTLE BLOWER / VIGIL MECHANISM

Your Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine 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 and also direct access to the higher levels of supervisors. The E-mail ID for reporting genuine concerns is: ‘corporate.compliance@pfizer.com’. In appropriate and exceptional cases, concerns may be raised directly to the Chairman of the Audit Committee at ‘Chairman.IndiaAuditcom@pfizer.com’. A quarterly report on the whistle blower complaints received and action taken thereon is placed before the Audit Committee for its review.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. Vivek Dhariwal (DIN: 02826679) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Ms. Lu Hong (DIN: 07358719), resigned as Non-Executive Woman Director from the Board of the Company with effect from November 4, 2016. Your Directors wish to place on record their appreciation for the valuable contributions made by Ms. Lu Hong.

The Board of Directors of the Company at their meeting held on November 4, 2016, pursuant to the recommendation of Nomination and Remuneration Committee, appointed Dr. Anurita Majumdar (DIN: 05291758) as an Executive Director, Medical of the Company with effect from November 4, 2016 for a period of 5 (five) years, subject to the approval of members at the ensuing Annual General Meeting. The Company has received a Notice for candidature as a Director from a Member pursuant to Section 160 of the Act.

The Board of Directors of the Company at their meeting held on January 30, 2017, pursuant to the recommendation of Nomination and Remuneration Committee, appointed Mr. Ravi Prakash Bhagavathula (DIN: 07282100) as an Executive Director, Finance of the Company with effect from January 30, 2017, for a period of 5 (five) years, subject to the approval of members at the ensuing Annual General Meeting. The Company has received a Notice for candidature as a Director from a Member pursuant to Section 160 of the Act.

The Board of Directors of the Company at their meeting held on May 6, 2017, pursuant to the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Vivek Dhariwal (DIN: 02826679) as an Executive Director, Technical Operations of the Company with effect from May 21, 2017, for a period of 5 (five) years, subject to the approval of members at the ensuing Annual General Meeting.

All Independent Directors have given the declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Performance Evaluation

The Company has devised a Performance Evaluation Framework and Policy, which sets a mechanism for the evaluation of the Board, Board Committees and Directors.

Performance Evaluation of the Board, Committees and Directors was carried out through an evaluation mechanism in terms of the aforesaid Performance Evaluation Framework and Policy.

The performance evaluation of each individual directors, the Board and Committees was carried out through deliberations. The said performance evaluation was done based on the parameters stated in the templates designed under the aforesaid Framework and after taking into consideration the guidance note issued by the Securities and Exchange Board of India on January 5, 2017.

Independent Directors' Meeting

One Meeting of the Independent Directors was held on May 6, 2016, without the presence of the Executive Directors and Management Personnel. At the Independent Directors Meeting held on May 6, 2016, the Independent Directors carried out performance evaluation of Non-Independent Directors and the Board of Directors as a whole, performance of Chairman of the Company, the quality, content and timeliness of flow of information between the Management and the Board, based on the Performance Evaluation framework of the Company. All the Independent Directors were present at the aforesaid Meeting.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Your Company has in place a Familiarization Program for Independent Directors to provide insights into the Company's business to enable them contribute significantly to its success. The Executive Directors and Senior Management make presentations periodically to familiarize the Independent Directors with the strategy operations and functions of the Company. Your Company also circulates news and articles related to the Industry and provide specific regulatory updates to the Independent Directors on a regular basis.

A brief summary of the major Familiarization Programs carried out during the year for the Independent Directors is given below:

Sr. No.	Particulars of the Programs / Presentations	Date	No. of Hours
			Duration(Hrs)
1.	Presentation on business update and regulatory developments	October 17, 2016	1.5
2.	Meeting with Ms. Janine Small, Regional President for discussion on the Pfizer's outlook for India.	October 27, 2016	1.5
3.	Presentation on the Medical Affairs Division	November 4, 2016	0.5
4.	Presentation on the Goods and Service Tax and ERP implementation	November 4, 2016	1
5.	Presentation on Business Strategy	January 30, 2017	1.5
Total Duration (Hours)			6

Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management, Key Managerial Personnel and their remuneration. The Nomination and Remuneration Policy is annexed herewith as "Annexure - B".

Meetings of the Board

The details of the meetings of the Board and Committees are provided in the Corporate Governance Report (Annexure H to the Board's report).

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 2 and 3 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;

- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

RISK MANAGEMENT POLICY

The details pertaining to the Risk Management Policy are included in the Corporate Governance Report, which forms part of this Report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The Company had entered into materially significant related party transactions with Pfizer Export Company, Ireland, Pfizer Innovative Supply Point Intl BVBA, Belgium and Pfizer Service Company BVBA, Belgium for purchase of raw materials, bulk drugs and finished goods. The same are within the limits duly approved by the members at the 63rd Annual General Meeting for Pfizer Export Company, Ireland and 65th Annual General Meeting for Pfizer Innovative Supply Point Intl BVBA, Belgium and Pfizer Service Company BVBA, Belgium.

All Related Party Transactions are placed on a quarterly basis before the Audit Committee for approval and before the Board for consideration and noting.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website 'www.pfizerindia.com'. The weblink for the Policy is <http://www.pfizerindia.com/eNewsWebsite/investor/pdf/Revised%20Related%20Party%20Transaction%20Policy%20-%20Pfizer%20website.pdf>

None of the Directors have any material pecuniary relationships or transactions vis-à-vis the Company.

Pursuant to Section 134 of the Companies Act, 2013 and Rules made thereunder, particulars of transactions with related parties as required under Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed herewith as **"Annexure - C"**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not granted any loans, guarantees and investments for the financial year ended March 31, 2017.

DEPOSITS FROM PUBLIC

During the financial year under review, the Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

DISCLOSURES OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

OTHER INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure - D"**.

A table containing particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, ("the Act") read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **"Annexure - E"**.

The information required pursuant to Section 197(12) of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this Report. However, as per the provision of Sections 134 and 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of such statement may write to the Company Secretary at the Company's Registered Office.

The Company does not have any subsidiary company or associate company or joint venture company.

AUDITORS

The Auditors, Messrs. B S R & Co. LLP, were appointed as Statutory Auditors to hold office for a term of 3 (three) years from conclusion of 63rd Annual General Meeting till the conclusion of the 66th Annual General Meeting subject to ratification by members at every subsequent Annual General Meeting. Accordingly, the Statutory Auditors Messrs. B S R & Co. LLP would be completing their maximum term permitted under Section 139 of the Companies Act, 2013 and the Rules made thereunder at the ensuing Annual General Meeting.

The Auditor's Report for the financial year ended March 31, 2017 do not contain any qualification, reservation or adverse remark.

The Board of Directors of the Company at their meeting held on May 6, 2017 have recommended, the appointment of **Messrs. Walker Chandiok & Co LLP**, Chartered Accountants (Firm Registration No. 001076N/N500013) as the statutory auditors of the Company. **Messrs. Walker Chandiok & Co LLP** have confirmed their eligibility for appointment under Section 139 read with Section 141 of the Companies Act, 2013.

Messrs. Chandiok & Co LLP, will hold office for a period of 5 (five) consecutive years from the conclusion of the ensuing 66th Annual General Meeting of the Company till the conclusion of the 71st Annual General Meeting, subject to ratification by shareholders at every subsequent Annual General Meeting.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the cost audit records maintained by the Company is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs. RA & Co., to audit the cost accounts of the Company for the financial year 2017-18 on a remuneration of ₹11.50 Lakhs. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs. RA & Co., Cost Auditors is included at Item No. 10 of the Notice convening the Annual General Meeting.

The Company has filed the Cost Audit Report for Formulations and Compliance Report for the financial year ended March 31, 2016 on September 27, 2016, which is within the stipulated timeline prescribed under the applicable regulations. The Cost Audit Report for Formulations for the financial year ended March 31, 2017 is due to be filed by September 27, 2017.

Messrs. R. A. & Co., have confirmed their eligibility to be the Cost Auditors and have been appointed to conduct Cost Audit of the Company's records for the financial year ending March 31, 2018. The remuneration is subject to ratification by the shareholders.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs. Saraf & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure - F**". The Secretarial Auditor Report for the financial year ended March 31, 2017 does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as "**Annexure - G**".

CORPORATE GOVERNANCE & BUSINESS RESPONSIBILITY REPORTING

A Report on Corporate Governance along with a Certificate from Messrs. B S R & Co. LLP, regarding compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report and annexed herewith as "**Annexure - H**".

A Business Responsibility Report as stipulated under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, describing the initiatives taken by your Company from an environmental, social and governance perspective, forms part of this Report and annexed herewith as “**Annexure-I**”.

CAUTIONARY NOTE

Certain statements in respect to Management Discussion and Analysis may be forward looking and are stated as required by the applicable laws and regulations. The future results of the Company may be affected by many factors, which could be different from what the Directors envisage in terms of future performance and outlook.

ACKNOWLEDGMENTS

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

Mumbai, July 29, 2017

R. A. Shah
Chairman

Annexure-A

Corporate Social Responsibility

1. CSR Policy Overview

At Pfizer Limited (the "Company" or "Pfizer"), we constantly strive to positively impact the health of people throughout the Country. In India, for more than six decades, we have strived to serve our community by setting the standard for quality, safety and value in the discovery, development, manufacture and delivery of medicines.

Your Company through its Corporate Social Responsibility ("CSR") Policy encourages stronger commitment from the organization and employees towards the society to address the healthcare challenges of the Country. The Policy applies to all CSR programs/projects of the Company and has been prepared keeping Pfizer's own core competence and priorities in mind. The policy also aims to align your Company's CSR interventions with the healthcare priorities of the Government of India and other stakeholders working with similar mandates.

In doing so, it would be the endeavor of your Company to synergize its CSR initiatives undertaken by various Pfizer functions/divisions within one unified strategic umbrella. The CSR committee acts in an advisory capacity to the Board and Management with respect to policies and strategies that affect the Company's role as a socially responsible organization. The CSR committee ensures that the implementation and monitoring of the projects, is in compliance with the CSR Objectives and Policy of the Company.

CSR Committee

Sr. No.	Name	Designation/ Category
1	Mr. Pradip Shah	Chairman-Independent Director
2.	Mr. S. Sridhar	Member-Managing Director
3.	Mr. Vivek Dhariwal	Member-Whole-time Director

Our Purpose

Promote access to quality healthcare in the country by nurturing innovations, encouraging community involvement of your Company's employees and synergizing efforts in partnership with Government and other stakeholders for collective impact.

The Board of Directors of your Company, on the recommendation of the CSR Committee, has adopted the CSR policy with the following focus areas for designing our interventions:

CSR Focus Areas

1. Encourage and support Indian Innovation and Indian Intellectual Property with a focus on Healthcare;
2. Undertake awareness and access programs ourselves or in partnership with NGO's, Government and Healthcare Providers in areas such as Women and Child health, among others;
3. Support Government's national and/or state programs and priorities with linkages to healthcare;
4. Enlist employees as volunteers to support activities around health, sanitation and disease awareness;
5. Participate in disaster relief activities.

The details of CSR projects undertaken by the Company during the financial year under review are provided in the Board's Report under Corporate Social Responsibility section. The weblink for the CSR policy is <http://www.pfizerindia.com/eNewsWebsite/investor/pdf/Revised%20Corporate%20Social%20Responsibility%20Policy.pdf>

Financial details

The provisions pertaining to Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 are applicable to Pfizer Limited. The financial details, as sought by the Companies Act, 2013, are as follows:

		(₹ in Lakhs)
Particulars		Amount
Average net profit of the Company for the last three financial years		35,200.19
Prescribed CSR Expenditure (as per Section 135 of the Companies Act, 2013)		704.00
Details of CSR spent during financial year		
a)	Total amount to be spent for the financial year	704.00
b)	Amount unspent, if any	Nil
c)	Manner in which the amount was spent during the financial year	Details given below

Manner in the which CSR amount was spent during the Financial Year 2016-17

								(₹ in Lakhs)
Sr. no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where Projects or Programs were undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the Projects and Programs 1. Direct Expenditure on Projects / Programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
Expenditure on projects/programs								
a.	Pfizer IIT Delhi Innovation & IP Program	Supporting healthcare innovation	a. New Delhi	230.00	230.00	690.87	Through implementing agency	
b.	School Sanitation project- Pfizer Limited goes to school	Sanitation & Healthcare	a. Shiroda, Goa	10.00	10.00	234.00	Through implementing agency	
c.	Anti-Microbial Resistance Program	Promoting healthcare	a. New Delhi	447.00	447.00	447.00	Through Implementing agency	
d.	Charitable contribution to Indian Cancer Society through Standard Chartered Mumbai Marathon	Disease awareness and promoting preventive healthcare	a. Mumbai, Maharashtra	5.80	5.80	5.80	Through Implementing agency	
e.	Donation to NGOs for healthcare projects through Charity Match	Community healthcare learning	a. Mumbai, Maharashtra	4.00	4.00	4.00	Direct Contribution	
f.	Blood Donation drive	Employee volunteering	a. Mumbai, Maharashtra	1.00	1.00	1.00	Through Implementing agency	
g.	Setting up of Computer Labs	Promoting education	a. Goa	2.00	2.00	2.00	Through Implementing agency	
h.	Contribution towards creating healthcare awareness	Promoting healthcare	a. Mumbai, Maharashtra	4.20	88.39	88.39	Direct Contribution	
Total				704.00	788.19	1,473.06		

Reasons for shortfall in CSR Spend: Not Applicable

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

“Pfizer’s CSR projects/programs are entrenched in the way we do business and are guided by our corporate mission, values and aspirations. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.”

For and on behalf of Board of Directors

Mumbai, May 6, 2017

S. Sridhar
Managing Director

Pradip Shah
Chairman, CSR Committee

Annexure-B

The Nomination and Remuneration Policy

This Nomination and Remuneration Policy ("**Policy**") has been adopted by Pfizer Limited's Board of Directors ("**Board**"), acting on the recommendations of its Nomination and Remuneration Committee.

1. OBJECTIVES:

The Nomination and Remuneration Committee Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The key objectives of the Policy would be:

- a. Assess necessary and desirable competencies of Board members;
- b. Review Board succession plans;
- c. Evaluate the Board's performance;
- d. Make recommendations to the Board on:
 - i. Executive Directors remuneration and incentive policies;
 - ii. Remuneration packages of key managerial personnel and senior management;
 - iii. The Company's recruitment, retention and termination policies for key managerial personnel and senior management;
 - iv. The remuneration framework for Directors.

2. PFIZER LIMITED'S COMPENSATION PHILOSOPHY

Pfizer Limited's ("**Company**")/ ("**Pfizer**") Compensation and Benefits programs are designed to enhance its ability to attract, motivate, retain and engage a high performing and committed workforce.

3. DEFINITIONS

- a. "**Act**" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. "**Key Managerial Personnel**" means
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Whole-time Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. Such other officer as may be prescribed under the Act.
- c. "**Senior Management**" means personnel of the Company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the Executive Directors including the functional heads.

4. ROLE OF COMMITTEE

a. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- ii. Identify persons who are qualified to become a Director and persons who may be appointed in Key Managerial Personnel and Senior Management Personnel in accordance with the criteria laid down in this policy;
- iii. Formulate criteria for evaluation of Directors, Key Managerial Personnel, Senior Management Personnel and the Board as a whole;
- iv. Recommend to the Board, criteria for remuneration for Directors, Key Managerial Personnel and other Employees;
- v. Recommend to the Board, appointment, re-appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
- vi. Devise a Policy on Board Diversity.

b. Policy for appointment, re-appointment, remuneration and removal of Directors, Key Managerial Personnel and Senior Management:

i. The Nomination and Remuneration Committee will ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

ii. Appointment criteria and qualifications:

- a) the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment.
- b) the candidate shall possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) the appointment of any Director / Key Managerial Personnel / Senior Management shall also be governed by the prevailing policies of the Company.

iii. Term / Tenure:

- a) **Managing Director / Whole-time Director:**

The Company may appoint or re-appoint a person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - At the time of appointment if Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director, and three listed companies as an Independent Director in case such person is serving as a Whole-Time Director of a listed company or such other number as may be prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For this purpose, the Independent Directors shall submit a declaration in this regard and the Committee / Board shall rely on such declaration.

iv. Evaluation:

The Committee shall carry out the evaluation of performance of Directors, Key Managerial Personnel, Senior Management Personnel and the Board as a whole at regular interval (yearly).

v. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder or for such other compelling reasons, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Act, Rules and Regulations and applicable policies of the Company.

vi. Retirement:

The Independent Directors shall not be liable to retire by rotation. The other Directors, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and prevailing policies of the Company.

c. Policy relating to the Remuneration for the Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel:

i. General:

While determining the remuneration / compensation / benefits etc. to the Managing Director, Whole-time Directors, Key Managerial Personnel and Senior Management Personnel, the Committee shall keep in mind following criteria:

- That the remuneration is aligned with market when compared to relevant peer companies;
- That the remuneration is appropriate for the Company as it exists today but anticipates future business needs;
- Philosophically consistent around Pfizer's global policies but locally and culturally appropriate;
- Understandable and valuable to the talent the Company wishes to attract, motivate, engage and retain;
- Simple and cost-effective for the Company to communicate, maintain and administer;
- Selected positions may be paid higher remuneration than market aligned peer group remuneration; and
- Higher remuneration may be considered for the purpose of retention of talent.

The remuneration / compensation / benefits etc. of Managing Director and Whole-time Directors shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

ii. Increments to the existing remuneration / compensation / benefit structure of Managing Director Whole-time Directors will be recommended by the Committee to the Board subject to the maximum limits approved by the Shareholders

iii. Remuneration to Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel:

The Committee shall ensure that Remuneration to Managing Director, Whole-time Directors, Key Managerial Personnel and Senior Management Personnel has a balance between fixed and variable incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The components of remuneration consists of annual guaranteed cash comprising of basic salary, ad-hoc/special allowance, House Rent Allowance, etc. Variable component consists of bonus / performance linked incentives based on the performance of the Company and performance of each Director / Key Managerial Personnel / Senior Management Personnel. The Managing Director / Whole-time Directors / Key Managerial Personnel / Senior Management Personnel are also eligible for Long Term Incentives granted by the Parent Company, Pfizer Inc., U.S.A in the form of Stock Options and Restricted Stock Units. The quantum of perquisites includes employer's contribution to Provident Fund, Medical Reimbursement Expenses, Leave Travel Assistance, Car / Conveyance Allowance etc.

iv. Remuneration to Non-Executive / Independent Directors:

• Sitting Fees:

Resident Non-Executive / Independent Directors shall be paid the sitting fees for attending the meetings of the Board and the Committees of which they are member. The Board may at its discretion revise the sitting fees payable to the Resident Non-Executive / Independent Directors from time to time. Provided that the amount of such fees shall not exceed the limit prescribed under the Act.

• Commission:

In addition to the sitting fees, Resident Non-Executive / Independent Directors may also be paid a Commission, as may be determined by the Board, as recommended by the Nomination and Remuneration Committee after considering the performance of the Company and the performance and contribution of the Directors, as evaluated by the Board, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act and subject to approval of Shareholders.

• Stock Options:

Independent Directors shall not be entitled to any stock options of the Company or its Parent Company.

5. OTHERS:

Clauses with respect to the Membership and Term, Chairperson, Frequency of Meetings, Nomination and Remuneration Duties and other administrative functions of the Committee shall be as per the Nomination and Remuneration Charter of the Company.

6. REVIEW OF THE POLICY:

The Committee will discuss any revisions that may be required, and recommend any such provisions to the Board for consideration and approval.

Annexure-C

Form AOC-2

Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

i. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

ii. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions conducted on arm's length basis during the year ended March 31, 2017 are as follows:

Sr. No.	Name of the Related Party and Relationship	Nature of Transaction	Duration	Salient Terms	Amount (₹ in Lakhs)
1.	Pfizer Inc., USA (Ultimate Holding Company)	Service Income	Ongoing	On arm's length basis and in ordinary course of business.	433.59
		Recovery of Expenses			92.86
		Royalty Expense			5.08
		Reimbursement of Expenses			256.60
2.	Pfizer Products India Private Limited (Fellow Subsidiary)	Service Income	Ongoing	On arm's length basis and in ordinary course of business.	2,331.10
		Recovery of Expenses			357.11
		Reimbursement of Expenses			30.52
		Service Charges (Inclusive of Service Tax)			378.38
3.	Pfizer Investment Co. Ltd (Fellow Subsidiary)	Reimbursement of Expenses	Ongoing	On arm's length basis and in ordinary course of business.	380.36
4.	Pfizer Export Company, Ireland (Fellow Subsidiary)	Purchase of Raw/ Bulk Materials	Ongoing	On arm's length basis and in ordinary course of business.	185.60
5.	Pfizer Pharmaceuticals Korea Limited (Fellow Subsidiary)	Reimbursement of Expense	Ongoing	On arm's length basis and in ordinary course of business.	14.92
		Recovery of Expenses			11.97
6.	Pfizer Asia Manufacturing Pte Ltd (Fellow Subsidiary)	Purchase of Raw/Bulk Materials	Ongoing	On arm's length basis and in ordinary course of business.	270.68
7.	Pfizer Innovative Supply Point Intl BVBA, Belgium (Fellow Subsidiary)	Purchase of Finished Goods	Ongoing	On arm's length basis and in ordinary course of business.	25,589.29
8.	Pfizer Service Company BVBA, Belgium (Fellow Subsidiary)	Purchase of Finished Goods	Ongoing	On arm's length basis and in ordinary course of business.	1,491.21
		Purchase of Raw/ Bulk Materials			7,090.37
9.	Whitehall International Inc., USA (Fellow Subsidiary)	Recovery of Expenses	Ongoing	On arm's length basis and in ordinary course of business.	23.56
10.	Wyeth Pharmaceuticals India Private Limited (Fellow Subsidiary)	Recovery of Expenses	Ongoing	On arm's length basis and in ordinary course of business.	12.00
11.	Pfizer Canada Inc (Fellow Subsidiary)	Purchase of Finished Goods	Ongoing	On arm's length basis and in ordinary course of business.	869.48
12.	Pfizer Global Trading Ireland (Fellow Subsidiary)	Purchase of Finished Goods	Ongoing	On arm's length basis and in ordinary course of business.	78.27
13.	John Wyeth & Brother Ltd. (Fellow Subsidiary)	Recovery of Expenses	Ongoing	On arm's length basis and in ordinary course of business.	3.45
14.	Parke-Davis & Company, LLC, USA (Significant Influence)	Consideration towards assignment of Trademarks for certain brands	One time	On arm's length basis and in ordinary course of business	0.00*
15.	Warner-Lambert Company, LLC, USA (Significant Influence)	Consideration towards assignment of Trademarks for certain brands.	One time	On arm's length basis and in ordinary course of business.	0.00*

Appropriate approvals have been taken for all related party transactions. No advances have been paid or received against the transactions mentioned above.

* An amount of ₹67 each was paid to Parke-Davis & Company, LLC, USA and Warner-Lambert Company, LLC, USA.

For and on behalf of the Board of Directors

Annexure-D

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY:

a) Energy Conservation measures taken:

1. The Company's manufacturing facility at Goa initiated the replacement of conventional CFL/Halogen/Tube lights by LED lightings.
2. The Company's manufacturing facility at Goa changed the formulation process of Diamox Tablet from wet granulation to direct compression. This has saved Electrical energy required for operation of Fluidised Bed Processor.
3. The Company's manufacturing facility at Goa replaced all the metal doors of the Oral Contraceptive tablet manufacturing area with new generation doors to arrest air leakages, thus resulting in reduction of electrical power consumption.
4. The Data Centre of the Company's manufacturing facility at Goa is connected with centralized HVAC system to save electricity consumption during working hours.

b) Impact of measures taken:

- i. Reduction of Electrical energy consumption.
- ii. Reduction in carbon emission.

c) Steps taken for utilizing alternate sources of energy:

Nil

d) Capital investment on energy conservation equipments:

A sum of ₹30 Lakhs was spent as capital expenditure for upgradation of the facility to achieve energy conservation.

B. TECHNOLOGY ABSORPTION:

Research and Development (R & D):

1. Efforts in brief made towards technology absorption:

The Company on an on-going basis interacts with the Parent Company, for technical expertise for pharmaceutical formulations. The Company also puts emphasis on innovation in its operations.

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

The Company has benefited substantially as a result of the emphasis on innovation.

Development of new products for the domestic market, improvement in product quality, operational excellence projects, technology transfer of products and reduction in energy consumption are some of the benefits derived as a result of above efforts carried out during the year under review.

3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

- a. The details of technology imported: Nil
- b. The year of import: Not applicable
- c. Whether the technology been fully absorbed: Not applicable
- d. If not fully absorbed, areas where absorption has not taken place and reasons thereof: Not applicable

As mentioned in (1) we continue to receive technology, process know-how and technical assistance from time to time from the Parent Company.

4. Expenditure on Research and Development

	(₹ in Lakhs)
(i) Capital	-
(ii) Revenue	2,750.04
(iii) Total	2,750.04
(iv) Total to R&D expenditure as percentage of total turnover	1.36%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review:

- a) Foreign exchange earnings by the Company was ₹629 Lakhs.
- b) Foreign exchange expenditure (which includes import of raw materials and goods for resale, service charges etc.) was ₹40,667 Lakhs.

For and on behalf of the Board of Directors

Mumbai, May 6, 2017

**R. A. Shah
Chairman**

Annexure-E

Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirement under Rule 5(1)	Details
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year.	<p>Executive Directors</p> <ul style="list-style-type: none"> • Mr. S. Sridhar, Managing Director: 36.88 • Mr. Vivek Dhariwal, Executive Director - Technical Operations: 24.10 • Dr. Anurita Majumdar, Executive Director – Medical: 20.28 • Mr. Ravi Prakash Bhagavathula, Executive Director - Finance and Chief Financial Officer: 32.00 <p>Non-Executive Directors</p> <ul style="list-style-type: none"> • Mr. R. A. Shah, Independent Director: 2.81 • Mr. Pradip Shah, Independent Director: 3.00 • Mr. Uday Khanna, Independent Director: 2.65 • Mr. S. S. Lalbhai, Independent Director: 2.39
2.	Percentage increase in remuneration of each Executive Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO) and Company Secretary (Salary of 2016-17 v/s Salary of 2015-16).	<ul style="list-style-type: none"> • Mr. S. Sridhar, Managing Director (CEO) : 49.79%* • Mr. Vivek Dhariwal, Executive Director - Technical Operations : 14.34% • Dr. Anurita Majumdar, Executive Director – Medical Affairs: 1.63% • Mr. Ravi Prakash Bhagavathula, Executive Director - Finance and CFO: 20.42%** • Mr. Prajeet Nair, Company Secretary : 11.13% <p>* Consequent to the promotion of Mr. S. Sridhar as the Managing Director of the Company effective March 18, 2016.</p> <p>** Remuneration for the previous year not comparable as Mr. Ravi Prakash Bhagavathula joined the Company on May 13, 2015</p>
3.	Percentage increase in the median remuneration of employees in the financial year (2016-17 v/s 2015-16).	19.58%
4.	Number of Permanent Employees as on March 31, 2017 on the rolls of Company.	2,839
5.	Average percentage increase made in the salaries of employees other than the managerial personnel in last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. Justification for variation in the average percentile increase between Non Managerial employees and Managerial employees.	<p>Managerial Personnel: 22.16%</p> <p>Others: 15.63%</p> <p>The variation in the average percentage increase between managerial personnel and others is mainly due to revision in remuneration of the Managing Director, consequent to his promotion effective March 18, 2016.</p>
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Mumbai, May 6, 2017

R. A. Shah
Chairman

Annexure-F

Secretarial Audit Report for the Financial Year Ended 31st March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

PFIZER LIMITED

The Capital, 1802 / 1901,

Plot No. C-70, G Block,

Bandra Kurla Complex,

Bandra (East),

Mumbai – 400051.

Maharashtra.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pfizer Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment; the Company has neither made any Overseas Direct Investment (ODI) nor accepted any External Commercial Borrowing (ECB), hence ODI and ECB guidelines are not applicable to the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has further complied with below mentioned laws, which are specifically applicable to the Company as it is in the business of drugs and pharmaceuticals.

- i. Drugs and Cosmetics Act, 1940
- ii. Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
- iii. Drugs Pricing Control Order, 2013
- iv. Narcotic Drugs and Psychotropic Substances Act, 1985
- v. Pharmacy Act, 1948

Following laws were not applicable to the Company during the Audit period:

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We have also examined compliance with respect to the Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc as mentioned above.

We further report that:

- The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions were carried through unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificates issued by the Legal Director and the Company Secretary taken on record by the Board of Directors at their meetings, we are of the opinion that the management has adequate systems and processes, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

Saraf and Associates
(Practicing Company Secretaries)

K. G. Saraf

Proprietor

FCS 1596 : CP 642

Place : Mumbai
Date : May 6, 2017

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.

'ANNEXURE 1'

To,
The Members,
PFIZER LIMITED
The Capital, 1802 / 1901,
Plot No. C-70, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051.
Maharashtra.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Saraf and Associates
(Practicing Company Secretaries)

Place : Mumbai
Date : May 6, 2017

K. G. Saraf
Proprietor
FCS 1596 : CP 642

Annexure-G

FORM MGT - 9 - EXTRACT OF ANNUAL RETURN

EXTRACT OF ANNUAL RETURN
(as on the financial year ended on March 31, 2017)
FORM MGT - 9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	L24231MH1950PLC008311
ii. Registration Date	November 21, 1950
iii. Name of the Company	Pfizer Limited
iv. Category Sub-Category of the Company	Company limited by Shares Non Government Company
v. Address of the Registered office and contact details	The Capital, 1802/1901 Plot No. C-70, G Block Bandra Kurla Complex Bandra East Mumbai – 400 051 Tel: +91 22 6693 2000 Fax: +91 22 2654 0274 Email: contactus.india@pfizer.com Website: www.pfizerindia.com
vi. Whether listed Company	Yes
viii. Name Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited UNIT: PFIZER LIMITED Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032. Tel: +91 40 6716 2222 Fax: +91 40 2300 1153 Toll Free No: 1-800-3454-001 E-mail ID: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of the total turnover of the Company are as given below:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product	% to total turnover of the Company
1	Pharmaceutical	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Pfizer East India B. V. Rivium Westlaan 142 2909 Ld Capelle Aan Den Ijssel The Netherlands	N.A.	Promoter	39.75	2(69)
2.	Wyeth LLC 1209 Orange Street Wilmington Delaware USA 19801	N.A.	Promoter	12.28	2(69)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d. State Govts	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	724539	0	724539	1.58	966446	0	966446	2.11	33.39
g. FIIs/FPI	2003914	46	2003960	4.38	1322487	46	1322533	2.89	(34.00)
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	5745795	2275	5748070	12.57	6137210	2275	6139485	13.42	6.81
2. Non Institutions									
a. Bodies Corporate									
i. Indian	2815091	25285	2840376	6.21	2667696	25250	2692946	5.89	(5.19)
ii. Overseas	0	1983	1983	0	0	1983	1983	0	0
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹1 Lakh	5860875	1090806	6951681	15.20	5687959	1043142	6731101	14.71	(3.17)
ii. Individual shareholders holding nominal share capital in excess of ₹1 Lakh	659621	0	659621	1.44	648379	0	648379	1.42	(1.70)
c. Others (Specify)									
i. Directors and Relatives	6017	0	6017	0.01	6017	0	6017	0.01	0
ii. Trusts	3735	88	3823	0.01	3945	88	4033	0.01	5.49
iii. NBFC	2960	0	2960	0.01	2200	0	2200	0.01	(25.68)
iv. Non-resident Indians	242440	9093	251533	0.55	224800	9093	233893	0.51	(7.01)
v. Clearing Members	38057	569	38626	0.08	44084	569	44653	0.10	15.60
Sub-Total (B)(2)	9628796	1127824	10756620	23.51	9285080	1080125	10365205	22.66	(3.64)
Total Public Shareholding (B)=(B)(1)+(B)(2)	15374591	1130099	16504690	36.08	15422290	1082400	16504690	36.08	0.00
C. Shares held by the Custodian, against which depository receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	44617633	1130099	45747732	100	44665332	1082400	45747732	100	0

ii) Shareholding of promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shareholders	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shareholders	
1	Pfizer East India B. V.	18186334	39.75	0	18186334	39.75	0	0
2	Wyeth LLC	5617707	12.28	0	5617707	12.28	0	0
3	Wyeth Holdings Corporation	1630164	3.56	0	1630164	3.56	0	0
4	Warner-Lambert Company LLC	1187163	2.60	0	1187163	2.60	0	0
5	Parke, Davis & Company LLC	955733	2.09	0	955733	2.09	0	0
6	John Wyeth & Brother Limited	882000	1.93	0	882000	1.93	0	0
7	Pharmacia Corporation	783941	1.71	0	783941	1.71	0	0
	Total	29243042	63.92	0	29243042	63.92	0	0

The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iii) Change in Promoters' Shareholding

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Pfizer East India B. V.				
	At the beginning of the year	18186334	39.75	18186334	39.75
	At the end of the year	18186334	39.75	18186334	39.75
2	Wyeth LLC				
	At the beginning of the year	5617707	12.28	5617707	12.28
	At the end of the year	5617707	12.28	5617707	12.28
3	Wyeth Holdings Corporation				
	At the beginning of the year	1630164	3.56	1630164	3.56
	At the end of the year	1630164	3.56	1630164	3.56
4	Warner-Lambert Company LLC				
	At the beginning of the year	1187163	2.60	1187163	2.60
	At the end of the year	1187163	2.60	1187163	2.60
5	Parke, Davis & Company LLC				
	At the beginning of the year	955733	2.09	955733	2.09
	At the end of the year	955733	2.09	955733	2.09
6	John Wyeth & Brother Limited				
	At the beginning of the year	882000	1.93	882000	1.93
	At the end of the year	882000	1.93	882000	1.93
7	Pharmacia Corporation				
	At the beginning of the year	783941	1.71	783941	1.71
	At the end of the year	783941	1.71	783941	1.71
	Total	29243042	63.92	29243042	63.92

None of the promoter shareholders have made any transactions with respect to the shares of the Company during the financial year ended March 31, 2017.

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED AND SCHEMES				
	Opening Balance	1710206	3.74	1710206	3.74
	Shares sold during the period 01/04/2016 to 31/03/2017	245601	0.54	1464605	3.20
	Shares bought during the period 01/04/2016 to 31/03/2017	821146	1.80	2285751	5.00
	Closing balance	2285751	5.00	2285751	5.00
2	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.				
	Opening Balance	1037448	2.27	1037448	2.27
	Shares sold during the period 01/04/2016 to 31/03/2017	172779	0.38	864669	1.89
	Shares bought during the period 01/04/2016 to 31/03/2017	151109	0.33	1015778	2.22
	Closing balance	1015778	2.22	1015778	2.22
3	ATUL LIMITED				
	Opening Balance	958927	2.10	958927	2.10
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	958927	2.10
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	958927	2.10
	Closing balance	958927	2.10	958927	2.10

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	UTI-EQUITY FUND				
	Opening Balance	485891	1.06	485891	1.06
	Shares sold during the period 01/04/2016 to 31/03/2017	120895	0.27	364996	0.80
	Shares bought during the period 01/04/2016 to 31/03/2017	10000	0.02	374996	0.82
	Closing balance	374996	0.82	374996	0.82
5	LIFE INSURANCE CORPORATION OF INDIA				
	Opening Balance	452721	0.99	452721	0.99
	Shares sold during the period 01/04/2016 to 31/03/2017	39319	0.09	413402	0.90
	Shares bought during the period 01/04/2016 to 31/03/2017	158344	0.35	452721	1.25
	Closing balance	571746	1.25	571746	1.25
6	PARI WASHINGTON COMPANY PVT. LTD				
	Opening Balance	358294	0.78	358294	0.78
	Shares sold during the period 01/04/2016 to 31/03/2017	66892	0.14	291402	0.64
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	291402	0.64
	Closing balance	291402	0.64	291402	0.64
7	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND				
	Opening Balance	339928	0.74	339928	0.74
	Shares sold during the period 01/04/2016 to 31/03/2017	115751	0.25	224177	0.49
	Shares bought during the period 01/04/2016 to 31/03/2017	750229	1.64	974406	2.13
	Closing balance	974406	2.13	974406	2.13
8	FRANKLIN TEMPLETON INVESTMENT FUNDS AND SCHEMES				
	Opening Balance	279368	0.61	279368	0.61
	Shares sold during the period 01/04/2016 to 31/03/2017	279368	0.61	279368	0.61
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	-	-
	Closing balance	0	0	0	0
9	THE ORIENTAL INSURANCE COMPANY LIMITED				
	Opening Balance	250393	0.55	250393	0.55
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	-	-
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	-	-
	Closing balance	250393	0.55	250393	0.55
10	SHANKAR RESOURCES PRIVATE LIMITED				
	Opening Balance	157220	0.34	157220	0.34
	Shares sold during the period 01/04/2016 to 31/03/2017	-	-	-	-
	Shares bought during the period 01/04/2016 to 31/03/2017	-	-	-	-
	Closing balance	157220	0.34	157220	0.34

v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	Name of the Director	Shareholding at the Beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. R. A. Shah - Chairman				
	At the beginning of the year	3540	0.01	3540	0.01
	At the end of the year	3540	0.01	3540	0.01
2.	Mr. Pradip Shah – Independent Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
3.	Mr. Uday Khanna – Independent Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
4.	Mr. Sunil Lalbhai – Independent Director				
	At the beginning of the year	2477	0.01	2477	0.01
	At the end of the year	2477	0.01	2477	0.01
5.	Mr. S. Sridhar – Managing Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
6.	Mr. Vivek Dhariwal – Executive Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7.	Ms. Lu Hong – Non-Executive Director (upto November 4, 2016)				
	At the beginning of the year	0	0	0	0
	At November 4, 2016	0	0	0	0
8.	Dr. Anurita Majumdar – Executive Director (w.e.f. November 4, 2016)				
	On November 4, 2016	0	0	0	0
	At the end of the year	0	0	0	0
9.	Mr. Ravi Prakash Bhagavathula – Chief Financial Officer (Executive Director w.e.f. January 30, 2017)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
10.	Mr. Prajeet Nair – Company Secretary (KMP)				
	At the beginning of the year	1	0	1	0
	At the end of the year	1	0	1	0

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

The Company has not availed any loan during the year and is a debt-free company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/KMP				Total Amount (₹)
		Mr. S. Sridhar	Mr. Vivek Dhariwal	Dr. Anurita Majumdar	Mr. Ravi Prakash Bhagavathula	
		CEO and MD	WTD	Appointed as WTD w.e.f. November 4, 2016	Appointed as WTD w.e.f. January 30, 2017	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,45,09,602	1,59,38,389	54,59,773	35,46,707	4,94,54,471
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	28,800	28,800	-	-	57,600
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option*	25,11,169	25,11,168	-	-	50,22,337
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	• As % of profit					
	• Others, specify					
5.	Other please specify	-	-	-	-	-
	Total	2,70,49,571	1,84,78,357	54,59,773	35,46,707	5,45,34,408
	Ceiling as per the Act	26,19,58,648	26,19,58,648	26,19,58,648	26,19,58,648	52,39,17,297

* Consists of Stock Options / Restricted Stock Units granted by the Parent Company, Pfizer Inc. USA

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. R. A. Shah	Mr. Pradip Shah	Mr. Uday Khanna	Mr. Sunil Lalbhai	
1.	Independent Directors					
	• Fee for attending board / committee meetings	5,20,000	6,40,000	4,20,000	2,60,000	18,40,000
	• Commission	12,50,000	12,50,000	12,50,000	12,50,000	50,00,000
	• Others, please specify	-	-	-	-	-
	Total Managerial Remuneration	17,70,000	18,90,000	16,70,000	15,10,000	68,40,000
	Overall Ceiling as per the Act	5,23,91,730				

Sr. No.	Particulars of Remuneration	Name of Director	Total Amount (₹)
		Ms. Lu Hong	
2.	Other Non-Executive Directors	(Ceased to be a Director w.e.f. November 4, 2016)	
	• Fee for attending board / committee meetings	N.A.	N.A.
	• Commission	N.A.	N.A.
	• Others, please specify	N.A.	N.A.
	Total Managerial Remuneration	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Mr. Ravi Prakash Bhagavathula CFO - Chief Financial Officer upto January 29, 2017	Mr. Prajeet Nair CS - Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,73,33,101	39,86,708	2,13,19,809
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	3,385	3,385
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option*	-	17,36,197	17,36,197
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	• As % of profit			
	• Others, specify			
5.	Other please specify	-	-	-
	Total	1,73,33,101	57,26,290	2,30,59,391

* Consists of Restricted Stock Units granted by the Parent Company, Pfizer Inc. USA

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no instances of any penalties / punishment / compounding of offences for the year ended March 31, 2017.

Annexure-H

Corporate Governance Report

I. PFIZER'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance at Pfizer is not just adherence to mandatory rules and guidelines. It lies in observing the spirit behind the letter. Your Company has responsibly, critically and collegially worked through all major decisions. It has helped create a credible reputation amongst all stakeholders and regulators. We are guided by the 9 Core Values of our Parent Company, Pfizer Inc., USA in our day-to-day decision-making which reflects the enduring character of Pfizer and its people. Your Company constantly strives to maintain high governance standards and is focused on the goal of making Pfizer the premier, innovative bio-pharmaceutical company. This approach has helped the Company earn the trust of all its stakeholders over its long history.

II. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Company is fully compliant with the Corporate Governance norms in respect of constitution of the Board of Directors ("the Board"). The Board at Pfizer represents an optimum mix of professionalism, knowledge, gender and experience. Presently, the Board comprises of 4 Non-Executive Independent Directors and 4 Executive Directors including one Woman Director. Mr. R. A. Shah, Mr. Pradip Shah, Mr. Uday Khanna and Mr. Sunil Lalbhai are Non-Executive Independent Directors on the Board. Mr. S. Sridhar, Mr. Vivek Dhariwal, Mr. Ravi Prakash Bhagavathula and Dr. Anurita Majumdar (Woman Director) are Executive Directors on the Board. The Chairman of the Board is a Non-Executive Independent Director. None of the Director is related to other Directors.

(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 120 days. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in Part A of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). 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. The Company is in compliance with the provisions of the Secretarial Standards on the Meetings of the Board of Directors.

Four Board Meetings were held during the financial year under review. These Meetings were held on May 6, 2016, August 5, 2016, November 4, 2016 and January 30, 2017. The details of composition of the Board, number of Board Meetings held, attendance thereat and at the last Annual General Meeting ("AGM"), and the number of other Directorships, Memberships and/or Chairmanships held by each Director of the Board as on March 31, 2017, are set out below:

Name	Category of Directorship*	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the Last AGM	No. of other Directorships held	No. of other Committees of which Member/ Chairman
Mr. R. A. Shah (Chairman)	NED (I)	4	4	Yes	9	4/3
Mr. S. Sridhar	MD	4	4	Yes	Nil	N.A.
Mr. Pradip Shah	NED (I)	4	4	Yes	8	6/1
Mr. Uday Khanna	NED (I)	4	3	Yes	4	3/2
Mr. Sunil Lalbhai	NED (I)	4	4	Yes	5	2/Nil
Mr. Vivek Dhariwal	WTD	4	4	Yes	Nil	N.A.
Ms. Lu Hong (Ceased to be a Director w.e.f. November 4, 2016)	NED	3	1 [^]	Yes	Nil	N.A.
Dr. Anurita Majumdar (w.e.f. November 4, 2016)	WTD	2	2	N.A.	Nil	N.A.
Mr. Ravi Prakash Bhagavathula (w.e.f. January 30, 2017)	WTD	1	1	N.A.	Nil	N.A.

MD - Managing Director, NED (I) - Non-Executive Director, Independent, NED - Non-Executive Director, WTD - Whole-time Director.

[^] Leave of absence was granted

Notes:

- Number of Directorships / Memberships held in other companies excludes Directorships/Memberships in private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 ("the Act"), membership of managing committees of chambers / bodies and alternate directorships.
- None of the Independent Directors serve as an Independent Director in more than 7 listed companies. Mr. Sunil Lalbhai who is the Managing Director of Atul Limited does not hold Independent Directorship in more than 3 listed companies.
- The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors are Members of more than 10 Committees and Chairman of more than 5 Committees across all public limited companies in which they are a Director. Number of Chairmanships / Membership of Committees covers Chairmanships/Memberships of Audit Committee and Stakeholders' Relationship Committee.

III. BOARD COMMITTEES

During the financial year under review, the Board had five Committees viz., Audit Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Board Administrative & Share Transfer Committee. The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

AUDIT COMMITTEE

Presently, the Audit Committee comprises of Mr. R. A. Shah as Chairman, Mr. Pradip Shah, Mr. Uday Khanna and Mr. S. Sridhar as its Members.

Mr. Pradip Shah, Mr. Uday Khanna and Mr. S. Sridhar are Chartered Accountants by profession. Mr. S. Sridhar was inducted as a Member of the Audit Committee with effect from May 6, 2016. Mr. R. A. Shah is a Solicitor by profession. All the members of the Audit Committee are professionals and financially literate within the meaning of Regulation 18 (1) (c) of the Listing Regulations. Mr. Prajeet Nair, Company Secretary, acts as the Secretary to the Committee.

Four Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed 120 days. These Meetings were held on May 6, 2016, August 5, 2016, November 4, 2016 and January 30, 2017. The details of the composition of the Audit Committee and the attendance of the Members at the Audit Committee Meetings are as under:

Name	Category*	Number of Meetings Held	Number of Meetings Attended
Mr. R. A. Shah (Chairman)	NED(I)	4	4
Mr. Pradip Shah	NED(I)	4	4
Mr. Uday Khanna	NED(I)	4	3^
Mr. S. Sridhar (w.e.f. May 6, 2016)	MD	4	4

*MD - Managing Director, NED (I) - Non-Executive Director, Independent ^ Leave of absence was granted

The terms of reference of the Audit Committee includes the matters specified under Part C of Schedule II to the Listing Regulations as well as Section 177 of the Companies Act, 2013. The Chief Financial Officer, Internal Auditor and Statutory Auditors are permanent invitees to the Meeting. The Chairman of the Audit Committee was present at the 65th Annual General Meeting held on July 5, 2016. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Presently, the Stakeholders' Relationship Committee comprises of Mr. Uday Khanna as its Chairman, Mr. Sunil Lalbhai and Mr. Vivek Dhariwal as its Members. Mr. Prajeet Nair, Company Secretary, acts as the Secretary to the Committee and as the Compliance Officer. The details of the composition of the Stakeholders' Relationship Committee and the attendance of the Members at the Meeting held on January 30, 2017 are as under:

Name	Designation	Category*	Attendance at the Meeting held on January 30, 2017
Mr. Uday Khanna (Chairman)	Chairman	NED(I)	Yes
Mr. Sunil Lalbhai	Member	NED(I)	Yes
Mr. Vivek Dhariwal	Member	WTD	Yes

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

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified under Part D of Schedule II to the Listing Regulations as well as under Section 178 of the Companies Act, 2013.

The Minutes of the Stakeholders' Relationship Committee Meeting were noted at the Board Meeting.

A summary of the complaints received, cleared/pending during the financial year under review are given below:

Nature of Complaints	As on April 1, 2016	Received during the financial year	Cleared/attended during the financial year	Pending as on March 31, 2017
Non-receipt of dividend warrants	Nil	50	50	Nil
Non-receipt of share certificates after transfer, deletion of name, transmission, transposition, consolidation of folios & share certificates, correction of name, etc.	Nil	15	15	Nil
Non-receipt of Annual Report	Nil	12	12	Nil
Letters from SEBI, Stock Exchanges and Ministry of Corporate Affairs	Nil	14	14	Nil
Total	Nil	91	91	Nil

During the financial year under review, 91 complaints were received and all of them have been redressed/answered to the satisfaction of the shareholders. No investor grievance remained unattended/pending for resolution 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 the time limit prescribed under the Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Presently, the Corporate Social Responsibility Committee comprises of Mr. Pradip Shah as its Chairman, Mr. S. Sridhar and Mr. Vivek Dhariwal as its Members. Mr. Prajeet Nair, the Company Secretary, acts as the Secretary to the Committee. The Head of the Public Affairs/Corporate Affairs Division of the Company is an invitee to the Meeting.

Four Corporate Social Responsibility Committee meetings were held during the financial year under review. These Meetings were held on May 6, 2016, August 5, 2016, November 4, 2016 and January 30, 2017. The details of composition of the Corporate Social Responsibility Committee and attendance of the Members at the Corporate Social Responsibility Meetings are as under:

Name	Category*	Number of Meetings held	Number of Meetings attended
Mr. Pradip Shah (Chairman)	NED(I)	4	4
Mr. S. Sridhar	MD	4	4
Mr. Vivek Dhariwal	WTD	4	4

* MD - Managing Director, NED(I) – Non Executive Director, Independent, WTD- Whole Time Director

The terms of reference of the Corporate Social Responsibility Committee includes the matters specified in Section 135 of the Companies Act, 2013, Schedule VII to the Act and Rules made thereunder. The Minutes of the Corporate Social Responsibility Committee Meetings were noted at the Board Meetings.

Based on the recommendation of the Corporate Social Responsibility Committee, the Board of Directors have formulated and adopted a Policy on Corporate Social Responsibility. The same is displayed under the Investor Relations section on the Company's website 'www.pfizerindia.com'. A Report on Corporate Social Responsibility activities carried out by the Company during the year under review and details thereof are given as Annexure - A to the Board's Report.

NOMINATION AND REMUNERATION COMMITTEE

Presently, the Nomination and Remuneration Committee comprises of Mr. Pradip Shah as Chairman, Mr. R. A. Shah, Mr. Uday Khanna (Non-Executive Independent Directors) as its Members. Mr. Prajeet Nair, the Company Secretary, acts as the Secretary to the Committee.

Three Nomination and Remuneration Committee Meetings were held during the financial year under review. These Meetings were held on May 6, 2016, November 4, 2016 and January 30, 2017.

The details of composition of the Nomination and Remuneration Committee and attendance of the Members at the Nomination and Remuneration Committee Meetings are as under:

Name	Category*	Number of Meetings held	Number of Meetings attended
Mr. Pradip Shah (Chairman)	NED(I)	3	3
Mr. R.A. Shah	NED(I)	3	3
Mr. Uday Khanna	NED(I)	3	2^
Ms. Lu Hong (Ceased to be a Member w.e.f. November 4, 2016)	NED	2	1^

*MD - Managing Director, NED (I) - Non-Executive Director, Independent, NED - Non-Executive Director, WTD - Whole-time Director, ^ Leave of absence was granted

The Nomination and Remuneration Committee, inter alia, reviews and recommends to the Board, remuneration including the Bonus/ Performance Linked Incentive of Managing Director, Whole-time Directors, Key Managerial and Senior Management Personnel based on the performance parameters for the executives and the Company, subject to the limits approved by the Members and as permitted by law. The terms of reference of the Nomination and Remuneration Committee include the matters specified under Part D of Schedule II to the Listing Regulations as well as under Section 178 of the Companies Act, 2013.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have formulated and adopted Nomination and Remuneration Policy and the same is given as Annexure - B to the Board's Report. The Minutes of the Nomination and Remuneration Committee Meetings were noted at the Board Meetings.

BOARD ADMINISTRATIVE & SHARE TRANSFER COMMITTEE

Presently, the Board Administrative & Share Transfer Committee comprises of Mr. S. Sridhar, Managing Director, Mr. Vivek Dhariwal, Whole-time Director, Dr. Anurita Majumdar, Whole-time Director and Mr. Ravi Prakash Bhagavathula, Whole-time Director. Mr. Prajeet Nair, Company Secretary, acts as the Secretary to the Committee. The details of composition of the Board Administrative & Share Transfer Committee and attendance of the Members thereat are as under:

Name	Category*	Number of Meetings held	Number of Meetings attended
Mr. S. Sridhar	MD	50	50
Mr. Vivek Dhariwal	WTD	50	50
Dr. Anurita Majumdar (w.e.f. November 4, 2016)	WTD	22	22
Mr. Ravi Prakash Bhagavathula (w.e.f. January 30, 2017)	WTD	9	9

*MD - Managing Director, WTD - Whole-time Director.

The Board Administrative & Share Transfer Committee, inter alia, considers and approves operational and administrative matters and matters relating to share transfer, transmission, issue of duplicate shares, etc. The Committee meets on a regular basis to approve administrative actions and share transfer matters. The minutes of the Board Administrative & Share Transfer Committee Meetings were noted at the Board Meetings.

REMUNERATION TO DIRECTORS

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.

(a) Executive Directors

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

Name	Salary	Benefits and Perquisites*	Performance Linked Incentives	Total
Mr. S. Sridhar – Managing Director	2,01,68,994	26,24,977	42,55,600	2,70,49,571
Mr. Vivek Dhariwal	1,20,71,580	26,24,977	37,81,800	1,84,78,357
Dr. Anurita Majumdar (w.e.f. November 4, 2016)	48,59,745	-	6,00,028	54,59,773
Mr. Ravi Prakash Bhagavathula (w.e.f. January 30, 2017)	29,52,153	1,35,890	4,58,664	35,46,707

*Benefits and Perquisites include stock options / restricted stock units granted by the Parent Company, Pfizer Inc. USA

(i) 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.

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 of 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).

(ii) Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme for its Directors and Employees. The Executive Directors and Senior Management Personnel are, however, eligible for the annual Long Term Incentive Compensation plan by way of Restricted Stock Units and Five Year Total Shareholder Return Units granted by the Parent Company, Pfizer Inc. USA.

(iii) Performance Linked Incentive criteria

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

(iv) Mr. S. Sridhar, Mr. Vivek Dhariwal, Dr. Anurita Majumdar and Mr. Ravi Prakash Bhagavathula do not hold any equity shares of the Company.

(b) Non-Executive Directors

The Resident Non-Executive Directors are paid remuneration by way of Commission and Sitting Fees. The details of Non-Executive Directors remuneration for the financial year under review are as under:

Name	Sitting Fees	Commission	Total	(₹ in Lakhs) Number of shares held
Mr. R.A. Shah	5.20	12.50	17.70	3,540
Mr. Pradip Shah	6.40	12.50	18.90	Nil
Mr. Uday Khanna	4.20	12.50	16.70	Nil
Mr. Sunil Lalbhai	2.60	12.50	15.10	2,477
Ms. Lu Hong (ceased to be a Director w.e.f. November 4, 2016)	N.A.	N.A.	N.A.	N.A.
Total	18.40	50.00	68.40	

(1) The Commission payable to the Resident Non-Executive Directors is decided by the Board of Directors of the Company within the limits stipulated by the Special Resolution passed at the 62nd Annual General Meeting held on September 6, 2013. The amount of Commission payable to each of the Resident 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) and overall financial performance of the Company. Ms. Lu Hong being Non-resident Non-independent Director was not eligible for the Commission and Sitting fees.

(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 also as per 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 ₹92.36 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. CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

As required under Regulation 17 (8) of the Listing Regulations, the CEO and CFO Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2017, was placed before the Board of Directors at its Meeting held on May 6, 2017.

V. GENERAL BODY MEETINGS

(a) The details of the last 3 Annual General Meetings ('AGM') held

AGM	Financial Year	Date and Time	Venue of the AGM
65 th	2015-2016	July 5, 2016 at 3.00 p.m.	Yashwantrao Chavan Pratishtan Auditorium,
64 th	2014-2015	July 13, 2015 at 3.00 p.m.	General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana,
63 th	2013-2014	November 10, 2014 at 10.30 a.m.	Mumbai - 400 021.

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

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

A Special Resolution was passed at the 64th Annual General Meeting of the Company held on July 13, 2015, for adoption of the revised Articles of Association of the Company to align it with the provisions of the Companies Act, 2013 including Rules framed thereunder and Table 'F' to Schedule I to the Companies Act, 2013.

A Special Resolution was passed at the 63rd Annual General Meeting of the Company held on November 10, 2014, authorizing Board of Directors, to enter into contracts/arrangements/transactions with Pfizer Export Company, Ireland, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 VII of the Listing Agreement for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Pfizer Export Company for an amount not exceeding in aggregate ₹600,00,00,000/- (Rupees Six Hundred Crores only) in each financial year.

(c) Passing of Special Resolutions by Postal Ballot

During the year under review, there was no special resolution required to be passed through postal ballot.

None of the Resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

VI. OTHER 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 disclosed details of material transactions with related parties to the BSE Limited and the National Stock Exchange of India Limited along with the compliance report on corporate governance.

The Company has formulated and adopted a policy on dealing with related party transactions and same is displayed under the Investor Relations section on the Company's website 'www.pfizerindia.com'. The weblink for the Policy is <http://www.pfizerindia.com/eNewsWebsite/investor/pdf/Revised%20Related%20Party%20Transaction%20Policy%20-%20Pfizer%20website.pdf>

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

Transactions with the related parties as per requirements of Indian Accounting Standard 24 are disclosed in Note 43 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 relevant provisions of the Listing Regulations. The said transactions are in the ordinary course of business and at arm's length basis. The Company had taken omnibus approvals for indicative transactions proposed during the financial year ended March 31, 2017.

(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 the 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. S. Sridhar, Managing Director to this effect forms part of this Report. The said Code is also displayed under the Investor Relations section on the Company's website 'www.pfizerindia.com'.

(d) Whistle Blower / Vigil Mechanism

The Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said Mechanism provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors. No person has been denied access to the Audit Committee.

The E-mail ID for reporting genuine concerns is corporate.compliance@pfizer.com. In appropriate and exceptional cases, concerns may be raised directly to the Chairperson of the Audit Committee at: Chairman.IndiaAuditcom@pfizer.com

(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. The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company.

(f) Management Discussion and Analysis

The Management Discussion and Analysis forms a part of the Board's Report. All matters pertaining to industry structure and developments, opportunities and threats, segment-wise/team-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) Adherence to Indian Accounting Standards

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. As these are the first financial statements prepared in accordance with Ind AS, Ind AS 101 - First-time Adoption of Indian Accounting Standards has been applied. The transition was carried out from Generally Accepted Accounting Principles in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies Rules 2014 (IGAAP) which was the previous GAAP.

(h) Board Diversity

The Company recognizes that a Board composed of appropriately qualified members with a broad range of experience relevant to the business is important for effective corporate governance and sustained commercial success. The Company believes that it has a truly diverse Board which leverages on the skills and knowledge, industry or related professional experience, age and gender, which helps the Company to retain our competitive advantage. The Board has adopted the Board Diversity Policy to recognize the benefits of a diverse Board and to further enhance the quality of participation and performance.

(i) Familiarization Program for Independent Directors

The Company has in place a Familiarization Program for Independent Directors to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company's success. The Executive Directors / Senior Management makes presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. The Company also circulates news and articles related to the industry and provides specific regulatory updates to the Independent Directors on a regular basis. The Company has devised and adopted a policy on Familiarization Program for Independent Directors and has uploaded the same on the Company's website 'www.pfizerindia.com'. The weblink for the Policy and details of the Familiarization Programmes imparted to the Independent Directors during the financial year under review is <http://www.pfizerindia.com/eNewsWebsite/investor/pdf/Familiarization%20program%20for%20IDs%20-%20Pfizer.pdf>

(j) Performance Evaluation Criteria for Independent Directors

The Company has devised a performance evaluation framework and policy, which sets a mechanism for the evaluation of the Independent Directors. Performance evaluation of the Independent Directors was carried out through an evaluation program in terms of the aforesaid performance evaluation framework and policy.

(k) Unclaimed Suspense Account

The details in respect of the shares held by the Company in its unclaimed suspense account are provided in Note No. 8 to the Notice of the 66th Annual General Meeting of the Company.

(l) Dividend Distribution Policy

In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, the dividend distribution policy for determining the parameters and factors to be considered for declaration of dividend is available on the website of the Company at 'www.pfizerindia.com'.

(m) Policy on criteria for determining materiality of events

In terms of the Regulation 30 of the SEBI Listing Regulations, the policy on criteria for determining materiality of events and ensuring timely and accurate dissemination of the material event/information to the Stock Exchanges is available on the website of the Company at 'www.pfizerindia.com'.

(n) Code of conduct for dealing in Company's securities

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed a Code of Conduct for the designated persons for dealing in the securities of the Company.

(o) Code of practices and procedures for fair disclosure of unpublished price sensitive information

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has framed code of practices and procedures for fair disclosure of unpublished price sensitive information. The same is available on the website of the Company at 'www.pfizerindia.com'.

(p) Archival Policy for website content

In terms of the Regulation 30 of the SEBI Listing Regulations, the Company has formulated a policy on maintaining and preserving timely and accurate records uploaded on the website of the Company. The same is available on the website of the Company at 'www.pfizerindia.com'.

(q) Mandatory Requirements

The Company is in compliance with all the mandatory requirements stipulated under the provisions of the Listing Regulations, as amended from time to time. The adoption of non-mandatory requirements is provided in this Report.

(r) The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.

VII. MEANS OF COMMUNICATION

Financial Results

The quarterly, half-yearly and annual financial results are generally published in 'Business Standard' and 'Sakal'. The results are displayed under the Investor Relations section on the Company's website 'www.pfizerindia.com' shortly after its submission to the Stock Exchanges. Further the Press Release issued by the Company are uploaded on the Company's website 'www.pfizerindia.com'.

Presentation to Institutional Investors / Analysts

Four tele-conferences were held with Institutional Investors / Analysts on May 6, 2016, August 8, 2016, November 7, 2016 and February 1, 2017. The transcript of the same were put on the Company's website 'www.pfizerindia.com'. The official news releases are also displayed under the Investor Relations section on the website of the Company.

VIII. GENERAL SHAREHOLDER INFORMATION

Date, Day, Time and Venue of the Annual General Meeting

Date : August 30, 2017

Day : Wednesday

Time : 3.00 p.m.

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

Financial Year

The financial year of the Company is from 1st April to 31st March. Financial Calendar (Tentative)

First Quarter Results	July 29, 2017	Third Quarter Results	February 9, 2018
Second Quarter Results	November 10, 2017	Fourth Quarter and Annual Results	May 7, 2018

Date of Book Closure

August 24, 2017 (Thursday) to August 30, 2017 (Wednesday) {both days inclusive}

Dividend Payment Date

The Board of Directors at its meeting held on May 6, 2017, has recommended a dividend of ₹20.00/- (200%) per equity share for the financial year ended March 31, 2017. Dividend for the financial year ended March 31, 2017, as recommended by the Board of Directors of the Company, if approved at the Annual General Meeting, will be paid to the Members on September 14, 2017 as under:

- To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, August 23, 2017;
- To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Wednesday, August 23, 2017.

Listing on Stock Exchanges

The Company is listed on the following

BSE Limited 1 st Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
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The annual listing fees have been paid and there is no outstanding payment towards the Stock Exchanges, as on date.

Stock Code

BSE Limited - 500680

The National Stock Exchange of India Limited - PFIZER EQ

International Securities Identification Number (ISIN)

The Company's scrip form part of the SEBI's Compulsory Demat Segment bearing ISIN 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.

Address for Correspondence

All Shareholders' correspondence should be addressed to M/s. Karvy Computershare Private Limited, the Registrar and Transfer Agent of the Company or to the Secretarial Department of the Company at the following addresses:

Registrar and Share Transfer Agents Address

Karvy Computershare Private Limited
UNIT: PFIZER LIMITED
Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli Financial District, Nanakramguda,
Serilingampally, Hyderabad, Telangana – 500032.
Contact person: Mr. Premkumar Nair
Tel: 040 6716 2222; Fax: 040 2300 1153
TOLL FREE NO.: 1-800-3454-001
E-mail ID: einward.ris@karvy.com

Registered Office Address

Pfizer Limited
The Capital, 1802/1901,
Plot No. C-70, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.
Contact person: Mr. Prajeet Nair
Tel: +91 22 6693 2000; Fax: +91 22 2654 0274
Email ID: prajeet.nair@pfizer.com; contactus.india@pfizer.com
Website: www.pfizerindia.com
L24231MH1950PLC008311

Share Transfer System

The Board has authorized Board Administrative & Share Transfer Committee to approve / authorize matters relating to share transfers / transmission, issue of duplicate shares, etc. At each Board Meeting, the Directors are apprised of the details of transfer / transmission / issue of duplicate shares authorized by the Board Administrative & Share Transfer Committee. The Company's Registrars, M/s. Kary Computershare Private Limited has 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 along with the requisite documents.

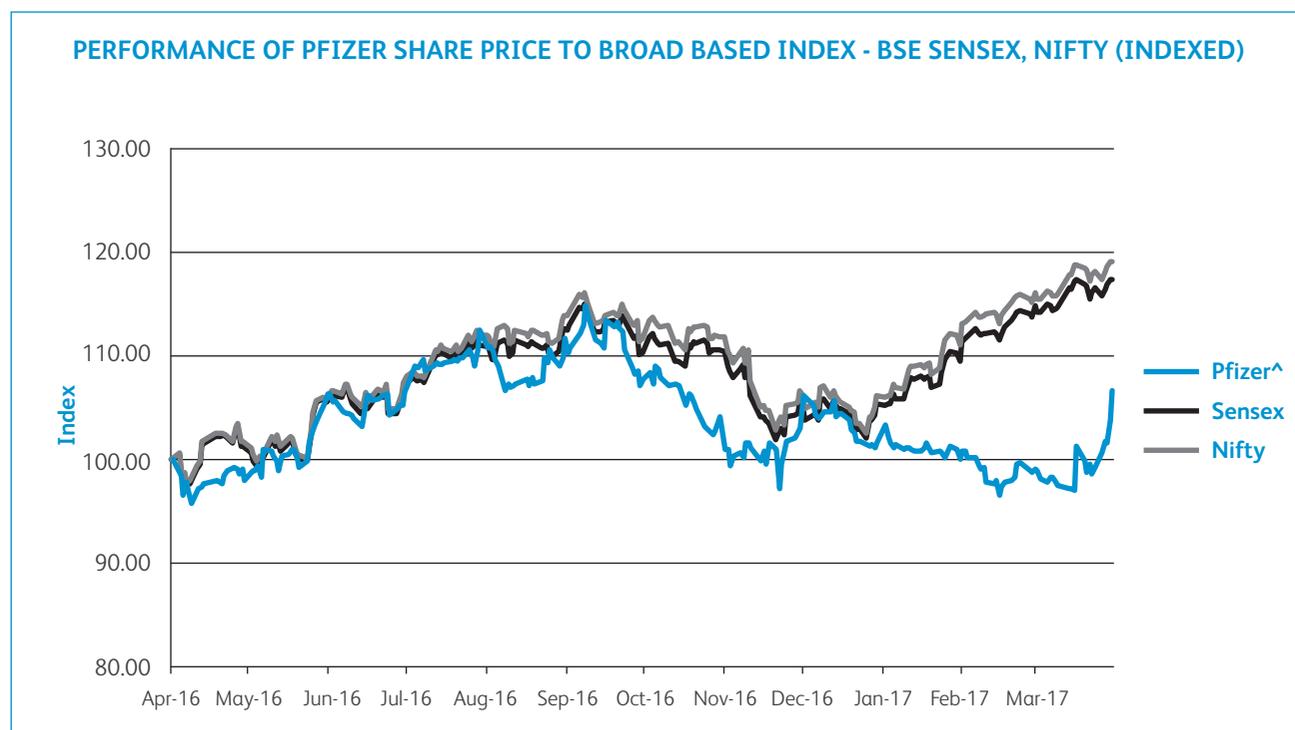
Dematerialization requests are processed within 21 days from the date of receipt, to give credit of the shares through the Depositories. In compliance with the Listing Agreement with the Stock Exchanges and the Listing Regulations, every six months, a Practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

*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 and Year	BSE Limited		The National Stock of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	1798.00	1691.40	1797.60	1690.25
May 2016	1895.00	1720.50	1899.00	1725.00
June 2016	1900.00	1825.00	1911.00	1822.55
July 2016	2005.00	1877.00	2015.00	1811.00
August 2016	2025.00	1874.50	2029.00	1875.70
September 2016	2055.00	1881.00	2049.50	1880.00
October 2016	1941.55	1809.00	1941.00	1805.00
November 2016	1864.85	1651.10	1870.00	1656.60
December 2016	1899.60	1775.00	1910.00	1770.00
January 2017	1864.00	1760.20	1860.40	1771.00
February 2017	1819.00	1712.00	1800.00	1709.50
March 2017	1954.95	1670.10	1957.00	1660.00

* Source: BSE and NSE Websites.



^ Pfizer share price on BSE

DISTRIBUTION OF SHAREHOLDING**(a) Shareholding Pattern as on March 31, 2017:**

Category of Shareholder	Number of Shares	Percentage of Shareholding
Promoters		
Pfizer East India B.V., Netherlands	18186334	39.75
Wyeth LLC, USA	5617707	12.28
Wyeth Holdings Corporation, USA	1630164	3.56
Warner-Lambert Company LLC, USA	1187163	2.60
Parke, Davis & Company LLC, USA	955733	2.09
John Wyeth & Brother Ltd, UK	882000	1.93
Pharmacia Corporation, USA	783941	1.71
Sub-Total	29243042	63.92
Non-Promoters		
Mutual Funds/UTI	3812691	8.33
Financial Institutions/Banks	40015	0.09
Insurance Companies	966446	2.11
Foreign Institutional Investors	1322533	2.89
Bodies Corporate	2692946	5.89
Individuals	7379480	16.14
Directors & Relatives	6017	0.01
Trusts	4033	0.01
Foreign Bodies Corporate	1983	0.00
Non-resident Indians	233893	0.51
Clearing Members	44653	0.10
Sub-Total	16504690	36.08
Total	45747732	100.00

(b) Class-wise Distribution of Equity Shares as on March 31, 2017:

Number of Equity Share Holding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 50	56127	65.59	1158464	2.53
51 – 100	13152	15.37	1041746	2.28
101 – 500	14359	16.78	2820101	6.17
501 – 1000	1139	1.33	802319	1.75
1001 – 5000	652	0.76	1253416	2.74
5001 – 10000	40	0.05	287931	0.63
10001 & Above	101	0.12	38383755	83.90
Total	85570	100.00	45747732	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 & Share Transfer Agents, M/s. Karvy Computershare Pvt. Ltd.

As on March 31, 2017, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage to Total Capital Issued	Number of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	43334001	94.72	52105	60.90
Held in dematerialized mode in CDSL	1331331	2.91	16200	18.92
Sub-Total (dematerialized mode)	44665332	97.63	68305	79.82
Physical mode	1082400	2.37	17265	20.18
Total	45747732	100.00	85570	100.00

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

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

Foreign exchange risk and hedging activities

The Company has foreign exchange exposure; however no hedging is done for the same.

Plant Location

i. Plot No. L-137,
Phase III, Verna Industrial Estate,
Verna – 403 722, Goa

ii. Thane Belapur Road*
KU Bazar Post
Navi Mumbai - 400 705

* During the financial year ended March 31, 2016, the Company had entered into an agreement for sale of Business Undertaking at the Thane plant.

As per Clause 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 on the website of the Company – 'www.pfizerindia.com'.

IX. NON-MANDATORY REQUIREMENTS**Shareholders' Rights**

The half-yearly financial results are published in the newspapers as mentioned above and also they are displayed under the Investor Relations section on the Company's website 'www.pfizerindia.com'. Therefore, the results were not separately circulated to all shareholders.

Modified opinion(s) in Audit Report

The Company has its financial statements for the financial year ended March 31, 2017 with unqualified audit report.

Separate posts of Chairperson and Chief Executive Officer

Mr. R. A. Shah, Non-Executive Independent Director is the Chairman and Mr. S. Sridhar is the Managing Director and Chief Executive Officer of the Company.

Reporting of Internal Auditor

The Internal Auditor presents the Internal Audit and Remediation Status report on a quarterly basis to the Audit Committee and satisfactorily addresses the queries/clarifications sought by the Committee.

For and on behalf of the Board of Directors

Mumbai, May 6, 2017

R. A. Shah
Chairman

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, REGARDING COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2017.

For Pfizer Limited

Mumbai, May 6, 2017

S. Sridhar
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Pfizer Limited

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This certificate is issued in accordance with the terms of our agreement dated 9 September 2016.
2. This report contains details of compliance of conditions of corporate governance by Pfizer Limited ('the Company') for the year ended 31 March 2017 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditors' Responsibility

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2017.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

Opinion

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

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sdashiv Shetty

Partner

Membership No: 048648

Mumbai
6 May 2017

Annexure-I

Business Responsibility Report

Section A: General information about the Company

Sr. No.	Particulars	Information
1.	Corporate Identity Number (CIN) of the Company	L24231MH1950PLC008311
2.	Name of the Company	Pfizer Limited
3.	Registered Address	The Capital, 1802 / 1901, Plot No. C – 70, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051
4.	Website	www.pfizerindia.com
5.	E-mail id	contactus.india@pfizer.com
6.	Financial Year Reported	April 1, 2016 – March 31, 2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pharmaceuticals – NIC Code – 21002
8.	List three key products/services that the Company manufactures/markets/provides:	<ol style="list-style-type: none"> 1. Prevenar13 2. Becosules 3. Gelusil
9.	Total number of locations where business activity is undertaken by the Company:	
	i. Number of International Locations	Nil
	ii. Number of National Locations	<ul style="list-style-type: none"> • The Company's manufacturing plant is located in Goa • Corporate Office is located in Mumbai • Five regional offices located in Gurgaon, Kolkata, Chennai, Hyderabad and Lucknow. • 30 distribution locations across the Nation
10.	Markets served by the Company – Local/State/National/International	<ul style="list-style-type: none"> • PAN India • The Company also exports certain products to the following international locations: <ol style="list-style-type: none"> 1. Sri Lanka 2. Nepal 3. Bhutan 4. Bangladesh

Section B: Financial details of the Company

Sr. No.	Particulars	Information
1.	Paid up Capital (₹)	₹4,574.95 Lakhs as on March 31, 2017
2.	Total Turnover (₹)	₹2,01,726.40 Lakhs for the year ended March 31, 2017
3.	Total profit after taxes (₹)	₹33,678.36 Lakhs for the year ended March 31, 2017
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹788.19 Lakhs (2.34% of the Profit after Tax) for the year ended March 31, 2017
5.	List of activities in which expenditure in 4 above has been incurred:	<p>The CSR spent for the year under review includes mainly the following:</p> <ol style="list-style-type: none"> 1. Pfizer IIT Delhi Innovation & IP Program 2. Anti-Microbial Resistance Program 3. Support to Indian Cancer Society through Standard Chartered Mumbai Marathon 4. School Sanitation project- Pfizer Limited goes to school <p>For details please refer to the CSR section and Annexure A of the Board's Report of the Company.</p>

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

The Company does not have any Subsidiary Company.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Not Applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company. If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Pfizer's Code for Business Conduct – 'The Blue Book' - contains the basic principles and rules with respect to the Business Responsibility ('BR') initiatives. The principles of the said Blue Book are extended to all its business associates who do business with the Company. While the business associates do not directly participate in the business responsibility initiatives of the Company, they are encouraged to adopt these principles.

Section D: BR Information

1. Details of Director responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1.	DIN Number	05162648
2.	Name	Mr. S. Sridhar
3.	Designation	Managing Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Mr. Samir Kazi
3.	Designation	Director, Legal
4.	Telephone number	022 6693 2148 / 022 6693 2000
5.	E-mail id	samir.kazi@pfizer.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics, Transparency and Accountability	Product Life Cycle Sustainability	Employees' well-being	Stakeholders' Welfare	Human Rights	Environment	Public and Regulatory Policy	Inclusive Growth and Equitable Development	Customer Responsibility
1.	Do you have policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company is guided by "The Blue Book - Summary of Pfizer Policies on Business Conduct" of its parent company, Pfizer Inc., USA. The Blue Book along with Company's local policies covers all the above 9 principles.								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Blue Book and local policies adopted by Company are formulated keeping in mind the best global ethical, regulatory and environmental practices and after due consultation with relevant stakeholders.								
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Pfizer's Blue Book represents one of the best global ethical, regulatory and environmental practices. Further, the local policies adopted by the Company meet with the local regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Board of Directors of the Company have adopted "The Blue Book - Summary of Pfizer Policies on Business Conduct" of Pfizer Inc, its Parent Company.								
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.pfizerindia.com/eNewsWebsite/investor/company_profile.aspx								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics, Transparency and Accountability	Product Life Cycle Sustainability	Employees' well-being	Stakeholders' Welfare	Human Rights	Environment	Public and Regulatory Policy	Inclusive Growth and Equitable Development	Customer Responsibility
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has established a Whistle Blower / Vigil Mechanism. The Company also has separate process to report adverse event reporting and other product related complaints.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?									
		The Company's Secretarial Auditor has conducted a review of the BRR related compliances and working of the policies. There are no qualifications or adverse remarks in the Secretarial Audit Report with respect to the BRR of the Company. Periodic reviews are carried out by the Company on the working of the Policies and annual refresher training is provided to the employees.								

**2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why:
(Tick up to 2 options)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	NA								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA								
3.	The Company does not have financial or manpower resources available for the task	NA								
4.	It is planned to be done within next 6 months	NA								
5.	It is planned to be done within next 1 year	NA								
6.	Any other reason (please specify)	NA								

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The frequency of assessment of BR performance by the Board of Directors is on an annual basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published its first Business Responsibility Report for financial year ended March 31, 2017, which forms part of the Annual Report. The same is also available on the Company's website at www.pfizerindia.com.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

Conducting ourselves with integrity helps us earn the trust and respect of the people we serve. At Pfizer, it is the first and foremost responsibility of each employee to abide by the Company's policies on business conduct. Each employee must comply not only with the letter of these policies but also with their spirit. Our policies are reviewed annually to ensure that they meet or exceed evolving legal standards and societal expectations.

1. Does the policy relating to ethics, bribery and corruption cover only Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is guided by the policies enshrined in the Blue Book with respect to ethics, bribery and corruption. These are applicable not only to the Company but also to the business associates who do business with the Company.

2. How many stakeholders' complaints have been received in the past financial year and what % was satisfactorily resolved by the management? (if so, provide details thereof, in about 50 words or so) -

92 complaints were received during the financial year ended March 31, 2017 from the stakeholders. 89% of these were satisfactorily resolved. Internal review is still ongoing for the pending items.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

- i. Diamox Tablets
- ii. Dolonex Tablets

2. Product wise details in respect of resource use (energy, water, raw materials etc.) per unit of product:

Sr. No.	Product	RM used per unit of product (mg)	Energy used per unit of product (Kwh)	Water used per unit of product (ml)
1.	Diamox Tablets	330	0.002	17
2.	Dolonex Tablets	580	0.002	17

(i) Reduction during sourcing/production/distribution achieved since previous year throughout the value chain?

Diamox Tablets - Process change from wet granulation to direct compression thereby reducing electrical energy and water consumption.

Dolonex Tablets - Tablet weight reduction by reducing the usage of excipients per unit by 40%

(ii) Reduction during usage by consumers (energy/water) has been achieved since the previous year?

Not Applicable

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what % of the inputs were sourced sustainably? (provide details in about 50 words or so) -

Your Company places utmost emphasis on Environment, Health and Safety ('EHS') practices of its suppliers. In order to ensure that the suppliers are in compliance with EHS regulations, the Company conducts periodic assessment of supplier sites. Further the Company supports efforts of suppliers to improve their EHS practices.

4. What are the steps taken to procure goods and services from local and small producers, including communities surrounding their place work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

In line with the principles of Blue Book, the Company also procures goods and services from local and small manufacturers and service providers particularly located near its manufacturing facility at Goa. The business associates who do business with the Company are covered under Company's policies and evaluated periodically for Environment, Health and Safety practices and compliances. This helps your Company to ensure maintaining sustainability with the business associates to ensure business continuity and availability of the products to our stakeholders.

5. What is the Mechanism to recycle products and waste? Yes/No (if yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words)

The pharmaceutical products cannot be recycled. The Company's Goa manufacturing facility is a zero effluent discharge site. All effluents generated at the said facility are treated and recycled back. Waste is segregated into hazardous and non-hazardous waste and managed through a robust waste management system. All the non-hazardous waste generated at the manufacturing facility is sent for recycling through authorized recyclers. The hazardous waste is sent for incineration to authorized vendors. The percentage of waste sent for recycling is more than 10%.

Principle 3: Businesses should promote the well-being of all employees

1. Total number employees:

We have 3,214 employees as on March 31, 2017.

2. Total number of employees hired on temporary/contractual/casual basis:

We have 375 employees which were hired on contractual basis.

3. Total number of permanent women employees:

We have 220 permanent women employees.

4. Number of permanent employees with disabilities: NIL**5. Does the organization have an employee association recognized by Management?**

Yes we have employee association at our Plant locations in Goa and Thane and field colleagues in Women Healthcare (Maternal Health business)

6. % of permanent employees as the members of such employee association?

7.22% of the permanent employees are members of recognized employee association

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	1	0
3.	Discriminatory employment	0	0

8. What % of permanent employees, permanent women employees, casual/temporary/contractual employees and employees with disabilities were given safety & skill up-gradation training in the last year?

100% of the employees including contractual workmen were given safety & skill up-gradation training in the last year.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**1. Has the Company mapped its internal and external stakeholders? (Yes/No)**

Yes, we have mapped our internal and external stakeholders

2. Has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, we have identified the disadvantaged, vulnerable and marginalized stakeholders

3. Are there any special activities taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? (if so, provide details thereof, in about 50 words or so)

Yes. The company has undertaken activities through its Swachh Vidyalaya initiatives to identify and engage with unaided schools for building and refurbishing sanitation units in their premises. These activities are currently being undertaken across five states in India

Principle 5: Businesses should respect and promote Human Rights**1. Does the Company's policy on Human Rights extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes

2. How many stakeholder complaints have been received in the past financial year and what % was satisfactorily resolved by the management?

No stakeholder complaints were received in the past financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment**1. Does the Company's policy on protection of environment extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Yes

2. Do we have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? (if yes, please give hyperlink for webpage)

Yes, the manufacturing facility at Goa has undertaken significant number of initiatives to address the global environmental issues such as climate change, global warming, carbon foot print reduction through reduction of furnace oil usage, reduction in electricity consumption, recycling of treated effluent for gardening and reduction in raw material usage.

3. Has the company identified and access potential environmental risks?

Yes, the Company has identified environmental risks and carried out impact assessment for all the operations carried out at the site and has adequate controls to mitigate all the potential environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? (if yes, provide details thereof in 50 words also whether any environmental compliance report is filed)

Yes, the site has implemented various projects to eliminate the use of Furnace Oil.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. (if yes, please give hyperlink for webpage)

Yes, the site has undertaken various process development projects thereby reducing the energy usage and emphasizing on clean technology.

6. Are the Emissions/Waste generated within the permissible limits given by the CPCB/SPCB for the financial year being reported?

Yes, all the air emissions/ waste water generation/ waste generation are within permissible limits given by the state SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending as on end of financial year:

No show cause/legal notices received from CPCB/SPCB which were pending as on end of financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is the Company a member of any trade and chamber association? (if yes, name the major ones that your business deals with)

Yes

- Organization of Pharmaceutical Producers of India
- Federation of Indian Chambers of Commerce & Industry
- Associated Chambers of Commerce & Industry
- Confederation of Indian Industries

2. Has the Company advocated/lobbied through above associations for the advancement or improvement of public good? (if yes specify the broad areas – governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)

Yes. Advocacy towards tiered pricing models so as to provide targeted benefits and enhanced access of medicines to under served segments. Strengthening of the innovation eco systems through policies that encourage the creation and deployment of intellectual property in the broader area of healthcare further development of the National Health Policy framework.

- Pricing implementation discussions
- Public Health Policies
- Inclusive Development policies
- Drug Regulatory dialogues
- National Program on encouraging Healthcare innovations made in India (towards impacting larger public health)

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of this principle? (if yes, details thereof)

The Company's CSR purpose is to promote access to quality healthcare in the country by nurturing innovations, encouraging community involvement of our employees and synergizing efforts in partnerships with government and other stakeholders for collective impact.

Pfizer IIT Delhi Innovation an IP program: Aligning with this purpose of nurturing innovations, the Pfizer IIT Delhi Innovation and IP Program was launched in 2015-16, with an aim of encouraging innovators to create healthcare innovations Made in India. The company partnered with the Foundation for Innovation and Technology Transfer (FITT) at the Indian Institute of Technology, Delhi to launch an incubation accelerator initiative - Pfizer IIT Delhi Innovation & IP Program. The overarching objective of this Program is to nurture, support, celebrate and reward healthcare innovations that are Made in India, for the benefit of patients, healthcare professionals and other targeted beneficiaries in the country.

Pfizer Sanitation Project: Under its Doing Good aegis – an internal volunteering platform, the Company in association with the NGO - Habitat for Humanity has been rebuilding and refurbishing sanitation units across schools in select states of the country. Along with refurbishing these units, the company also conducts hygiene sensitization workshops through the NGOs at these schools to inculcate hygiene habits in these children.

2. Are the programmers/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Yes.

- Pfizer IIT Delhi Innovation and IP Program – in association with Government Structure
- Pfizer Sanitation Project – in association with the NGO – Habitat for Humanity

3. Has the Company done any impact assessment of your initiative?

Yes.

4. What is the Company's direct contribution to community development projects – Amount in ₹ and details of the projects undertaken)

- Swachh Vidyalaya Campaign – ₹10 Lakhs
- Pfizer engagement with government stakeholders through a comprehensive program on combating anti-microbial resistance – ₹4.47Crores

5. Has the Company taken steps to ensure that the community development initiative is successfully adopted by the community? (explanation in 50 words)

Yes. The Company in association with the NGO - Habitat for Humanity has been rebuilding and refurbishing sanitation units across schools in select states of the country. Along with refurbishing these units, the Company also conducts hygiene sensitization workshops through the NGOs at these schools to inculcate hygiene habits in these children.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Total 215 product complaints were received for the financial year ended March 31 2017. All the complaints received have been satisfactorily resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behavior during the last 5 years and pending as on the end of financial year?

No

4. Did the Company carry out any consumer survey/consumer satisfaction trends?

Yes

For and on behalf of Board of Directors

Mumbai, May 6, 2017

R.A. Shah
Chairman

S. Sridhar
Managing Director

Independent Auditor's Report

To The Members of Pfizer Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Pfizer Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 including the IND AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31 March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements; – Refer Note 42 and 44 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on the audit procedures performed and relying on management representations we report that the disclosures made by the Company are in accordance with the books of accounts maintained by the company – Refer Note 47 to the financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
6 May 2017

Sadashiv Shetty
Partner
Membership No: 048648

Annexure A to the Independent Auditor's Report-31 March 2017

(Referred to in our 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. Certain fixed assets were verified during this year as per this program. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of an examination of the records of the Company, the title deed of the immovable properties as disclosed in Note 6 and 18 to the financial statements, are held in the name of the Company.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act. Accordingly, paragraph 3 (v) of the order is not applicable.
- (vi) 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 148(1) 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.
- (vii) (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, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues set out in Appendix I in respect of income tax, sales tax, service tax, duty of customs, value added tax and duty of excise have not been deposited by the Company with the appropriate authorities on account of disputes.
- (viii) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.

- (ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, the managerial remuneration paid to the directors is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
6 May 2017

Sdashiv Shetty
Partner
Membership No: 048648

Appendix 1 as referred to in paragraph (vii) (b) of Annexure A to the Independent Auditors' report

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Nature of dues	Amount (₹ in lakhs)
The Income tax Act, 1961	Commissioner of Income tax, Appeals	2004-05 to 2008-09, 2010-15	Tax and Interest	10,071.67
	Commissioner of Income tax, Appeals	2010 – 2013	Non-deduction/ short deduction	4513.30
	Income Tax Appellate Tribunal	1994-95, 1999-2000, 2002-03, 2007 – 2010	Tax and interest	12352.06
	Income Tax Appellate Tribunal	2004-10	Non-deduction/ short deduction	67.84
The Central Excise Act, 1944	Customs Excise Service Tax Appellate tribunal	1985-2006	Duty and penalty	1,043.04
	Assistant Commissioner of Central Excise	1975 to 1982, 1986-1987, 1993, 1996 to 1999	Duty including interest and penalty	270.11
	Supreme Court of India	1998	Duty and penalty	14.55
	Commissioner (Appeals)	1992 to 1997 and 2005-06	Duty and penalty	662.56
	Bombay High Court	2004-2005	Duty and penalty	2.24
Customs Act, 1962	Commissioner of Appeals	1995	Duty and penalty on imports and other disputes	1.06
	Supreme Court of India	1996-1997	Duty and penalty on imports and other disputes	41.92
The Finance Act, 1994 (Service Tax)	Bombay High Court	1997-2001	Duty and penalty	193.11
Value Added Tax Act and State and Central Sales Tax	Additional Commissioner	1995-96, 1997-98 to 1998-99, 2008-09 to 2014-15	Tax	176.81
	Assessing authority	2006-07, 2008-09 to 2011-12	Tax and penalty	68.85
	Assistant Commissioner	1986-87 and 2004-05, 2011-12, 2013-14	Tax	48.18
	Commissioner	2002-03, 2005-09	Tax	108.51
	Deputy Commissioner	1993-94 to 1994-95, 1996-97, 1998-99 to 2012 -13	Tax	4,536.25
	First Appellate Authority	2005-06 to 06-07, 2008-09 to 2009-10, 2012-13	Tax, Interest and penalty	314.73
	Joint Commissioner	1983-84, 1985-86 to 1986 – 87, 1995-96, 1998 -99 to 2007-08, 2009 – 10 to 2013-14	Tax, Interest and penalty	14,583.07
	Revision board	2006-07 to 2009-10	Tax	15.26
	Supreme Court of India	1992-93	Tax	10.27
	Senior Joint Commissioner	2003-04	Tax	8.46
	High Court	1995-96, 2012-13 to 2013-14	Tax and interest	194.02
	Tribunal	1994-95 to 1996-97, 2003-04, 2005-06 to 2008-09, 2011-12	Tax	199.57

Annexure 'B' to the Independent Auditor's Report-31 March 2017

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pfizer Limited ("the Company"), as of 31 March, 2017, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
6 May 2017

Sadashiv Shetty

Partner

Membership No: 048648

Balance Sheet

as at 31 March 2017

	Note	As at 31 March 2017	As at 31 March 2016	Currency: ₹ in lakhs As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	6	8,326.69	9,832.81	7,509.19
Capital work-in-progress		1,534.03	326.97	1,255.96
Investment property	7	3,512.33	3,650.87	4,265.94
Goodwill	8	52,748.60	52,748.60	52,748.60
Other intangible assets	8	25,632.00	29,904.40	34,176.00
Financial assets				
Investments	9	0.25	0.25	0.25
Loans	10	3,211.68	3,062.51	5,131.36
Other non-current assets	11	24,208.49	26,031.39	24,186.57
Total non current assets		1,19,174.07	1,25,557.80	1,29,273.87
Current assets				
Inventories	12	32,190.34	36,068.00	38,790.14
Financial assets				
Trade receivables	13	12,078.28	14,229.78	16,001.59
Cash and cash equivalents	14a	8,969.53	9,325.66	50,362.52
Other bank balances	14b	1,43,339.30	93,139.30	10,566.18
Loans	15	1,693.09	2,470.37	5,486.48
Others	16	1,851.51	1,007.59	892.40
Other current assets	17	5,885.80	5,147.49	2,890.72
Assets held for sale	18	1,880.77	1,859.07	72.42
Total current assets		2,07,888.62	1,63,247.26	1,25,062.45
TOTAL ASSETS		3,27,062.69	2,88,805.06	2,54,336.32
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19a	4,574.95	4,574.95	4,574.95
Other equity	19b	2,37,313.20	2,11,774.99	1,87,575.32
Total equity		2,41,888.15	2,16,349.94	1,92,150.27
Liabilities				
Non current liabilities				
Financial liabilities				
Borrowings	20	250.22	250.22	250.22
Other financial liabilities	21	-	10.00	10.00
Provisions	22	4,472.51	3,529.50	2,956.43
Deferred tax liabilities (net)		1,756.43	2,824.21	5,005.80
Total non current liabilities		6,479.16	6,613.93	8,222.45
Current liabilities				
Financial liabilities				
Trade payables	23			
Due to micro and small enterprises		322.95	277.36	201.29
Due to others		39,455.09	33,514.84	33,213.64
Other financial liabilities	24	7,225.39	6,751.35	6,440.74
Other current liabilities	25	16,911.58	11,400.34	1,618.08
Provisions	26	5,818.87	5,502.80	5,487.04
Current tax liabilities (net)		8,961.50	8,394.50	7,002.81
Total current liabilities		78,695.38	65,841.19	53,963.60
Total liabilities		85,174.54	72,455.12	62,186.05
TOTAL EQUITY AND LIABILITIES		3,27,062.69	2,88,805.06	2,54,336.32
Significant accounting policies	2-3			
Notes to the financial statements	4 - 51			
The notes referred to above form an integral part of the financial statements				

As per our report of even date attached

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

CIN: L24231MH1950PLC008311

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W /W-100022

Sadashiv Shetty

Partner

Membership No: 048648

R. A. Shah

Chairman

DIN:00009851

Pradip Shah

Director

DIN:00066242

S. Sridhar

Managing Director

DIN:05162648

Uday Khanna

Director

DIN:00079129

S. S. Lalbhai

Director

DIN:00045590

Vivek Dhariwal

Wholtime Director

DIN:02826679

Ravi Prakash Bhagavathula

Wholtime Director and Chief Financial Officer

DIN:07282100

Anurita Majumdar

Wholtime Director

DIN:05291758

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai
06 May 2017Mumbai
06 May 2017

Statement of Profit and Loss

for the year ended 31 March 2017

	Note	Year ended 31 March 2017	Currency: ₹ in lakhs Year ended 31 March 2016
Revenue			
Revenue from operations (Gross)	27	2,04,193.14	2,09,376.02
Other income	28	10,116.32	8,699.00
Total income		2,14,309.46	2,18,075.02
Expenses			
Cost of materials consumed	29	38,753.71	37,311.27
Purchase of stock-in-trade		42,470.32	36,208.66
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,576.35)	5,188.80
Excise duty on sales		7,566.50	8,141.96
Employee benefits expense	31	30,388.96	27,734.29
Finance costs	32	95.73	52.30
Depreciation and amortization expense	33	6,292.90	5,793.44
Other expenses	34	51,677.25	51,590.65
Total expenses		1,75,669.02	1,72,021.37
Profit before exceptional item and tax		38,640.44	46,053.65
Exceptional items	49	13,043.45	988.65
Profit before tax		51,683.89	47,042.30
Tax expense:			
Current tax	35	18,866.43	18,780.84
Deferred tax	35	(860.90)	(2,236.67)
Total tax expense		18,005.53	16,544.17
Profit for the year		33,678.36	30,498.13
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
(i) Remeasurment of defined benefit liability/(asset)		(597.74)	159.15
(ii) Income tax related to items that will not be reclassified to profit and loss		206.88	(55.08)
Total other comprehensive income (net of tax)		(390.86)	104.07
Total comprehensive income for the year		33,287.50	30,602.20
Earnings per equity share			
Basic and diluted earnings per share	36		
(i) before exceptional items (net of tax)		53.60	65.26
(ii) after exceptional items		73.61	66.66
Significant accounting policies	2-3		
Notes to the financial statements	4 - 51		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

For and on behalf of the Board of Directors of Pfizer Limited
CIN: L24231MH1950PLC008311

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W /W-100022

R. A. Shah
Chairman
DIN:00009851

Pradip Shah
Director
DIN:00066242

S. Sridhar
Managing Director
DIN:05162648

Sadashiv Shetty
Partner
Membership No: 048648

Uday Khanna
Director
DIN:00079129

S. S. Lalbhai
Director
DIN:00045590

Vivek Dhariwal
Wholesale Director
DIN:02826679

Ravi Prakash Bhagavathula
Wholesale Director and Chief Financial Officer
DIN:07282100

Anurita Majumdar
Wholesale Director
DIN:05291758

Prajeet Nair
Company Secretary
Membership No: A19267

Mumbai
06 May 2017

Mumbai
06 May 2017

Statement of Cash Flows

for the year ended 31 March 2017

	Year ended 31 March 2017	Year ended 31 March 2016
Currency: ₹ in lakhs		
Cash flow from operating activities		
Profit before tax	51,683.89	47,042.30
Adjustments to reconcile profit before tax to net cash used in operating activities		
Depreciation and amortization of property, plant and equipment and intangible	6,292.90	5,793.44
Interest on deposits with banks and others	(8,770.81)	(5,758.55)
Provisions no longer required written back	(131.51)	(265.15)
Provisions for doubtful trade receivables and advances	551.58	158.83
Loss/ (Profit) on sale/disposal of fixed assets (net)	(72.76)	19.52
Unrealised foreign exchange (gain)	(91.04)	(138.34)
Expenses on Employees stock option schemes	510.03	480.08
Rental income	(639.14)	(868.32)
Exceptional items - non-operating income	(13,043.45)	(1,374.47)
	36,289.69	45,089.34
Working capital adjustments		
(Increase)/ Decrease in inventories	3,877.66	2,722.15
(Increase)/ Decrease in trade receivables and other current and non current assets	3,463.67	2,684.33
Increase/ (Decrease) in current and non current financial liabilities	6,755.96	441.81
Increase/ (Decrease) in provisions	792.86	1,013.13
	51,179.84	51,950.76
Income Tax paid	(18,299.47)	(17,402.63)
Net cash flows from operating activities	32,880.37	34,548.13
Cash flow from investing activities		
Purchase of fixed assets	(2,529.20)	(4,367.32)
Sale of fixed assets	84.86	22.70
Proceeds form sale of premises	3,507.01	-
Proceeds from assignment / sale of trademarks	10,311.48	-
Realisation on surrender of lease rights (net)	-	1,374.47
Advance proceeds received for sale of property	5,486.17	9,639.29
Bank deposits (having original maturity of more than three months) and Unpaid Dividend account	(50,200.00)	(83,267.53)
Rental income	449.49	868.32
Interest received	7,926.90	5,643.36
Net cash flows from investing activities	(24,963.29)	(70,086.71)

	Currency: ₹ in lakhs	
	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from financing activities		
Dividend paid	(6,862.16)	(5,024.06)
Tax paid on dividend	(1,397.14)	(1,164.14)
Net cash flows from financing activities	(8,259.30)	(6,188.20)
Net increase / (decrease) in cash and cash equivalents	(342.22)	(41,726.78)
Cash and cash equivalents at the beginning of the year	7,105.26	48,839.91
Effect of exchanges rate changes on cash and cash equivalents	(4.50)	(7.87)
Cash and cash equivalents at the end of the year	6,758.54	7,105.26
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Cash equivalents at the beginning of the year (note 1)	7,105.26	48,839.91
Cash and Cash equivalents at the end of the year (note 1)	6,758.54	7,105.26

Note: 1	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and bank balances (refer note 14a)	6,758.54	7,100.76	48,832.04
Unrealised loss on foreign currency cash and cash equivalent	-	4.50	7.87
Cash and cash equivalents	6,758.54	7,105.26	48,839.91

Note: 2

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

As per our report of even date attached

For and on behalf of the Board of Directors of Pfizer Limited
CIN: L24231MH1950PLC008311

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W /W-100022

R. A. Shah

Chairman

DIN:00009851

Pradip Shah

Director

DIN:00066242

S. Sridhar

Managing Director

DIN:05162648

Sadashiv Shetty

Partner

Membership No: 048648

Uday Khanna

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S. S. Lalbhai

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DIN:07282100

Anurita Majumdar

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DIN:05291758

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai

06 May 2017

Mumbai

06 May 2017

Statement of Changes in Equity

Currency: ₹ in lakhs

(a) Equity share capital

	31 March 2017		31 March 2016		1 April 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,57,50,372	4,574.95	4,57,50,372	4,574.95	4,57,50,372	4,574.95
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the year	4,57,50,372	4,574.95	4,57,50,372	4,574.95	4,57,50,372	4,574.95

(b) Other equity

Particulars	Reserves & Surplus				Other comprehensive Income Remeasurements of the net defined benefit Plans	Total other Equity
	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 1 April 2015	1,32,066.70	30,192.12	417.20	24,899.30	-	1,87,575.32
Profit for the year	-	-	-	30,498.13	-	30,498.13
Other comprehensive income for the year	-	-	-	-	104.07	104.07
Total comprehensive income for the year	-	-	-	30,498.13	104.07	30,602.20
Transactions during the year :						
Share based payments	-	-	480.08	-	-	480.08
Dividend including corporate dividend tax	-	-	-	(6,882.61)	-	(6,882.61)
Balance as at 31 March 2016	1,32,066.70	30,192.12	897.28	48,514.82	104.07	2,11,774.99
Profit for the year	-	-	-	33,678.36	-	33,678.36
Other comprehensive income for the year	-	-	-	-	(390.86)	(390.86)
Total comprehensive income for the year	-	-	-	33,678.36	(390.86)	33,287.50
Transactions during the year :						
Share based payemnt	-	-	510.01	-	-	510.01
Dividend including corporate dividend tax	-	-	-	(8,259.30)	-	(8,259.30)
Balance as at 31 March 2017	1,32,066.70	30,192.12	1,407.29	73,933.88	(286.79)	2,37,313.20

Significant accounting policies

2-3

Notes to the financial statements

4 - 51

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

As per our report of even date attached

For and on behalf of the Board of Directors of Pfizer Limited
CIN: L24231MH1950PLC008311For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W /W-100022

Sadashiv Shetty

Partner

Membership No: 048648

R. A. Shah

Chairman

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DIN:07282100

Anurita Majumdar

Wholetime Director

DIN:05291758

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai

06 May 2017

Mumbai

06 May 2017

Notes to the Financial Statements

for the year ended 31 March 2017

Currency: ₹ in lakhs

1 Background

The Company is a Public Limited Company, incorporated under the Indian Companies Act, 1913, having its registered office in Mumbai, Maharashtra and is listed on BSE Limited and the National Stock Exchange of India Limited. The Company is engaged in manufacturing, marketing, trading and export of pharmaceutical products. The Company has its own manufacturing facility at Goa and Thane. The Company has various independent contract / third party manufacturers based across the country. The Company sells its products through independent distributors primarily in India.

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. As these are the first financial statements prepared in accordance with Ind AS, Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. The transition was carried out from Generally Accepted Accounting Principles in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies Rules 2014 (IGAAP) which was the previous GAAP. Reconciliation and description of the effect of the transition have been summarized in Note 4.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy in use.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupee (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following items:

Items	Measurement basis
i) Certain financial assets and liabilities	Fair Value
ii) Liabilities for cash-settled-share-based payment arrangements	Fair Value
iii) Net defined benefit asset / (obligation)	Fair Value of plan assets less present value of defined benefit obligations

(d) Use of estimates and judgements

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make estimates, judgements and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Application of accounting policies that requires critical accounting estimates involving complex and subjective judgements and the use of assumption in these financial statements have been disclosed in Note 3.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 6, 7 and 8 - Useful lives of property, plant and equipment, intangible assets, investment property and impairment testing for goodwill

Note 22 and 26 - Assets and obligations relating to employee benefits

Note 38 - Share based payments

Note 35 - Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets

Currency: ₹ in lakhs

Note 22 ad 26 - Provision for sales return

Note 12 - Provision for inventory

Note 13 - Provision for expected credit loss

(e) Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of its activities and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(f) Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 38 – share based payment arrangements;

Note 7 – investment property and

Note (3(r)) – financial instruments.

3 Significant Accounting Policies

(a) Revenue

Sale of goods:

Revenue from sale of goods in the course of ordinary activities is recognized 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. Revenue is measured at the fair value of the consideration received or receivable net of returns, discounts, rebates, sales tax and value added taxes (VAT). Revenue includes excise duty.

Multiple delivery arrangements:

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit.

Rendering of services:

Revenue from services is recognized as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts.

Rental Income:

Rental income from investment property and sub-leasing is recognized as a part of other income in statement of profit and loss

Interest income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(b) Foreign exchange 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 denominated 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.

(c) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation / amortization and impairment losses. The cost of property, plant and equipment 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit and loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

a) Assets costing individually up to ₹5,000 are written off and those costing more than ₹5,000 but up to equivalent rupees of US\$5,000 are fully depreciated in the year of purchase except that -

“multiple-like items” the cost of which is over equivalent rupees of US\$ 10,000 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\$ 10,000 are considered as one asset and depreciated in accordance with the accounting policy stated in b) below.

b) Depreciation for the year has been provided as per the rates determined in Part C of Schedule II of the Act or based on estimated useful life of the assets determined by the management.

c) Depreciation on assets other than those specified in a) and b) above are provided at:

Assets	Rate
Land : Leasehold	Amortized over the lease period
Buildings : On leasehold land	Rate based on lease period
Leasehold improvements	Amortized over the lease period

Assets acquired under the Scheme of Amalgamation from erstwhile Wyeth Limited are depreciated over the estimated residual useful life of the assets as determined by an independent expert:

Assets	Rate
Computers	16.66% to 50%
Furniture	33.33% to 50%
Office Equipment	14.28% to 100%
Machinery & Equipment	8.33% to 100%
Vehicles	25% to 50%

Currency: ₹ in lakhs

Depreciation on additions other than those stated in a) 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) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at it's carrying amount on the date of reclassification.

(d) Goodwill and other intangibles assets

Intangible assets are stated at cost of acquisition less accumulated amortization / impairment losses.

Goodwill:

For measurement of goodwill arising on a business combination (see note q), subsequent measurement is at costs less any accumulated impairment losses.

In respect of business combination that occurred prior to 1 April 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP, adjusted for the reclassification of certain intangibles.

Goodwill is not amortized and is tested for impairment annually.

Other Intangible assets:

Other intangible assets comprises of Trademarks and Cost of Application Software.

Trademarks are amortized on a straight line basis, over a period of 10 years. 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.

Revenue expenditure on research and development is expensed as incurred. Capital expenditure on research and development is capitalised as intangible assets and depreciated in accordance with the depreciation policy of the Company.

(e) Impairment of financial and non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exists or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

(f) Investment property

Investment property is measured at cost less accumulated depreciation and impairment losses, if any. Any gain or loss on disposal of an investment property is recognized in statement of profit and loss.

The estimated useful life as assessed by the management is appropriate.

(g) Inventories

Raw materials, stock-in-trade, work-in-progress, finished goods 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 to bring the inventory to the present location and condition. Stores are valued at weighted 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.

The comparison of cost and net realizable value is made on an item-by-item basis.

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

(h) Assets held for sale

Such assets are generally measured at lower of their carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

(i) Employee benefits**(i) Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Long term employee benefits**a) Defined contribution plan**

The Company's contribution towards employees' Superannuation plan is recognized as an expense during the year.

b) Defined benefit plans**i. Provident fund**

Provident fund contributions are made to a trust administered by the trustees. Trust makes investments and settles 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.

ii. 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.

Currency: ₹ in lakhs

Remeasurements of the net defined benefit obligation, which comprise of actuarial gains and losses and the return on plan assets are recognized in Other Comprehensive Income (OCI).

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.

iv. Termination benefits - 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.

(j) Provisions and contingent liabilities

The Company creates a provision when there exists 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.

(k) Leases

The Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a Lessee:

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. A leased asset is depreciated over the useful life of the asset.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(l) Income tax

Income tax comprises of current tax and deferred tax:

Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amount and where it intends either to settle on a net basis or to realise the asset and liability simultaneously.

Deferred tax:

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date to reassess realisation. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

(m) Employee Stock options scheme

The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

(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) Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(p) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(q) Business combination

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company (see Note 5). The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognized directly in equity as capital reserve. Transaction costs are expensed as incurred.

(r) Financial Instruments:**(i) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Currency: ₹ in lakhs

(ii) Classification and subsequent measurementFinancial assets - Subsequent measurement and gains and losses:

On initial recognition, a financial asset is classified as measured at

- a) amortized cost;
- b) FVOCI – equity investment; or
- c) FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- a) financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- b) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit and loss. However, see Note 40 for derivatives designated as hedging instruments.

- c) Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit and loss. Any gain or loss on derecognition is recognized in statement of profit and loss.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on derecognition is also recognized in statement of profit and loss.

(iii) DerecognitionFinancial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit and loss.

4 Transition to Ind AS:

For the purposes of reporting as set out in Note 3, we have transitioned our basis of accounting from Indian Generally Accepted Accounting Principles ("IGAAP") to Ind AS. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the "transition date").

In preparing our opening Ind AS Balance Sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

a) Reconciliation of Equity as at 31 March 2016

Particulars	Note ref.	As on 1 April 2015	As on 31 March 2016
Equity under Previous GAAP		1,92,726.23	2,07,223.54
Reversal of Lease Straight lining	1	177.31	627.98
Discounting on fair valuation of financial assets	2	(26.21)	(54.36)
Proposed dividend and dividend distribution tax	3	6,882.61	8,259.30
Changes related to physician samples	4	(464.92)	(500.34)
Reversal of amortization of goodwill acquired in a Business Combination	5	-	6,593.20
Deferred tax due to Ind AS adjustments	6	(11,719.70)	(10,374.33)
Net worth under Ind AS		1,87,575.32	2,11,774.99

b) Reconciliation of Comprehensive income for the year ended on 31 March 2016

Particulars	Note ref.	Year ended 31 March 2016
Net Profit under Previous GAAP		22,277.33
Reversal of Lease Straight lining	1	125.17
Discounting on fair valuation of financial assets	2	297.34
Changes related to physician samples	4	(35.41)
Reversal of amortization of goodwill acquired in a Business Combination	5	6,593.20
Deferred tax due to Ind AS adjustments	6	1,399.65
Actuarial gains of defined benefit plans reclassified to other comprehensive income, excluding tax	7	(159.15)
Comprehensive income under Ind AS		30,498.13

c) Reconciliation of changes in cash and cash equivalents for the purpose of statement of cash flows under Ind AS is as under;

	As on 1 April 2015	As on 31 March 2016
Cash and cash equivalents as per previous GAAP	48,839.91	7,105.26
Cash and cash equivalents as per Ind AS	48,839.91	7,105.26

There has been no change in cash and cash equivalents under Ind AS as compared to the previous GAAP.

Currency: ₹ in lakhs

Notes to the reconciliation:**1 Reversal of impact of straight- lining of lease rentals**

Under Ind AS, to the extent that escalation in the rent agreement is in line with general inflation no straight- lining is required.

2 Discounting of security deposits

Under Indian GAAP, security deposits are carried at their face values. Under Ind AS, non-cancellable deposits (not statutory deposits in nature) are required to be measured at their fair values at inception using an appropriate discounting rate.

3 Proposed dividend

Under Indian GAAP, proposed dividends are recognized as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognized as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general body meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability recorded for this dividend has been derecognized against retained earnings.

4 Derecognition of physician samples from inventory

Under Ind AS, inventory manufactured and identified for distribution as physician's samples is to be recognized as an expense in the period in which such inventory is manufactured.

5 Amortization of goodwill

Reversal of amortization of goodwill acquired in a Business Combination. Goodwill is not amortized and is mandatorily tested for impairment as per the requirements of Ind AS 36 Impairment of Assets.

6 Deferred tax on Ind AS Adjustments

This pertains to recognition of deferred tax on fair valuation of all the assets recognized in relation to the amalgamation of erstwhile Wyeth Limited, financial assets, goodwill and all other assets.

7 Actuarial gains and losses reclassified to OCI

As per Ind AS 19 - Employee Benefits, actuarial gains/ losses on defined benefit plans are reclassified to other comprehensive income (net of tax).

4 Exemptions available under Ind AS 101

In preparing these financial statements, the Company has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

Exceptions from full retrospective application:

a) Estimates exceptions

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

b) Deemed Cost for Property, Plant & Equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

c) Business Combination

Ind AS 101, provides the option to apply Ind AS 103, Business Combinations prospectively from the transition date or from a specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date has not been restated.

Currency: ₹ in lakhs

5 Amalgamation of erstwhile Wyeth Limited with the Company during financial year 2014-15

In financial year 2014-15, the Scheme of Amalgamation ('Scheme') between the Company and erstwhile Wyeth Limited with an appointed date of 1 April 2013, whereby all the assets and liabilities of erstwhile Wyeth Limited which were transferred to and vested in the Company, have been recorded at their fair values from the appointed date.

The said Scheme received the approval of the Hon'ble High Court of Judicature at Mumbai on 31 October 2014 and subsequent to approvals by other relevant regulatory authorities; the Scheme became effective on 1 December 2014. Since the Scheme received all the requisite approvals after the financial statements for the year ended 31 March 2014 were authorised by the shareholders, the impact of amalgamation has been given in the financial year ended 31 March 2015 with effect from the appointed date.

In accordance with the provisions of the aforesaid Scheme,

- (i) The approved share swap ratio was 7 equity shares of the face value of ₹10 each fully paid up of the Company for every 10 equity shares of the face value of ₹10 each fully paid up of erstwhile Wyeth Limited. Accordingly, for a total consideration of ₹1,31,379 lakhs, the Company allotted and issued 1,59,06,292 equity shares of ₹10 each to the shareholders of erstwhile Wyeth Limited in December 2014, and accounted for the share premium of ₹1,29,879 lakhs in the financial year ended 31 March 2015.
- (ii) The amalgamation was accounted under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the High court.
- (iii) The transfer of assets and liabilities of erstwhile Wyeth Limited at fair values was effected from "appointed date" of 1 April 2013 as defined in the Scheme.
- (iv) Fair value of assets and liabilities acquired from Wyeth Limited aggregated to ₹22,724 lakhs. The total purchase consideration paid was ₹1,31,379 lakhs. The Company recognized identified intangible assets of ₹4,720 lakhs and resultant goodwill of ₹65,935 lakhs is tested for impairment annually.
- (v) Related deferred tax impact has been recognized through retained earnings on 1 April 2015, given that the business combination has been effected prospectively from the transition date, as per the exemption available in Ind AS 101.

6 Property, plant and equipment

Currency: ₹ in lakhs

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2017 are as follows:

Particulars	Leasehold land	Leasehold land Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Gross carrying amount as at 1 April 2016	1,885.98	2,338.64	2,024.15	1,228.46	767.26	18.23	496.13	2,379.10	11,137.95
Additions	113.56	123.31	-	122.96	81.69	-	102.15	646.82	1,190.49
Deletions	-	-	295.39	-	-	7.23	0.35	98.21	401.18
Transferred to assets held for sale	-	-	525.42	-	-	-	-	-	525.42
Gross carrying amount as at 31 March 2017 (A)	1,999.54	2,461.95	1,203.34	1,351.42	848.95	11.00	597.93	2,927.71	11,401.84
Accumulated depreciation as at 1 April 2016	63.37	212.81	56.84	223.59	57.89	6.77	59.20	624.67	1,305.14
Depreciation for the year	100.58	381.71	18.16	192.61	98.34	3.73	94.96	992.27	1,882.36
Deletions	-	-	4.02	-	-	2.21	-	92.15	98.38
Transferred to assets held for sale	-	-	13.97	-	-	-	-	-	13.97
Accumulated depreciation as at 31 March 2017 (B)	163.95	594.52	57.01	416.20	156.23	8.29	154.16	1,524.79	3,075.15
Net carrying amount as at 31 March 2017 (A) - (B)	1,835.59	1,867.43	1,146.33	935.22	692.72	2.71	443.77	1,402.92	8,326.69

The changes in the carrying value of property, plant and equipment for the year ended 31 March 2016 are as follows:

Particulars	Leasehold land	Leasehold land Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Deemed cost / Gross carrying amount as at 1 April 2015	15.98	217.13	4,708.27	1,439.70	88.30	18.93	252.12	768.76	7,509.19
Additions	-	2,155.21	5.16	295.66	700.95	-	291.54	1,610.34	5,058.86
Deletions	-	17.90	-	6.78	12.68	0.70	37.96	-	76.02
Reclassification	1,870.00	-	(1,870.00)	-	-	-	-	-	-
Transferred to assets held for sale	-	15.80	819.28	500.12	9.31	-	9.57	0.00	1,354.08
Gross carrying amount as at 31 March 2016 (A)	1,885.98	2,338.64	2,024.15	1,228.46	767.26	18.23	496.13	2,379.10	11,137.95
Accumulated depreciation as at 1 April 2015	-	-	-	-	-	-	-	-	-
Depreciation for the year	21.24	227.13	98.97	224.77	60.40	6.94	74.82	624.67	1,338.94
Deletions	-	14.32	-	1.18	2.51	0.17	15.62	-	33.80
Reclassification	42.13	-	(42.13)	-	-	-	-	-	-
Transferred to assets held for sale	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2016 (B)	63.37	212.81	56.84	223.59	57.89	6.77	59.20	624.67	1,305.14
Net carrying amount as at 31 March 2016 (A) - (B)	1,822.61	2,125.83	1,967.31	1,004.87	709.37	11.46	436.93	1,754.43	9,832.81

The Company has availed the deemed cost exemption under Ind AS 101- First time adoption of Indian Accounting Standards in relation to the property, plant and equipment on the date of transition. Consequently, the net block carrying amount as on 1 April 2015 has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2015 under the previous GAAP.

Particulars	Leasehold land	Leasehold land Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Gross Block	32.57	648.91	5,765.00	8,209.58	518.36	167.81	1,389.88	3,456.95	20,189.06
Accumulated Depreciation	16.59	431.78	1,056.73	6,769.88	430.06	148.88	1,137.76	2,688.19	12,679.87
Net Block	15.98	217.13	4,708.27	1,439.70	88.30	18.93	252.12	768.76	7,509.19

Notes

- 1 Building includes investment in share application money of ₹500 (March 2016: ₹500) in cooperative housing society, representing ownership of two residential flats.
- 2 The Company has obtained an external technical evaluation of the remaining estimated useful life of the assets taken over from erstwhile Wyeth Limited.
- 3 Pursuant to the Scheme of Amalgamation with the Company, Land and Building acquired from erstwhile Wyeth Limited, the amalgamating Company, and all the assets have been transferred in the name of the Company.

7 Investment property

A. Reconciliation of carrying amount

The changes in the carrying value of investment property for the year ended 31 March 2017 are as follows:

Particulars	Amount
Gross carrying amount as at 1 April 2016	3,789.41
Gross carrying amount as at 31 March 2017 (A)	3,789.41
Accumulated depreciation as at 1 April 2016	138.54
Depreciation for the year	138.54
Accumulated depreciation as at 31 March 2017 (B)	277.08
Net carrying amount as at 31 March 2017 (A) - (B)	3,512.33

The changes in the carrying value of investment property for the year ended 31 March 2016 are as follows:

Particulars	Amount
Deemed cost / Gross carrying amount as at 1 April 2015	4,265.94
Reclassification to asset held for sale	476.53
Gross carrying amount as at 31 March 2016 (A)	3,789.41
Accumulated depreciation as at 1 April 2015	-
Depreciation for the year	182.50
Reclassification to asset held for sale	43.96
Accumulated depreciation as at 31 March 2016 (B)	138.54
Net carrying amount as at 31 March 2016 (A) - (B)	3,650.87

The Company has availed the deemed cost exemption under Ind AS 101- First time adoption of Indian Accounting Standards in relation to the investment property on the date of transition. Consequently the net block carrying amount as on 1 April 2015 has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2015 under the previous GAAP

Particulars	Amount
Gross Block	5,316.91
Accumulated amortization and impairment	1,050.97
Net Block	4,265.94

The rental income recognized, from the above investment properties, in the statement of profit and loss for the year ending 31 March 2017 and 31 March 2016 is ₹639.14 lakhs in each year.

B. Measurement of fair values

- The fair value of investment property is ₹13,498.93 lakhs. The fair value has been determined by external, independent property valuers. The fair value measurement for all the investment properties has been categorized as a level 3 fair value based on the inputs to the valuation technique used. The independent valuers has adopted Land and Building method of valuation. The valuation has been arrived at considering the location of the property, market inquiries, sale instances etc.

Currency: ₹ in lakhs

8 Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31 March 2017 are as follows:

Particulars	Trade Marks	Goodwill	Total
Gross carrying amount as at 1 April 2016	34,176.00	52,748.60	86,924.60
Gross carrying amount as at March 31, 2017 (A)	34,176.00	52,748.60	86,924.60
Accumulated amortization as at 1 April 2016	4,272.00	-	4,272.00
Amortization for the year	4,272.00	-	4,272.00
Accumulated amortization as at 31 March 2017 (B)	8,544.00	-	8,544.00
Net carrying amount as at 31 March 2017 (A) - (B)	25,632.00	52,748.60	78,380.60

The changes in the carrying value of intangible assets for the year ended 31 March 2016 are as follows:

Particulars	Trade Marks	Goodwill	Total
Gross carrying amount as at 1 April 2015	34,176.00	52,748.60	86,924.60
Gross carrying amount as at 31 March 2016 (A)	34,176.00	52,748.60	86,924.60
Accumulated amortization as at 1 April 2015	-	-	-
Amortization for the year	4,272.00	-	4,272.00
Accumulated amortization as at 31 March 2016 (B)	4,272.00	-	4,272.00
Net carrying amount as at 31 March 2016 (A) - (B)	29,904.00	52,748.60	82,652.60

The Company has availed the deemed cost exemption under Ind AS 101- First time adoption of Indian Accounting Standards in relation to the intangible assets on the date of transition. Consequently, the net block carrying amount as on 1 April 2015 has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated amortization on 1 April 2015 under the previous GAAP.

Particulars	Trade Marks	Goodwill	Total
Gross Block	42,735.51	65,935.00	1,08,670.51
Accumulated amortization and impairment	8,559.51	13,186.40	21,745.91
Net Block	34,176.00	52,748.60	86,924.60

Impairment:

The shareholders of the Company approved the Scheme of Amalgamation ('Scheme') between the Company and erstwhile Wyeth Limited ("Wyeth business") with an appointed date of 1 April 2013 whereby all the assets and liabilities of Wyeth business which were transferred to and vested in the Company have been recorded at their fair values from the appointed date. The goodwill pertains to the excess of purchase consideration over the fair values of the net assets taken over from Wyeth Limited.

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Unit (CGU) as follows:

Particulars	31 March 2017	31 March 2016	1 April 2015
Business acquired pursuant to amalgamation of erstwhile Wyeth Limited (refer note 5)	52,748.60	52,748.60	52,748.60
	52,748.60	52,748.60	52,748.60

The recoverable amount of the above CGU has been assessed using a value-in-use model. Value in use is calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

The cash flow projections include specific estimates for five years developed using internal forecasts and a terminal growth rate thereafter of 5%. The planning horizon reflects the assumptions for short-to-mid term market developments.

Discount rate reflects the current market assessment of the risks. The discount rate is estimated based on the weighted average cost of capital for the Company. Post-tax discount rates used were 11.5% for the year ended 31 March 2017.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

9 Financial assets - Non-current Investments

	31 March 2017	31 March 2016	1 April 2015
Unquoted			
i. Investment in equity instruments at FVTPL			
(i) The Shamrao Vithal Co-operative Bank Limited 1,000 (March 2016: 1,000) shares of ₹25 each, fully paid-up	0.25	0.25	0.25
(ii) Gold Sovereign (Actual cost ₹61)	-	-	-
(iii) Bharuch Eco-Aqua Infrastructure Limited 72,935 (March 2016: 72,935) equity shares of ₹10 each, fully paid-up	-	7.29	7.29
(iv) Bharuch Enviro Infrastructure Limited 175 (March 2016: 175) equity shares of ₹10 each, fully paid-up	-	0.02	0.02
	0.25	7.56	7.56
ii. Investment in government debt securities at FVTPL	0.11	0.11	0.11
	0.36	7.67	7.67
Less: Provision for diminution in value of investments	(0.11)	(7.42)	(7.42)
	0.25	0.25	0.25
Aggregate amount of unquoted investment	0.36	7.67	7.67
Aggregate amount of impairment in value of investments	0.11	7.42	7.42

10 Financial assets - Long term loans and advances

(Unsecured considered good, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
Deposits and other advances			
Unsecured, considered good	3,095.84	2,867.86	4,594.53
Unsecured, considered doubtful	350.78	252.09	264.59
	3,446.58	3,119.95	4,859.12
Employee related loans and advances	28.41	32.40	59.72
Other loans and advances			
Unsecured, considered good	87.47	162.25	477.10
Unsecured, considered doubtful	210.37	232.47	208.63
	297.84	394.72	685.73
Allowances for doubtful advances			
Deposits and other advances	(350.78)	(252.09)	(264.59)
Other loans and advances	(210.37)	(232.47)	(208.63)
	(561.15)	(484.56)	(473.22)
	3,211.68	3,062.51	5,131.36

11 Other non-current assets

(Unsecured considered good, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
Prepayments	1,045.07	1,259.36	1,090.05
Gratuity (Refer note 37)	373.88	295.08	478.37
Advance income tax (Net of provision for tax)	17,993.62	17,993.58	17,980.10
Capital advances	55.53	87.42	8.70
Balance with Customs and Excise authorities			
Unsecured, considered good	1,220.14	1,427.40	1,143.04
Unsecured, considered doubtful	73.68	73.68	73.68
	1,293.82	1,501.08	1,216.72
Others	3,520.25	4,968.55	3,486.31
Allowances for doubtful advances			
Balance with Customs and Excise authorities	(73.68)	(73.68)	(73.68)
	(73.68)	(73.68)	(73.68)
	24,208.49	26,031.39	24,186.57

Currency: ₹ in lakhs

12 Inventories (valued at lower of cost and net realisable value)

	31 March 2017	31 March 2016	1 April 2015
Raw materials	6,305.02	11,602.83	9,164.40
Finished goods ¹	9,163.16	10,331.26	10,413.91
Work in progress	1,357.40	909.61	957.60
Stock-in-Trade ¹	14,144.97	11,848.31	16,906.47
Stores	187.13	168.56	123.35
Packing materials	1,032.66	1,207.43	1,224.41
	32,190.34	36,068.00	38,790.14

Notes:

- 1 Includes assets recoverable from customers of ₹279.25 lakhs (31 March 2016 : ₹311.13 lakhs; 1 April 2015 : ₹368.15 lakhs)
- 2 The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non moving, expired and non saleable inventory. Charge in the statement of profit and loss on account of write down of inventory during the year is ₹2,395.72 lakhs (31 March 2016: ₹1,983.83 lakhs).

13 Trade receivables

	31 March 2017	31 March 2016	1 April 2015
Secured, considered good	3.05	19.84	66.01
Unsecured, considered good	12,075.23	14,209.94	15,935.58
Unsecured, considered doubtful	2,541.84	2,315.79	2,243.27
	14,620.12	16,545.57	18,244.86
Less: Allowances for credit loss	(2,541.84)	(2,315.79)	(2,243.27)
	12,078.28	14,229.78	16,001.59

The above includes amounts due from related parties ₹953.96 lakhs (31 March 2016 : ₹760.18 lakhs; 1 April 2015 : ₹2,485.18 lakhs)

The Company's exposure to credit and currency risks, and loss allowances are disclosed in note 40.

14a Cash and cash equivalents

	31 March 2017	31 March 2016	1 April 2015
Balance with banks :			
In current account	1,258.05	2,374.94	1,526.35
In exchange earners' foreign currency account	-	124.90	1.31
In deposit accounts with maturity less than or equal to 90 days	5,500.00	4,600.00	47,303.48
Cash on hand	0.49	0.93	0.90
Subtotal (a)	6,758.54	7,100.77	48,832.04
Balance with banks in unclaimed dividend accounts (b)	2,210.99	2,224.89	1,530.48
Total (a + b)	8,969.53	9,325.66	50,362.52

The Company's exposure to credit and currency risks, and loss allowances are disclosed in note 40.

14b Other bank balances

	31 March 2017	31 March 2016	1 April 2015
Balance with banks :			
In deposit accounts with maturity more than 90 days	1,43,200.00	93,000.00	10,400.00
As margin money deposit	139.30	139.30	166.18
	1,43,339.30	93,139.30	10,566.18

The Company's exposure to credit and currency risks, and loss allowances are disclosed in note 40.

Currency: ₹ in lakhs

15 Loans

(Unsecured considered good, unless otherwise stated)

	31 March 2017	31 March 2016	1 April 2015
Security deposits	225.86	1,020.24	2,173.55
Loans and advances to employees	264.45	455.85	593.39
Other loans and advances			
Unsecured, considered good	1,202.78	994.28	2,719.54
Unsecured, considered doubtful	12.00	46.44	53.66
	1,214.78	1,040.72	2,773.20
Allowances for doubtful advances			
Other loans and advances	(12.00)	(46.44)	(53.66)
	(12.00)	(46.44)	(53.66)
	1,693.09	2,470.37	5,486.48

16 Other current financial assets

	31 March 2017	31 March 2016	1 April 2015
Interest accrued on deposits	1,851.51	1,007.59	892.40
	1,851.51	1,007.59	892.40

17 Other current assets

	31 March 2017	31 March 2016	1 April 2015
Prepayments	2,326.42	1,898.17	441.84
Balance with Customs and Excise authorities	3,559.38	3,249.32	2,448.88
	5,885.80	5,147.49	2,890.72

18 Assets held for sale

	31 March 2017	31 March 2016	1 April 2015
Business undertaking at Thane	1,354.08	1,354.08	-
Office premises	526.69	504.99	72.42
	1,880.77	1,859.07	72.42

- i The Company has entered into an agreement for sale of Business undertaking at Thane as a going concern, on a slump sale basis for a consideration of ₹17,800 lakhs, to be paid in installments, subject to fulfillment of the conditions precedent to the closing. The impact of the transaction would be reflected upon closure of the transaction. As on 31 March 2017, the Company has received an advance of ₹15,000 lakhs as per the agreed terms and is disclosed under "Other Current Liabilities" in note 25. Upon the conclusion of the Business Transfer Agreement (BTA), all current workmen at Thane Plant shall be transferred to the buyer so as to facilitate manufacturing operations. The proposed transfer of business undertaking at the Thane plant shall not impact the supply of any of the Company's medicines to patients as alternate supply arrangements are already in place. The property, plant and equipment pertaining to the plant have been disclosed under this head.
- ii The Company intends to dispose off the office premises having a carrying value of ₹526.69 lakhs as it no longer intends to utilise the same in the next 12 months and accordingly classified the asset as held for sale. Search for a suitable buyer is underway. No impairment loss was recognized on reclassification of the said premises as held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

Currency: ₹ in lakhs

19a Share Capital

Particulars	31 March 2017	31 March 2016	1 April 2015
a Authorised :			
5,28,44,080 (31 March 2016: 5,28,44,080, 1 April 2015: 5,28,44,080) equity shares of ₹10/- each	5,284.41	5,284.41	5,284.41
1,01,55,920 (31 March 2016: 1,01,55,920, 1 April 2015: 1,01,55,920) unclassified shares of ₹10/- each	1,015.59	1,015.59	1,015.59
Total	6,300.00	6,300.00	6,300.00
b Issued			
4,57,50,372 (31 March 2016: 4,57,50,372, 1 April 2015: 4,57,50,372) equity shares of ₹10/- each	4,575.04	4,575.04	4,575.04
Total	4,575.04	4,575.04	4,575.04
c Subscribed and fully paid up			
4,57,47,732 (31 March 2016: 4,57,47,732 , 1 April 2015: 4,57,47,732) equity shares of ₹10/- each	4,574.77	4,574.77	4,574.77
Forfeited equity shares- 2,640 (31 March 2016: 2,640, 1 April 2015: 2,640) equity shares of ₹10/- each	0.18	0.18	0.18
Total	4,574.95	4,574.95	4,574.95

d There has been no movement in the equity shares outstanding at the beginning and end of the year.

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

f Pursuant to the Scheme of Amalgamation of erstwhile Wyeth Limited with the Company 1,59,06,292 shares of face value ₹10 each were issued during the year ended 31 March 2015 to the shareholders of erstwhile Wyeth Limited for consideration other than cash. During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares.

g The details of shareholders holding more than 5% shares in the company is as below:

	31 March 2017		31 March 2016		1 April, 2015	
	No. of Shares	No of shares %	No. of Shares	No of shares %	No. of Shares	No of shares %
Pfizer East India B. V.	1,81,86,334	39.75	1,81,86,334	39.75	1,81,86,334	39.75
Wyeth LLC, USA	56,17,707	12.28	56,17,707	12.28	56,17,707	12.28

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

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹10 each fully paid up held by:				
Ultimate Holding Company				
Pfizer Inc., USA	-	-	-	-
Subsidiaries of the ultimate holding company				
Pfizer East India B.V.	1,81,86,334	1,818.63	1,81,86,334	1,818.63
Wyeth LLC, USA	56,17,707	561.77	56,17,707	561.77
Wyeth Holdings Corporation, USA	16,30,164	163.02	16,30,164	163.02
Warner - Lambert Company, LLC, USA	11,87,163	118.72	11,87,163	118.72
Parke - Davis & Company, LLC, USA	9,55,733	95.57	9,55,733	95.57
John Wyeth & Brother Ltd, UK	8,82,000	88.20	8,82,000	88.20
Pharmacia Corporation, USA	7,83,941	78.39	7,83,941	78.39

19b Other Equity

Nature and purpose of reserves

i Securities premium account

Securities premium account is used to record the premium on issue of shares. This reserve is utilised in accordance with the said provisions of The Companies Act, 2013. This account also includes the share premium on shares issued to the shareholders of erstwhile Wyeth limited, pursuant to the Scheme of Amalgamation.

ii General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Currency: ₹ in lakhs

iii Capital reserve

The share- based payment reserve is used to recognise the value of equity settled share-based payments provided to the employees by the Pfizer Inc. the ultimate holding company and the Company is not liable for any recharge of the amount. Refer Note no. 38 for further details on the plan.

iv Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

Particulars	Reserves & Surplus				Other comprehensive Income	Total other Equity
	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Remeasurements of the net defined benefit Plans	
Balance as at 1 April 2015	1,32,066.70	30,192.12	417.20	24,899.30	-	1,87,575.32
Profit for the year	-	-	-	30,498.13	-	30,498.13
Other comprehensive income for the year	-	-	-	-	104.07	104.07
Total comprehensive income for the year	-	-	-	30,498.13	104.07	30,602.20
Transactions during the year :						
Share based payments	-	-	480.08	-	-	480.08
Dividend including corporate dividend tax	-	-	-	(6,882.61)	-	(6,882.61)
Balance as at 31 March 2016	1,32,066.70	30,192.12	897.28	48,514.82	104.07	2,11,774.99
Profit for the year	-	-	-	33,678.36	-	33,678.36
Other comprehensive income for the year	-	-	-	-	(390.86)	(390.86)
Total comprehensive income for the year	-	-	-	33,678.36	(390.86)	33,287.50
Transactions during the year :						
Share based payemnt	-	-	510.01	-	-	510.01
Dividend including corporate dividend tax	-	-	-	(8,259.30)	-	(8,259.30)
Balance as at 31 March 2017	1,32,066.70	30,192.12	1,407.29	73,933.88	(286.79)	2,37,313.20

20 Non-current Financial liabilities - Long term borrowings

	31 March 2017	31 March 2016	1 April 2015
Loans and advances from related parties			
John Wyeth & Brother Limited, India Branch	250.22	250.22	250.22
	250.22	250.22	250.22

The amount represents purchase consideration payable to John Wyeth and Brother Limited, UK for the transfer of its undertaking in India to the erstwhile Wyeth Limited. The amount has been retained as an interest free unsecured loan as per the directives of the RBI in this regard pending appropriate clearance from the Income tax authorities.

21 Non-current Financial liabilities - Others

	31 March 2017	31 March 2016	1 April 2015
Security deposits	-	10.00	10.00
	-	10.00	10.00

22 Long-term provisions

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits			
Compensated absences (Refer note 37)	909.47	625.14	-
Gratuity (Refer note 37)	580.71	154.85	225.32
Other provisions			
Demands under Drug Price Control Orders (DPCO) (Refer note 42)	2,202.79	1,987.94	1,987.94
Sales return	576.76	558.79	540.39
Customs and Central Excise	202.78	202.78	202.78
	4,472.51	3,529.50	2,956.43

Currency: ₹ in lakhs

a) Movement in provisions:

	Provision for Demands under DPCO	Provision for sales return	Provision for Customs and central excise
Balance as at 1 April 2015	1,987.94	540.39	202.78
Additions during the year	-	646.65	-
Reversal / Utilisation during the year	-	628.25	-
As at 31 March 2016	1,987.94	558.79	202.78
Additions during the year	214.85	220.72	-
Reversal / Utilisation during the year	-	202.75	-
As at 31 March 2017	2,202.79	576.76	202.78

b) Nature of provisions:**Provision for sales returns:**

These represents provision towards saleable and non-saleable return expected to be made by the customers till the product expiry. Provision towards saleable return represents products which are expected to be returned in saleable condition while non-saleable return represents expected returns of products which are either expired or damaged, such that the sale of such products may not be possible.

Provision for demnads under DPCO:

These represents provision recognized by the Company towards unsettled compensations claimed under DPCO from the Company.

Provision for customs and central excise:

These represents provision recognized by the Company towards claims raised by Customs and Excise authorities.

23 Trade and other payables

	31 March 2017	31 March 2016	1 April 2015
Outstanding dues to Micro and Small enterprises	322.95	277.36	201.29
Other trade payables	39,455.09	33,514.84	33,213.64
	39,778.04	33,792.20	33,414.93

Notes:

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

	31 March 2017	31 March 2016	1 April 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	177.88	217.06	167.87
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(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	84.77	26.88	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	145.07	60.30	33.42
(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	-	-	-

b) 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.

c) The above includes amounts due to related parties ₹28,081.43 lakhs (31 March 2016 : ₹20,452.18 lakhs; 1 April 2015 : ₹22,702.97 lakhs)

d) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 40.

Currency: ₹ in lakhs

24 Current - Other financial liabilities

	31 March 2017	31 March 2016	1 April 2015
Unpaid dividends #	2,210.99	2,224.89	1,530.48
Employee benefits	4,238.68	3,595.37	3,223.90
Creditors for capital expenditure	156.00	319.53	478.26
Security deposits	619.72	611.56	1,208.10
	7,225.39	6,751.35	6,440.74

Investor Education and Protection Fund (IEPF) is being credited by the amount of unclaimed dividend after seven years from the due date. The balance represents amounts not yet due for deposit to the IEPF.

25 Other current liabilities

	31 March 2017	31 March 2016	1 April 2015
Statutory remittances	1,467.35	1,530.95	1,403.36
Customer credit balances	318.77	230.10	214.72
Advances received (Refer Note 18 (i))	15,125.46	9,639.29	-
	16,911.58	11,400.34	1,618.08

26 Short term provisions

	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits			
Compensated absences (Refer note 37)	232.22	417.20	433.33
Gratuity (Refer note 37)	722.30	570.50	570.94
Other employee benefits (Refer note 37)	849.96	725.16	691.83
Other provisions			
Wealth tax (Net of taxes paid)	21.76	67.91	85.76
Fringe benefit tax (Net of taxes paid)	55.22	55.22	55.22
Sales return	2,545.07	2,365.75	2,352.67
Demands under DPCO (Refer note 42)	-	218.42	481.28
Provision for Sales tax / VAT (net)	1,392.34	1,082.64	816.01
	5,818.87	5,502.80	5,487.04

Movement in provisions:

	Provision for other employee benefits	Provision for Sales return	Provision for demands under DPCO	Provision for sales tax / VAT
Balance as at 1 April 2015	691.83	2,352.67	481.28	816.01
Additions during the year	124.80	2,674.90	-	266.63
Reversal / Utilisation during the year	91.47	2,661.82	262.86	-
As at 31 March 2016	725.16	2,365.75	218.42	1,082.64
Additions during the year	124.80	998.66	-	309.70
Reversal / Utilisation during the year	-	819.34	218.42	-
As at 31 March 2017	849.96	2,545.07	-	1,392.34

Provision for sales tax/ VAT

These represents provision recognized by the Company towards claims raised by Sales Tax authorities and VAT authorities as applicable in each state.

Refer note 22 for the nature and basis of the balance provisions.

27 Revenue from Operations

	Year ended 31 March 2017	Year ended 31 March 2016
(a) Sale of products	2,01,726.40	2,07,160.03
(b) Sale of services	2,458.64	2,209.11
(c) Sale of scrap	8.10	6.88
	2,04,193.14	2,09,376.02

Currency: ₹ in lakhs

28 Other Income

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income		
On bank deposits	8,632.41	5,621.29
On staff loan	2.29	4.89
On other balances	136.11	132.37
Rental income	639.14	868.32
Liabilities / provisions no longer required written back	131.51	265.15
Insurance claims	376.42	1,017.75
Profit on sale of assets (net)	72.76	-
Net gain on foreign currency transactions and translation	71.54	-
Other non-operating income	54.14	789.23
	10,116.32	8,699.00

29 Cost of materials consumed

	Year ended 31 March 2017	Year ended 31 March 2016
Raw materials consumed		
Opening inventory (refer note 12)	11,602.83	9,164.40
Add: Purchases	24,974.91	30,824.91
	36,577.74	39,989.31
Less: Closing inventory (refer note 12)	6,305.02	11,602.83
Raw materials consumed(a)	30,272.72	28,386.48
Packing materials consumed		
Opening inventory (refer note 12)	1,207.43	1,224.41
Add: Purchases	8,306.22	8,907.81
	9,513.65	10,132.22
Less: Closing inventory (refer note 12)	1,032.66	1,207.43
Packing materials consumed (b)	8,480.99	8,924.79
Total cost of materials consumed (a + b)	38,753.71	37,311.27

Purchase of stock-in-trade (Traded goods)

	Year ended 31 March 2017	Year ended 31 March 2016
Liquid parenterals	26,598.88	21,803.36
Powder parenterals	2,922.16	3,584.88
Tablets and capsules	10,246.47	7,742.51
Liquids	1,383.75	1,896.05
Ointments	1,150.65	867.87
Miscellaneous	168.41	313.99
	42,470.32	36,208.66

30 Changes in inventories of finished goods and work in progress

	Year ended 31 March 2017	Year ended 31 March 2016
Opening inventory :		
Work in progress (refer note 12)	909.61	957.60
Finished goods (refer note 12)	10,331.26	10,413.91
Stock-in-trade (Traded goods) (refer note 12)	11,848.31	16,906.47
Less:		
Closing inventory:		
Work in progress (refer note 12)	1,357.40	909.61
Finished goods (refer note 12)	9,163.16	10,331.26
Stock-in-trade (Traded goods) (refer note 12)	14,144.97	11,848.31
Changes In Inventories:		
Work in progress (refer note 12)	(447.79)	47.99
Finished goods (refer note 12)	1,168.10	82.65
Stock-in-trade (Traded goods) (refer note 12)	(2,296.66)	5,058.16
	(1,576.35)	5,188.80

Currency: ₹ in lakhs

31 Employee benefits expense

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and Wages	26,792.36	24,247.64
Contribution to Provident and Other Funds	1,487.28	1,416.57
Staff Welfare Expenses	1,097.98	1,046.44
Gratuity (Refer note 37)	501.31	543.56
Employee stock option expenses (Refer note 38)	510.03	480.08
	30,388.96	27,734.29

32 Finance Costs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense on others	95.73	52.30
	95.73	52.30

33 Depreciation and amortization expense

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plant and equipment (Refer note 6)	1,882.36	1,338.94
Depreciation on investment property (Refer note 7)	138.54	182.50
Amortization of intangible assets (Refer note 8)	4,272.00	4,272.00
	6,292.90	5,793.44

34 Other Expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Advertisement and sales promotion	7,104.09	8,204.14
Processing charges	5,192.27	5,380.15
Legal and professional fees	6,098.00	5,555.28
Payments to auditors (Refer note 34.1)	167.54	124.06
Power and fuel	1,034.28	1,042.74
Freight & Forwarding expenses	8,179.19	8,595.48
Insurance	858.95	780.66
Traveling and conveyance	6,040.97	5,429.95
Rent	3,345.83	4,719.94
Communication	644.24	673.45
Provision for expected credit loss and doubtful advances	551.58	158.83
Rates and taxes	4,271.63	3,250.99
Excise duty on changes in inventory	374.63	100.90
Service charges	381.14	-
Repairs and maintenance - buildings	112.45	60.10
Repairs and maintenance - machinery	397.99	526.09
Repairs and maintenance - others	301.46	139.01
Net loss on foreign currency transactions and translation	-	193.75
Consumption of stores and spare parts	670.11	319.83
Royalty	5.84	33.61
Net loss on sale of assets	-	19.52
Bank charges	99.99	87.32
Printing and stationery	132.59	163.45
Commission to directors	75.85	65.65
Miscellaneous expenses (Refer note 48 for CSR)	5,636.63	5,965.75
	51,677.25	51,590.65

Currency: ₹ in lakhs

34.1 Payment to auditors (inclusive of service tax)

Payment to auditors	Year ended 31 March 2017	Year ended 31 March 2016
a) As auditor	106.03	91.50
b) For other matters (certification work)	56.76	29.73
c) Out of pocket expenses	4.75	2.83
	167.54	124.06

35 Tax reconciliation**Tax expense****(a) Amounts recognized in statement of profit and loss**

	Year ended 31 March 2017	Year ended 31 March 2016
Current income tax	18,866.43	18,780.84
Deferred income tax charge, (net)		
Origination and reversal of temporary differences	(860.90)	(2,236.67)
Tax expense for the year	18,005.53	16,544.17

(b) Amounts recognized in other comprehensive income

	Year ended 31 March 2017			Year ended 31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit and loss						
Remeasurements of the defined benefit plans	(597.74)	206.88	(390.86)	159.15	(55.08)	104.07
	(597.74)	206.88	(390.86)	159.15	(55.08)	104.07

(c) Reconciliation of effective tax rate

	Year ended 31 March 2017	Year ended 31 March 2016
Profit before tax	51,683.89	47,042.30
Tax using the Company's domestic tax rate (current year 34.61% and previous year 34.61%)	17,887.79	16,281.34
Tax effect of amounts which are not deductible in calculating taxable income		
CSR expenses	272.79	216.86
Others	(155.05)	45.97
Tax expense as per statement of profit and loss	18,005.53	16,544.17

The Company's effective tax rates for the years ended 31 March 2017 and 2016 were 34.84% and 35.17%, respectively. Income tax expense was ₹18,005.53 lakhs for the year ended 31 March 2017, as compared to income tax expense of ₹16,544.17 lakhs for the year ended 31 March 2016.

(d) Movement in deferred tax balances

The movement in deferred tax balances for the year ended 31 March 2017 is as follows:

	Net balance 1 April, 2016	Recognized in profit and loss	Recognized in OCI	Net deferred tax asset/liability
Deferred tax liability (gross)				
Property, plant and equipment	(1,169.37)	(252.07)	-	(1,421.44)
Goodwill and intangible assets	(10,349.77)	1,478.54	-	(8,871.23)
Lease straight lining	(217.35)	(104.69)	-	(322.04)
Total deferred tax liabilities	(11,736.49)	1,121.78	-	(10,614.71)
Deferred tax assets (gross)				
Interest free deposits	18.81	7.25	-	26.05
Physician samples	173.17	(45.98)	-	127.19
Employee benefits	1,223.13	31.20	206.88	1,461.21
Provisions	3,704.95	665.79	-	4,370.74
Other items	3,792.22	(919.14)	-	2,873.08
Total deferred tax assets	8,912.28	(260.88)	206.88	8,858.28
Deferred tax liabilities (net)	(2,824.21)	860.90	206.88	(1,756.43)

The movement in deferred tax balances for the year ended 31 March 2016 is as follows:

	Net balance 1 April 2015	Recognized in profit and loss	Recognized in OCI	Others (Ind AS adjustment)	Net deferred tax asset/liability
Deferred tax liability (gross)					
Property, plant and equipment	(976.56)	(192.81)	-	-	(1,169.37)
Goodwill and intangible assets	(11,828.31)	-	-	1,478.54	(10,349.77)
Lease straight lining	(61.37)	-	-	(155.98)	(217.35)
Total deferred tax liabilities	(12,866.24)	(192.81)	-	1,322.56	(11,736.49)
Deferred tax assets (gross)					
Physician samples	160.91	-	-	12.26	173.17
Interest free deposits	9.07	-	-	9.74	18.81
Employee benefits	259.99	1,018.22	(55.08)	-	1,223.13
Provisions	4,256.57	(551.62)	-	-	3,704.95
Other items	3,173.90	618.32	-	-	3,792.22
Total deferred tax assets	7,860.44	1,084.92	(55.08)	22.00	8,912.28
Deferred tax liabilities (net)	(5,005.80)	892.11	(55.08)	1,344.56	(2,824.21)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

36 Earnings per share (EPS)

	Year ended 31 March 2017	Year ended 31 March 2016
i. Profit attributable to Equity holders		
Profit for the year;		
(i) before exceptional items (net of tax)	24,522.20	29,856.69
(ii) after exceptional items (net of tax)	33,678.36	30,498.13
ii. Weighted average number of ordinary shares	4,57,50,372	4,57,50,372
iii. Basic and Diluted earnings per share computed on basis of profit for the year		
(i) before exceptional items (net of tax)	53.60	65.26
(ii) after exceptional items	73.61	66.66

* Basic and diluted earning per share are in ₹

Currency: ₹ in lakhs

37 Employee benefits

(A) Defined contribution plan:

During the year, the Company has contributed ₹43.45 lakhs (March 2016: ₹43 lakhs) towards employee's superannuation fund.

(B) Defined Benefit Plan:

(i) Compensated absences

All eligible employees can carry forward and avail / encash leave as per Company's rules.

(ii) 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.

(iii) Gratuity plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. Trustees administer the contributions made by the Company to the gratuity scheme.

	31 March 2017	31 March 2016
Defined benefit obligation	7,817.40	6,528.79
Fair value of plan assets	6,888.27	6,098.52
Net defined benefit assets/ (obligation)	(929.13)	(430.27)

i. Movement in net defined benefit asset/ (obligation)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

Gratuity plan

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset/ (obligation)	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Opening balance	6,528.79	6,366.55	6,098.52	6,048.67	(430.27)	(317.88)
Funds received from LIC of India	-	-	-	(856.76)	-	(856.76)
Current service cost	474.17	535.34	-	-	(474.17)	(535.34)
Contributions	-	-	373.30	1,128.78	373.30	1,128.78
Expected returns	-	-	454.95	401.58	454.95	401.58
Past service cost	-	-	-	-	-	-
Interest cost (income)	481.33	458.71	-	-	(481.33)	(458.71)
Benefit payments from plan assets	(328.33)	(691.78)	(328.33)	(691.78)	-	-
Benefit payments directly by employer	(226.13)	-	-	-	226.13	-
	6,929.83	6,668.82	6,598.44	6,030.49	(331.39)	(638.33)
Included in Other Comprehensive Income	887.57	(140.03)	289.83	68.03	(597.74)	208.06
Remeasurement loss/ (gain)	-	-	-	-	-	-
Actuarial loss/ (gain) arising from	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	446.65	83.10	289.83	68.03	(156.82)	(15.07)
Experience adjustment	440.92	(223.13)	-	-	(440.92)	223.13
Expected settlements	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-	-
Closing balance	7,817.40	6,528.79	6,888.27	6,098.52	(929.13)	(430.27)

Currency: ₹ in lakhs

Represented by

	31 March 2017	31 March 2016
Net defined benefit liability	1,303.01	725.35
Net defined benefit asset	373.88	295.08
	(929.13)	(430.27)

ii. Plan assets

	31 March 2017	31 March 2016
Plan assets comprise the following		
Insurer managed fund (100%)	6,888.27	6,098.52
	6,888.27	6,098.52

iii. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Gratuity	
	31 March 2017	31 March 2016
Discount rate	6.72%	7.46%
Future salary growth	5% to 9.0%	5% to 9.0%
Rate of employee turnover	5% to 20%	5% to 20%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Assumptions regarding future mortality have been based on published statistics and mortality tables.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2017		31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	7,224.31	8,500.36	5,999.83	7,091.67
Future salary growth (1% movement)	8,360.81	7,309.90	6,965.35	6,121.40

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

v. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2017 were as follows

Expected future benefit payments	
31 March 2018	72.23
31 March 2019	53.61
31 March 2020	71.72
31 March 2021	55.13
31 March 2022	62.08
Thereafter	307.06

38 Share-based payment arrangements:**a) Employee stock options - equity settled**

Certain employees of the Company are eligible for Stock options (ESOP) and Restricted stock units (RSU) granted by the Ultimate Holding Company ("Pfizer Inc., USA").

Pursuant to the Securities Exchange Board of India (SEBI) (Share based employee benefits) Regulations, 2014, the Company has accounted for employee stock options expenses in the statement of profit and loss amounting to ₹510.01 lakhs (March 2016: ₹480.08 lakhs).

Currency: ₹ in lakhs

Nature and extent of Employee Share-based Payment Plans

Pfizer Inc., USA, as a part of the Long-term incentive awards offers certain Common stock (shares) to the employees of the Company and its subsidiaries. These shares are offered through grant of awards which is a combination of stock options (ESOP) and restricted stock units (RSU) under the Pfizer Inc. 2004 Stock plan. As per the plan, the vesting period of the stock options and the restricted stock units is 3 years from the grant date. As per the plan, the stock options have a term of 10 years from the grant date. All stock options and restricted stock units are settled through equity.

The employees of the Company have been issued nil (March 2016: 90,426) share options, 22,247 (March 2016: 18,085) restricted stock units, 1,403 (March 2016: 1,554) portfolio performance shares and 110,467 (March 2016: nil) total shareholder return units under the Pfizer Inc 2004 Share Option Plan by Pfizer Inc. USA. The cost incurred by Pfizer Inc pursuant to the said Pfizer Inc 2004 share option Plan for the year ended 31 March 2017 amounts to ₹510.01 lakhs which has been debited to the statement of profit and loss.

i) Employee stock options (ESOP)

Employee stock option provides the employees of Pfizer Limited with a right to receive a unit of the stock of the Ultimate Holding Company at a predetermined exercise price upon fulfillment of vesting conditions.

Particulars	Year ended 31 March 2017		
	Shares arising out of options	Range of exercise prices (USD)	Weighted average exercise price (USD)
Options outstanding at the beginning of the year	3,21,505	17.69-34.59	28.31
Add: Options granted during the year	-	-	-
Less: Options lapsed during the year	3,913	21.03-34.59	25.51
Less: Options exercised during the year	47,096	17.69-27.37	25.55
Less: Options forfeited during the year	15,796	27.37-34.59	33.59
Add/(Less): Transfer between entities	12,000	27.37-34.59	31.40
Options outstanding at the year end	2,66,700	17.69-34.59	28.66
Exercisable at the end of the period	1,29,756	17.69-34.59	23.57

The weighted average remaining contractual life of the Employee stock options (ESOP) outstanding at the year end is 6.2 years.

Particulars	Year ended 31 March 2016		
	Shares arising out of options	Range of exercise prices (USD)	Weighted average exercise price (USD)
Options outstanding at the beginning of the year	3,51,259	17.69-32.23	25.07
Add: Options granted during the year	90,426	34.59-34.59	34.59
Less: Options lapsed during the year	1,585	26.20-32.23	29.05
Less: Options exercised during the year	81,078	17.69-27.37	20.78
Less: Options forfeited during the year	24,121	27.37-34.59	32.10
Add/(Less): Transfer between entities	(13,396)	17.69-32.23	-
Options outstanding at the year end	3,21,505	17.69-34.59	28.31
Exercisable at the end of the period	93,571	-	20.73

The weighted average remaining contractual life of the Employee stock options (ESOP) at the year end is 7.10 years.

The weighted average grant date fair value of par value options granted under Category A during the years ended 31 March 2017 and 2016 was nil and USD 4.30 per option, respectively.

Currency: ₹ in lakhs

ii) Restricted stock units (RSUs)

RSUs which, when vested entitle the holder to receive a specified number of shares of the Ultimate Holding Company including shares resulting from dividend equivalents paid on such RSUs, are accounted for using a fair value based method at the date of grant. The value of each RSU grant is estimated on the grant date. The fair value based method utilizes the closing price of the Ultimate Holding Company's common stock on the date of grant. The exercise price of the RSU is Nil.

Particulars	Year ended 31 March 2017	
	Shares arising out of options	Weighted average exercise price (USD)
Options outstanding at the beginning of the year	47,172.00	31.42
Add: Options granted during the year	22,247.00	30.66
Less: Options vested during the year	(17,935.00)	27.68
Less: Options forfeited during the year	(6,098.00)	32.42
Add: DEUs earned during the year	1,919.00	32.56
Less: Transfer between entities	2,546.00	31.42
Options outstanding at the year end	49,851.00	32.33
Exercisable at the end of the period		

The weighted average remaining contractual life of the Restricted stock units (RSUs) outstanding at the year end is 1.30 years.

Particulars	Year ended 31 March 2016	
	Shares arising out of options	Weighted average exercise price (USD)
Options outstanding at the beginning of the year	54,365	26.61
Add: Options granted during the year	18,085	34.59
Less: Options vested during the year	(19,680)	21.31
Less: Options forfeited during the year	(5,408)	31.79
Add: DEUs earned during the year	1,649	34.08
Less: Transfer between entities	(1,839)	-
Options outstanding at the year end	47,172	31.42
Exercisable at the end of the period	-	-

The weighted average remaining contractual life of the Restricted stock units (RSUs) outstanding at the year end is 1.20 years.

The weighted average grant date fair value of par value options granted under Category B during the years ended 31 March 2017 and 2016 was USD 30.59 and USD 34.59 per RSU, respectively.

iii) Portfolio performance shares (PPSs)

PPSs provide an opportunity to receive shares of Pfizer common stock contingent upon the company's achievement of pre set goals related to long term pipeline portfolio delivery over a five year performance period.

Particulars	Year ended 31 March 2017	
	Shares arising out of options	Weighted average exercise price (USD)
Options outstanding at the beginning of the year	3,234	32.28
Add: Options granted during the year	1,403	30.59
Less: Options vested during the year	-	-
Less: Options forfeited during the year	(119)	32.38
Less: Transfer between entities	-	-
Options outstanding at the year end	4,518	32.48
Exercisable at the end of the period	688	32.48

The weighted average remaining contractual life of the Portfolio performance shares (PPSs) outstanding at the year end is 3.0 years.

Currency: ₹ in lakhs

Particulars	Year ended 31 March 2016	
	Shares arising out of options	Weighted average exercise price(USD)
Options outstanding at the beginning of the year	-	-
Add: Options granted in prior year	1,680	30.24
Add: Options granted during the year	1,554	34.59
Less: Options vested during the year	-	-
Less: Options forfeited during the year	-	-
Less: Transfer between entities	-	-
Options outstanding at the year end	3,234	32.28
Exercisable at the end of the period	-	-

The weighted average remaining contractual life of the Portfolio performance shares (PPSs) outstanding at the year end is 3.4 years.

The weighted average grant date fair value of par value options granted under Category C during the years ended 31 March 2017 and 2016 was USD 30.59 and USD 34.59 per PPSs, respectively.

iv) Total Shareholder Return Units (TSRUs)

TSRUs are awarded to senior and other key management, and, beginning in 2016, to certain other employees. TSRUs entitle the holders to receive a number of shares of our common stock with a value equal to the difference between the defined settlement price and the grant price, plus the dividends accumulated during the five -year or seven -year term, if and to the extent the total value is positive.

Pfizer measures the value of TSRU grants as of the grant date using a Monte Carlo simulation model. The values determined through this fair value methodology generally are amortized on a straight-line basis over the vesting term into Cost of sales, Selling, informational and administrative expenses, and/or Research and development expenses, as appropriate.

Particulars	Year ended 31 March 2017		
	Shares arising out of options	Range of exercise prices (USD)	Weighted average exercise price (USD)
Options outstanding at the beginning of the year	-	-	-
Add: Options granted during the year	1,10,467	30.59-30.59	30.59
Less: Options vested during the year	-	-	-
Less: Options forfeited during the year	(12,205)	30.59-30.59	30.59
Less: Transfer between entities	-	-	-
Options outstanding at the year end	98,262	30.59-30.59	30.59
Exercisable at the end of the period	-	-	-

The weighted average remaining contractual life of the Total Shareholder Return Units (TSRUs) outstanding at the year end is 4.2 years.

b) Valuation of stock options

The fair value of stock options granted during the period has been measured using the Black-Scholes-Merton option pricing model at the date of the grant. The Black-Scholes-Merton option-pricing model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. The key inputs and assumptions used are as follows:

Share price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.

Exercise Price: Exercise Price is the market price or face value or such other price as determined by the Remuneration and Compensation Committee.

Expected Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.

Currency: ₹ in lakhs

Expected Option Life: Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.

Expected dividends: Expected dividend yield has been calculated as an average of dividend yields for the four financial years preceding the date of the grant.

Risk free interest rate: The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.

These assumptions reflect management's best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company's control. As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years. The estimated fair value of stock options is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards. The weighted average inputs used in computing the fair value of options granted were as follows:

Particulars	Date of grant			
	28 February 2016	28 February 2015	28 February 2014	28 February 2013
Expected dividend yield	3.85%	3.19%	3.18%	3.45%
Risk-free interest rate	1.55%	1.89%	1.94%	1.16%
Expected stock price volatility	21.64%	18.34%	19.76%	19.68%
Expected term	6.75 years	6.75 years	6.50 years	6.50 years

39 Leases

Operating leases

a) Leases as lessee

The Company has taken certain facilities under operating lease arrangements. The lease can be terminated at the option of either parties by giving due notice. The rental expenses under operating leases "Other expenses" in the statement of profit and loss.

Future minimum lease payments under non - cancellable operating leases is as follows :-

	31 March 2017	31 March 2016
not later than one year	2,771.68	2,771.68
later than one year and not later than five years	3,464.60	6,236.28
later than five years	-	-
	6,236.28	9,007.96

b) Leases as lessor

The Company has let out some of its owned property during the year on operating lease. The lease terms are in the range of 1 - 3 years. The information in respect of the same is as follows:

	31 March 2017	31 March 2016
Gross book value	3,789.41	4,572.28
Accumulated Depreciation	277.08	921.41
Depreciation for the lease period	138.54	182.50
Rental income	639.14	639.14

Lease Income recognized in the statement of profit and loss for the year in respect of sub let property is Nil (March 2016: ₹229.18 lakhs)

Currency: ₹ in lakhs

40 Financial instruments

1. Financial instruments – Fair values and measurements

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

	Note No.	Carrying amount				Total	Fair value			Total
		FVTPL	FVTOCI	Amortized Cost	Derivatives designated as hedges		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets										
Non-current investments	9	0.25	-	-	-	0.25	0.25	-	-	0.25
Long-term loans	10	-	-	3,211.68	-	3,211.68	-	-	-	-
Trade receivables	13	-	-	12,078.28	-	12,078.28	-	-	-	-
Cash and cash equivalents	14a	-	-	8,969.53	-	8,969.53	-	-	-	-
Other bank balances	14b	-	-	1,43,339.30	-	1,43,339.30	-	-	-	-
Short-term loans	15	-	-	1,693.09	-	1,693.09	-	-	-	-
Other current financial assets	16	-	-	1,851.51	-	1,851.51	-	-	-	-
		0.25	-	1,71,143.39	-	1,71,143.64	0.25	-	-	0.25
Financial liabilities										
Borrowings	20	-	-	250.22	-	250.22	-	-	-	-
Trade payables	23	-	-	39,778.04	-	39,778.04	-	-	-	-
Other current financial liabilities	24	-	-	7,225.39	-	7,225.39	-	-	-	-
		-	-	47,253.65	-	47,253.65	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2016, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

	Note No.	Carrying amount				Total	Fair value			Total
		FVTPL	FVTOCI	Amortized Cost	Derivatives designated as hedges		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets										
Non-current investments	9	0.25	-	-	-	0.25	0.25	-	-	0.25
Long-term loans	10	-	-	3,062.51	-	3,062.51	-	-	-	-
Trade receivables	13	-	-	14,229.78	-	14,229.78	-	-	-	-
Cash and cash equivalents	14a	-	-	9,325.66	-	9,325.66	-	-	-	-
Other bank balances	14b	-	-	93,139.30	-	93,139.30	-	-	-	-
Short-term loans	15	-	-	2,470.37	-	2,470.37	-	-	-	-
Other current financial assets	16	-	-	1,007.59	-	1,007.59	-	-	-	-
		0.25	-	1,23,235.21	-	1,23,235.46	0.25	-	-	0.25
Financial liabilities										
Borrowings	20	-	-	250.22	-	250.22	-	-	-	-
Non-current financial liabilities	21	-	-	10.00	-	10.00	-	-	-	-
Trade payables	23	-	-	33,792.20	-	33,792.20	-	-	-	-
Other financial liabilities- Current	24	-	-	6,751.35	-	6,751.35	-	-	-	-
		-	-	40,803.77	-	40,803.77	-	-	-	-

Currency: ₹ in lakhs

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2015, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

	Note No.	Carrying amount				Total	Fair value			Total
		FVTPL	FVTOCI	Amortized Cost	Derivatives designated as hedges		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets										
Non-current investments	9	0.25	-	-	-	0.25	0.25	-	-	0.25
Long-term loans	10	-	-	5,131.36	-	5,131.36	-	-	-	-
Trade receivables	13	-	-	16,001.59	-	16,001.59	-	-	-	-
Cash and cash equivalents	14a	-	-	50,362.52	-	50,362.52	-	-	-	-
Other bank balances	14b	-	-	10,566.18	-	10,566.18	-	-	-	-
Short-term loans	15	-	-	5,486.48	-	5,486.48	-	-	-	-
Other current financial assets	16	-	-	892.40	-	892.40	-	-	-	-
		0.25	-	88,440.53	-	88,440.78	0.25	-	-	0.25
Financial liabilities										
Borrowings	20	-	-	250.22	-	250.22	-	-	-	-
Non-current financial liabilities	21	-	-	10.00	-	10.00	-	-	-	-
Trade payables	23	-	-	33,414.93	-	33,414.93	-	-	-	-
Other Current financial liabilities	24	-	-	6,440.74	-	6,440.74	-	-	-	-
		-	-	40,115.89	-	40,115.89	-	-	-	-

2. Financial Risk Management - Objective and Policies

(i) Financial Risk Management Framework

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Currency risk

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities including deposits with banks and other financial instruments. The Company establishes an allowance for expected credit loss and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

a) Trade and other receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹12,078.28 lakhs as at 31 March 2017 and ₹14,229.78 lakhs as at 31 March 2016.

Currency: ₹ in lakhs

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

b) Expected credit loss assessment for customers

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses.

The movement in the allowance for credit loss in respect of trade and other receivables during the year was as follows

	Amount
Balance as at 1 April 2015	2,243.27
Increase in provision	72.52
Balance as at 31 March 2016	2,315.79
Amounts written off	69.37
Increase in provision	295.42
Balance as at 31 March 2017	2,541.84

c) Cash and bank balances

The Company held cash and bank balances of ₹1,52,308.83 lakhs as at 31 March 2017 (31 March 2016: ₹1,02,464.96 lakhs, 1 April 2015 : ₹60,928.70 lakhs). Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

d) Investments

There are no significant investments made by the Company and hence credit risk is not material.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

Exposure to liquidity risk

Undiscounted contractual maturities of significant financial liabilities

31 March 2017	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
- Borrowings	250.22	250.22	-	-	250.22	-
- Trade payable	39,778.04	39,778.04	39,778.04	-	-	-
- Creditors for capital expenditure	156.00	156.00	156.00	-	-	-
- Employee benefits payable	4,238.68	4,238.68	4,238.68	-	-	-
- Deposits	619.72	619.72	619.72	-	-	-
- Others	2,210.99	2,210.99	2,210.99	-	-	-
	47,253.65	47,253.65	47,003.43	-	250.22	-

Currency: ₹ in lakhs

31 March 2016	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
- Borrowings	250.22	250.22	-	-	250.22	-
- Trade payable	33,792.20	33,792.20	33,792.20	-	-	-
- Creditors for capital expenditure	319.53	319.53	319.53	-	-	-
- Employee benefits payable	3,595.37	3,595.37	3,595.37	-	-	-
- Deposits	611.56	611.56	611.56	-	-	-
- Others	2,234.89	2,234.89	2,234.89	-	-	-
	40,803.77	40,803.77	40,553.54	-	250.22	-

1 April 2015	Carrying amount	Total	Contractual cash flows			
			Upto 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
- Borrowings	250.22	250.22	-	-	250.22	-
- Trade payable	33,414.93	33,414.93	33,414.93	-	-	-
- Creditors for capital expenditure	478.26	478.26	478.26	-	-	-
- Employee benefits payable	3,223.90	3,223.90	3,223.90	-	-	-
- Deposits	1,208.10	1,208.10	1,208.10	-	-	-
- Others	1,540.48	1,540.48	1,540.48	-	-	-
	40,115.89	40,115.89	39,865.67	-	250.22	-

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(v) Currency risk

The Company is exposed to currency risk on account of its operations. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate substantially in the future.

Exposure to currency risk

The foreign currency risk from financial instruments as at 31 March 2017 are as follows:

	Amount (₹)	Amount (USD)
Financial assets		
Cash and cash equivalents	-	-
Trade and other receivables	150.73	2.32
	150.73	2.32
Financial liabilities		
Trade and other payables	4,511.49	69.56
	4,511.49	69.56
Net assets / (liabilities)	(4,360.76)	(67.24)

The foreign currency risk from financial instruments as at 31 March 2016 are as follows:

	Amount (₹)	Amount (USD)
Financial assets		
Cash and cash equivalents	124.90	1.89
Trade and other receivables	274.32	4.14
	399.22	6.03
Financial liabilities		
Trade and other payables	4,191.47	63.27
	4,191.47	63.27
Net assets / (liabilities)	(3,792.25)	(57.24)

Currency: ₹ in lakhs

The foreign currency risk from financial instruments as at 1 April 2015 are as follows:

	Amount (₹)	Amount (USD)
Financial assets		
Cash and cash equivalents	1.31	0.02
Trade and other receivables	1,688.23	27.05
	1,689.54	27.07
Financial liabilities		
Trade and other payables	5,602.40	89.75
	5,602.40	89.75
Net assets / (liabilities)	(3,912.86)	(62.68)

Every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and US dollar would not have a significant impact on profit and loss for the year ended 31 March 2017 and 31 March 2016.

41 Capital Management

The Company's policy is to maintain a strong capital base to sustain future development of the business.

The Company has adequate cash and bank balances and continues to remain debt-free. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

42 Pricing Litigations - Contingencies

(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 (March 2016: ₹87.61 lakhs), less ₹19.90 lakhs (March 2016: ₹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 (March 2016: ₹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 (March 2016: ₹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 (March 2016: ₹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 Hon'ble 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 (March 2016: ₹81.83 lakhs) on the Company for the period April 1986 to July 1989 and directed the Company to deposit the same into the Drug Prices Equalization Account (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 (March 2016: ₹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 (March 2016: ₹178.56 lakhs) for the earlier period of February 1984 to March 1986 over and above the

Currency: ₹ in lakhs

revised claim of ₹33.87 lakhs (March 2016: ₹33.87 lakhs) for the period April 1986 to August 1987. Thus, the total demand raised now stands revised to ₹212.43 lakhs (March 2016: ₹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 Bombay 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 Bombay High Court has granted an 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 ₹1,466 lakhs (March 2016: ₹1,466 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.

(e) Chloramphenicol

The Government has arbitrarily determined the liability of the Company at ₹145 lakhs (March 2016: ₹145 lakhs) and ₹14 lakhs (March 2016: ₹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 Hon’ble 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 Bombay 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).

Similar applications were filed as in the matter of Protinex before the Bombay High Court in Writ Petition filed by OPPI & IDMA and similar order was passed i.e. Case No 23/95 pending before the said Drug Prices Liability Review (DPLR) Committee was stayed. The OPPI & IDMA Writ Petition have been disposed with the direction as aforesaid.

- (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 Pyridium tablets as decontrolled products under the DPCO 1979. The categorization was, however, challenged by the Government in 1984 and a demand of ₹113 lakhs (March 2016: ₹113 lakhs) was raised against the Company. Against this demand an excise duty set off of ₹7 lakhs (March 2016: ₹7 lakhs) was allowed to the Company and a final demand of ₹106 lakhs (March 2016: ₹106 lakhs) was raised in 1987.

The Company had deposited an amount of ₹30 lakhs (March 2016: ₹30 lakhs) in February 1987 and ₹25 lakhs (March 2016: ₹25 lakhs) in May 1990 totaling to ₹55 lakhs (March 2016: ₹55 lakhs) in full and final settlement of the demand, as per the arguments

Currency: ₹ in lakhs

set forth by the Company. The Government subsequently raised a demand of ₹117 lakhs (March 2016: ₹117 lakhs) towards interest on principal demand. (i.e. interest of ₹43 lakhs (March 2016: ₹43 lakhs) for Pyridium for the period 1982 to August 1995 and ₹74 lakhs (March 2016: ₹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 (March 2016: ₹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 Andhra Pradesh 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.

The Union of India has preferred a Special Leave Petition (SLP) before the Hon'ble Supreme Court against the above judgement. In view of there being a discrepancy in the English and Hindi Notification of DPCO, 1979 in para 13(5) of the DPCO, 1979 the SLP came to be allowed vide order dated 12 April 2013 setting aside the impugned judgment and restoring the writ petition to file, to conduct appropriate enquiry and for hearing and fresh disposal. The matter now stands remanded back to the Andhra Pradesh High Court.

(g) Multivitamin Formulations:

The Government has arbitrarily raised a demand of ₹182.38 lakhs (March 2016: ₹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 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 (March 2016: ₹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 Drug Prices Equalization Account (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 of by the Supreme Court.

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

The Writ Petitions filed before the Hon'ble Bombay High Court came up for hearing on 1 February 2013. The Hon'ble Bombay High Court was of the view that the Orders passed by the Union may be set aside and the Union may be directed to decide the matters afresh keeping all the issues and contentions open. Consequently, as directed by the Hon'ble Court draft minutes of the order were prepared and circulated to the Advocates of the Union for their perusal.

In view of the disagreement between the parties on the draft minutes, on 12 March 2013 the Union sought to press for their Notice of Motion for all the matters to be listed for final hearing. Thereafter, the Hon'ble Bombay High Court passed an Order for the matters to be listed in due course and rejected the Notice of Motion of the Union.

Thereafter, the Union made an application before the Hon'ble Chief Justice for having this group of matters to be assigned to a Division Bench for expeditious hearing. However, till date no Order has been passed in the matter.

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 (March 2016: ₹198.37 lakhs) which has been paid off in earlier years.

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

Currency: ₹ in lakhs

- (h) The Government of India had served demand notices on erstwhile Wyeth Limited in respect of its product, claiming that an amount of ₹4,507.07 lakhs (March 2016: ₹4,507.07 lakhs) inclusive of interest of ₹3,186.55 lakhs (March 2016: ₹3,186.55 lakhs) is payable in respect of price fixation under the Drugs (Prices Control) Order 1979. The Company has disputed the demand. Without prejudice to its contention, the Company paid the principal amount of ₹1,320.52 lakhs (March 2016: ₹1,320.52 lakhs). The Company carries a provision of ₹1,469.08 lakhs (March 2016: ₹1,469.08 lakhs) in respect of the said demand. The Company has furnished corporate bonds for amount aggregating to ₹3,186.55 lakhs (March 2016: ₹3,186.55 lakhs) for interest.
- (i) The Government of India had served demand notices on erstwhile Wyeth Limited in respect of its product, claiming that an amount of ₹1,069.35 lakhs (March 2016: ₹1,069.35 lakhs) inclusive of interest of ₹832.47 lakhs (March 2016: ₹832.47 lakhs) is payable in respect of price fixation under the Drugs (Prices Control) Order 1979. The Company has disputed the demand. Without prejudice to its contention, the Company has paid principal amount of ₹236.88 lakhs (March 2016: ₹236.88 lakhs) under protest. The Company carries a cumulative provision of ₹40.50 lakhs (March 2016: ₹40.50 lakhs) in the books of accounts. Corporate bonds for amount aggregating to ₹832.47 lakhs (March 2016: ₹832.47 lakhs) for interest has been furnished.
- (j) The Government of India had served demand notices on erstwhile Wyeth Limited in respect of its certain bulk drugs, claiming that an amount of ₹331.24 lakhs (March 2016: ₹331.24 lakhs) inclusive of interest ₹187.34 lakhs (March 2016: ₹187.34 lakhs) is payable into the Drug Prices Equalization Account (DPEA) under the Drugs (Prices Control) Order, 1979 on account of alleged unintended benefit enjoyed by the Company. The Company has disputed the demand. Without prejudice to its contentions, the Company has paid an amount of ₹45 lakhs (March 2016: ₹45 lakhs) under protest.
- (k) The Government of India had served a demand notice on erstwhile Wyeth Limited claiming an amount of ₹1,726.35 lakhs (March 2016: ₹1,726.35 lakhs) inclusive of interest of ₹134.90 lakhs (March 2016: ₹134.90 lakhs) due thereon for alleged non compliance under the Drugs (Prices Control) Order, 1995 in respect of production of Prednisolone based formulations. Without prejudice to its contentions, the Company has provided and paid ₹1,287.93 lakhs (March 2016: ₹1,287.93 lakhs) and disputed the balance demand.

The demands stated in (h),(i),(j) and (k) above aggregate to ₹7,634.06 lakhs (March 2016: ₹7,634.06 lakhs) inclusive of interest of ₹4,341.26 lakhs (March 2016: ₹4,341.26 lakhs). Based on the legal opinions obtained in respect of these cases, the Company is of the opinion that the estimated liability in respect of these cases involved shall not exceed ₹1,509.57 lakhs (March 2016: ₹1,509.57 lakhs) provided in the books of accounts.

(l) Other Pricing related disputes

The government had raised demands on account of alleged non-adherence of certain price notifications on four products marketed / traded by the Company. The total liability in respect of these demands amounted to ₹1,511.32 lakhs (March 2016: ₹1,511.32 lakhs) against which the Company has made a provision of ₹499 lakhs (March 2016: ₹499 lakhs).

Based on the legal opinions obtained, the Company is of the opinion that the estimated liability in respect of these cases involved shall not exceed the amount provided in books of accounts.

43 Related Party Transactions:

I. Names of related parties and description of relationships

A. Parties where control exists:

Ultimate holding company:
Pfizer Inc., USA

B. Companies collectively exercising significant influence:

Pfizer East India B.V., Netherlands
Wyeth LLC, USA
Wyeth Holdings Corporation, USA
John Wyeth & Brother Limited, UK
Warner - Lambert Company, LLC, USA
Parke - Davis & Company, LLC, USA
Pharmacia Corporation, USA
[Collectively holding 63.92% of the aggregate of equity share capital of the Company]

Currency: ₹ in lakhs

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

Pfizer Export Company., Ireland
 Pfizer Global Trading, Ireland
 Pfizer Singapore Trading Pte Limited (Belgium Branch)
 Pfizer Products India Private Limited, India
 Pfizer Overseas LLC
 Pfizer Corporation Hongkong Limited
 Pfizer Limited, UK
 Pfizer Canada Inc
 Pfizer Investment Co. Ltd.
 Pfizer Asia Manufacturing Pte Ltd
 Pfizer Development LP
 Pfizer Pharmaceuticals Korea Limited
 Whitehall International Inc
 Pfizer Intl Inc, New York
 John Wyeth & Brother Limited, (India Branch)
 Pfizer Innovative Supply Point Intl BVBA, Belgium
 Pfizer International Operations, France
 Pfizer Service Company BVBA, Belgium
 Wyeth Pharmaceuticals India Private Limited

D. Key Managerial Personnel

S. Sridhar	Managing Director (w.e.f 18 March 2016) Wholetime Director (13 May 2015 to 17 March 2016) Whole-time Director and CFO (till 12 May 2015)
Aijaz Tobaccowalla	Managing Director (up to 15 October 2015)
Ravi Prakash Bhagavathula	Chief Financial Officer (w.e.f 13 May 2015 to 29 January 2017) Wholetime Director and Chief Financial Officer (w.e.f 30 January 2017)
Vivek Dhariwal	Wholetime Director
Dr Lakshmi Nadkarni	Wholetime Director (up to 4 September 2015)
Dr. Anurita Majumdar	Wholetime Director (w.e.f 4 November 2016)
Mr. R. A. Shah	Independent Director
Mr. Pradeep Shah	Independent Director
Mr. Uday Khanna	Independent Director
Mr. Sunil Lalbhai	Independent Director

Currency: ₹ in lakhs

Key Managerial Personnel

	Year ended 31 March 2017	Year ended 31 March 2016
1 Remuneration to Key Management personnel *	764.28	840.64

* Excludes amounts payable to Key Management Personnel towards gratuity, compensated absences and provident fund.

Details of material transactions during the year:

	Year ended March 2017	Year ended March 2016	
a) Sale of finished goods (net of returns)			
Pfizer Corporation Hongkong Limited	-	53.16	
b) Service Income			
Pfizer Products India Private Limited, India (including service tax)	2,331.10	2,070.72	
Pfizer Development LP	-	121.00	
c) Recovery of expenses			
Pfizer Products India Private Limited, India	357.11	512.34	
Pfizer Intl Inc, New York	-	43.71	
Pfizer Corporation Hongkong Limited	-	211.61	
Pfizer International Operations, France	-	109.29	
d) Purchase of stock in trade			
Pfizer Innovative Supply Point Intl BVBA, Belgium	25,589.29	-	
Pfizer Service Company BVBA, Belgium	1,491.21	-	
Pfizer Export Company, Ireland	-	18,202.06	
Pfizer Global Trading, Ireland	-	378.43	
Pfizer Singapore Trading Pte Limited, Belgium	-	2,026.21	
e) Purchase of Raw/ Bulk materials			
Pfizer Service Company BVBA, Belgium	7,090.37	-	
Pfizer Export Company, Ireland	-	4,455.67	
f) Reimbursement of expenses			
Pfizer Investment Co., Ltd	380.36	-	
Pfizer Inc., USA	256.60	-	
Pfizer Asia Manufacturing Pte Ltd	-	239.12	
Pfizer Pharmaceuticals Korea Limited	14.92	109.85	
Pfizer Products India Private Limited, India	30.52	53.96	
g) Dividend Paid			
Pfizer East India B.V.	2,727.95	2,273.29	
Wyeth LLC, USA	842.66	702.21	
h) Remuneration to Key Management Personnel			
S. Sridhar	270.49	241.83	
Ravi Prakash Bhagavathula	208.80	154.59	
Vivek Dhariwal	184.78	160.33	
Aijaz Tobaccowalla	-	320.03	
	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
i) Outstanding as at the year end due from			
Pfizer Products India Private Limited, India	816.26	611.58	594.39
Pfizer Limited, UK	-	-	288.92
Pfizer Intl Inc, New York	-	-	328.88
Pfizer Development LP	-	-	636.35
j) Outstanding as at the year end due to			
Pfizer Innovative Supply Point Intl BVBA, Belgium	11,054.41	-	-
Pfizer Service Company BVBA, Belgium	4,398.92	-	-
Pfizer Export Company, Ireland	5,741.19	15,966.06	18,013.00
Pfizer Singapore Trading Pte Limited, Belgium	-	1,314.03	1,784.20

Currency: ₹ in lakhs

44 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2017	31 March 2016
(i) Contingent liabilities*		
(a) Claims not acknowledged as debts	1,439.65	1,670.75
(b) Other guarantees	746.31	898.39
(c) Other contingent liabilities in respect of:		
1. Duty of excise	2,009.91	2,009.91
2. Duty of customs	171.72	171.72
3. Sales tax / VAT	15,749.18	37,901.93
4. Service tax	193.11	193.11
5. Income tax	29,397.27	25,939.59
6. Pending labour matters contested in various courts	104.21	104.21
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	46.57	48.09

* Management considers the service tax, duty of excise, duty of customs, sales tax / VAT and Income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies has been made.

Refer note 42 for pricing litigations contingencies.

45 Segment reporting

The Company has only one segment which is Pharmaceuticals and primarily operates in domestic market. The Company's Managing Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore disclosure relating to segments is not applicable and accordingly not made.

The details of geographical segment for the year ended 31 March 2017 and 31 March 2016 is as under,

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from Operations from India	2,02,862.79	2,08,329.48
Revenue from Operations from outside of India	1,330.35	1,046.54
Total Revenue from Operations	2,04,193.14	2,09,376.02

46 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

The Board of Directors of the Company has recommended a normal dividend of 150% (₹15 per equity share of ₹10 each) and a special dividend of 50% (₹5 per equity share of ₹10 each) on account of exceptional income during the year, aggregating to total dividend of 200% (₹20 per equity share of ₹10 each) for the year ended 31 March 2017.

47 Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 are as under:

	Currency in ₹		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	54,000	31,296	85,296
(+) Permitted receipts	-	1,15,840	1,15,840
(-) Permitted payments	-	(90,312)	(90,312)
(-) Amount deposited in banks	(54,000)	(16,000)	(70,000)
Closing cash in hand as on 30 December 2016	-	40,824	40,824

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407E, dated 8 November 2016.

Currency: ₹ in lakhs

48 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are education of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

The gross amount required to be spend by the Company during the year is ₹704.00 lakhs. The details of the amounts spent during the year on CSR activities are as follows;

Description	Year ended 31 March 2017		Total
	In cash	Yet to be paid in cash	
i) Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	788.19	-	788.19
	(642.60)	(1.70)	(644.30)

* figures in bracket is of previous year.

49 Exceptional items

Current year :

Exceptional items for the year ended 31 March 2017 includes income from sale of property and guesthouse (net of related expenses) and income from assignment of trademarks, net of related expenses.

Previous year:

Exceptional items of ₹988.65 includes Income from surrender of lease rights at Express towers (net of related expenses) and expenses incurred in relation to proposed transfer of business undertaking at Thane plant. Exceptional items for the year ended 31 March 2015 were in relation to voluntary retirement scheme / other related costs at Thane plant.

50 Discontinuation of Corex Cough Syrup formulation

The Company has undertaken a comprehensive review of its respiratory offerings in order to better cover a broader range of indications through an expanded product portfolio. The Company has decided to discontinue the manufacturing of Corex Cough Syrup formulation (Codeine Phosphate 10mg + Chlopheniramine Maleate 4 mg). The Corex syrup recorded a sale of ₹18,645.20 lakhs during the year ended 31 March 2017 (March 2016: ₹27,452.44 lakhs).

51 Expenditure on research and development

	Year ended 31 March 2017	Year ended 31 March 2016
Capital	-	-
Revenue	2,750.04	2,053.82
	2,750.04	2,053.82

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W /W-100022

Sadashiv Shetty

Partner

Membership No: 048648

For and on behalf of the Board of Directors of Pfizer Limited
CIN: L24231MH1950PLC008311

R. A. Shah

Chairman

DIN:00009851

Pradip Shah

Director

DIN:00066242

S. Sridhar

Managing Director

DIN:05162648

Uday Khanna

Director

DIN:00079129

S. S. Lalbhai

Director

DIN:00045590

Vivek Dhariwal

Wholesale Director

DIN:02826679

Ravi Prakash Bhagavathula

Wholesale Director and Chief Financial Officer

DIN:07282100

Anurita Majumdar

Wholesale Director

DIN:05291758

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai

06 May 2017

Mumbai

06 May 2017

Eat right



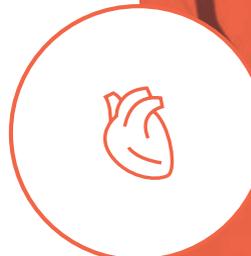
Exercise regularly



Get preventive health check-up done



Get healthy



Stay healthy





Pfizer Limited

Registered Office:

The Capital, 1802/1901, Plot No. C-70, 'G' Block,
Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel: +91 22 6693 2000

Fax: +91 22 2654 0274

Website: www.pfizerindia.com

Email ID: contactus.india@pfizer.com

CIN: L24231MH1950PLC008311

PFIZER LIMITED

CIN: L24231MH1950PLC008311



Registered Office: Pfizer Limited, The Capital, 1802 / 1901, Plot No. C – 70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
Tel: +91 22 6693 2000; Fax: +91 22 2654 0274; Website: www.pfizerindia.com; E-mail ID: contactus.india@pfizer.com

66TH ANNUAL GENERAL MEETING

NAME AND ADDRESS OF THE MEMBER:

ATTENDANCE SLIP

PLEASE COMPLETE THE SLIP AND
HAND IT OVER AT THE ENTRANCE
OF THE MEETING HALL

FOLIO NO. / CLIENT ID / DP ID:

I hereby record my presence at the 66th Annual General Meeting of the Members of Pfizer Limited which will be held at Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021, on Wednesday, August 30, 2017 at 3.00 p.m.

Name of the Shareholder	Signature of the Shareholder/Proxy*

*Strike out whichever is not applicable.

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	User ID	Password

Please read the instructions given at Note No. 13 to the Notice of the 66th Annual General Meeting carefully before voting electronically.



PFIZER LIMITED

CIN: L24231MH1950PLC008311



Registered Office: Pfizer Limited, The Capital, 1802 / 1901, Plot No. C – 70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
Tel: +91 22 6693 2000; Fax: +91 22 2654 0274; Website: www.pfizerindia.com; E-mail ID: contactus.india@pfizer.com

Name and Address of the Member:

PROXY FORM - MGT - 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio No. / Client ID / DP ID: _____ E-mail ID: _____

I / We, being the member(s) holding shares of Pfizer Limited hereby appoint

1. Name	2. Name	3. Name
Address	Address	Address
E-mail ID	E-mail ID	E-mail ID
Signature, or failing him / her	Signature, or failing him / her	Signature

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 66th Annual General Meeting of the Company to be held on Wednesday, August 30, 2017 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 and at any adjournment(s) thereof in respect of such resolutions, as are indicated overleaf.

Signed this _____ day of _____ 2017.

Please affix Revenue Stamp

Signature of the Shareholder: _____ Signature of the Proxy holder(s): _____

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.

Please see overleaf



Sr. No	Ordinary Resolutions
1.	To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2.	To declare a dividend of ₹ 20.00 (200%) per equity share for the financial year ended March 31, 2017.
3.	To appoint a Director in place of Mr. Vivek Dhariwal who retires by rotation and being eligible offers himself for re-appointment.
4.	To consider the appointment of Walker Chandiok & Co LLP, Chartered Accountants as the Statutory Auditors of the Company.
5.	To consider and re-appoint Mr. Vivek Dhariwal as a Whole-time Director of the Company for a period of 5 years effective May 21, 2017.
6.	To consider and appoint Dr. Anurita Majumdar as a Director of the Company, liable to retire by rotation.
7.	To consider and appoint Dr. Anurita Majumdar as a Whole-time Director of the Company for a period of 5 years effective November 4, 2016.
8.	To consider and appoint Mr. Ravi Prakash Bhagavathula as a Director of the Company, liable to retire by rotation.
9.	To consider and appoint Mr. Ravi Prakash Bhagavathula as a Whole-time Director of the Company for a period of 5 years effective January 30, 2017.
10.	To consider and ratify the remuneration payable to Messrs. RA & Co., Cost Accountants for the financial year ending March 31, 2018.



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Tel: +91 22 6693 2000 Fax: +91 22 2654 0274 Website: www.pfizerindia.com E-mail ID: contactus.india@pfizer.com

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholders,

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company has sent the Annual Report through electronic mode to those Shareholders whose E-mail IDs are registered. Please note that as a Shareholder, you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company’s website at ‘www.pfizerindia.com’.

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form below and send the same to our Registrar and Share Transfer Agents viz., **Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.** The Company will not be in a position to send the documents in electronic mode unless the duly filled in form given below is received.

Shareholders holding shares in the dematerialized mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to register / update their E-mail ID with the Depository Participant where their demat account is maintained.

PFIZER LIMITED

Prajeet Nair
Company Secretary

Place: Mumbai
Date: May 6, 2017



PFIZER LIMITED

CIN: L24231MH1950PLC008311

Registered Office: Pfizer Limited, The Capital, 1802 / 1901, Plot No. C – 70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
Tel: +91 22 6693 2000 Fax: +91 22 2654 0274 Website: www.pfizerindia.com E-mail ID: contactus.india@pfizer.com

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update* the E-mail ID as mentioned below.

*Strike out whichever is not applicable.

- 1. **Name(s) of Shareholder(s)**
(including joint holders, if any) : _____
- 2. **No. of Shares held** : _____
- 3. **Registered Folio No. / DP ID &**
Client ID No. : _____
- 4. **E-mail ID for receipt of documents**
in electronic mode :

Place : _____

(Signature of First holder)

Date : _____

(Name of First holder)

For Physical shares : Kindly send to Karvy Computershare Private Limited.

For Demat shares : Kindly register / update the E-mail ID with the Depository Participant where your demat account is maintained.