ANNUAL REPORT **2011**

Pfizer

Working together for a healthier world™

Six decades of commitment to healthcare

PFIZER LIMITED

SIXTY YEARS

60 years of Pfizer in India

In **1950**, when our country was about to become a republic, one Company took birth with a pledge to building a healthier India. That Company was **Pfizer**. For the past 60 years, it has grown from strength to strength, surpassing many milestones, steadfast in its dedication to healthcare, to improve patient outcomes and increase health awareness among people.

On November 21, 2010, Pfizer ushered in its 60th year of presence in India. We have entered a momentous year and to celebrate our achievements in retrospect, we track the various milestones that we crossed in these six decades and bring out memories that depict the rich and diverse history of a Company that cares.

1950s

Establishing the Foundation

It all began when Pfizer set up its first plant at Darukhana in the heart of Bombay, now Mumbai. Commissioned in 1952, the plant was the base on which the Company's manufacturing edifice was built. Along this decade, Pfizer acquired a controlling interest in Dumex.

Even in those times, science was the growth driver for Pfizer. Your Company also set up an independent R & D Laboratory in the Darukhana Plant. The year 1956 saw the commissioning of our manufacturing plant to produce anti-tuberculosis drug "Isoniazid" from basic stages.

The Company also entered the competitive space of infant nutrition during those times and soon became a household name all over India.

1960s

Growth and Development

The 60s propelled the Company forward. Pfizer took the initiative of establishing the first ever fermentation plant in the country to undertake basic manufacture of broad spectrum antibiotics – Oxytetracycline and Tetracycline. This wasn't enough. In quick succession, the Company set up a new plant for the basic manufacture of Para-Amino-Salicylic Acid, an important drug used in the treatment of tuberculosis. This was a major milestone in fulfilling its objective of manufacturing and supplying high quality products for the people of India.

The Company saw an unmet need and an untapped potential in the veterinary market in India. Pfizer introduced veterinary medicines and animal health products and a full-fledged division was set up for promotion and marketing of these products. Other highlights of this decade was that Chandigarh plant went into full scale operation. This decade also saw the birth of Corex, which continues to be a top performer for Pfizer even today.

The 60s also saw Pfizer venturing into manufacture Diabnese from a basic stage in India. Diabnese was used in the treatment of Diabetes.

Research and Development besides quality control was the focus of this decade. Pfizer's new manufacturing, research and quality control facilities, located at the new 75 acre plot on Thane-Belapur Road was one of the most state-of-the-art of its kind in India at that time which housed facilities for production, quality control and R&D under one roof.

1970s

Responsible Corporate Citizen

Pfizer became a Public Limited Company in this decade. Your Company grew in revenue and built a name as a pharmaceutical company committed to India.

Pfizer was given the "National Safety Award" by the Central Government. The Company also received the highest award in export performance for drugs and pharmaceuticals for the year 1972-73. Exemplifying impeccable standards of safety and security of its work force, the Thane plant completed a record breaking 300 days of accident free performance or nearly 2 million safe man hours.

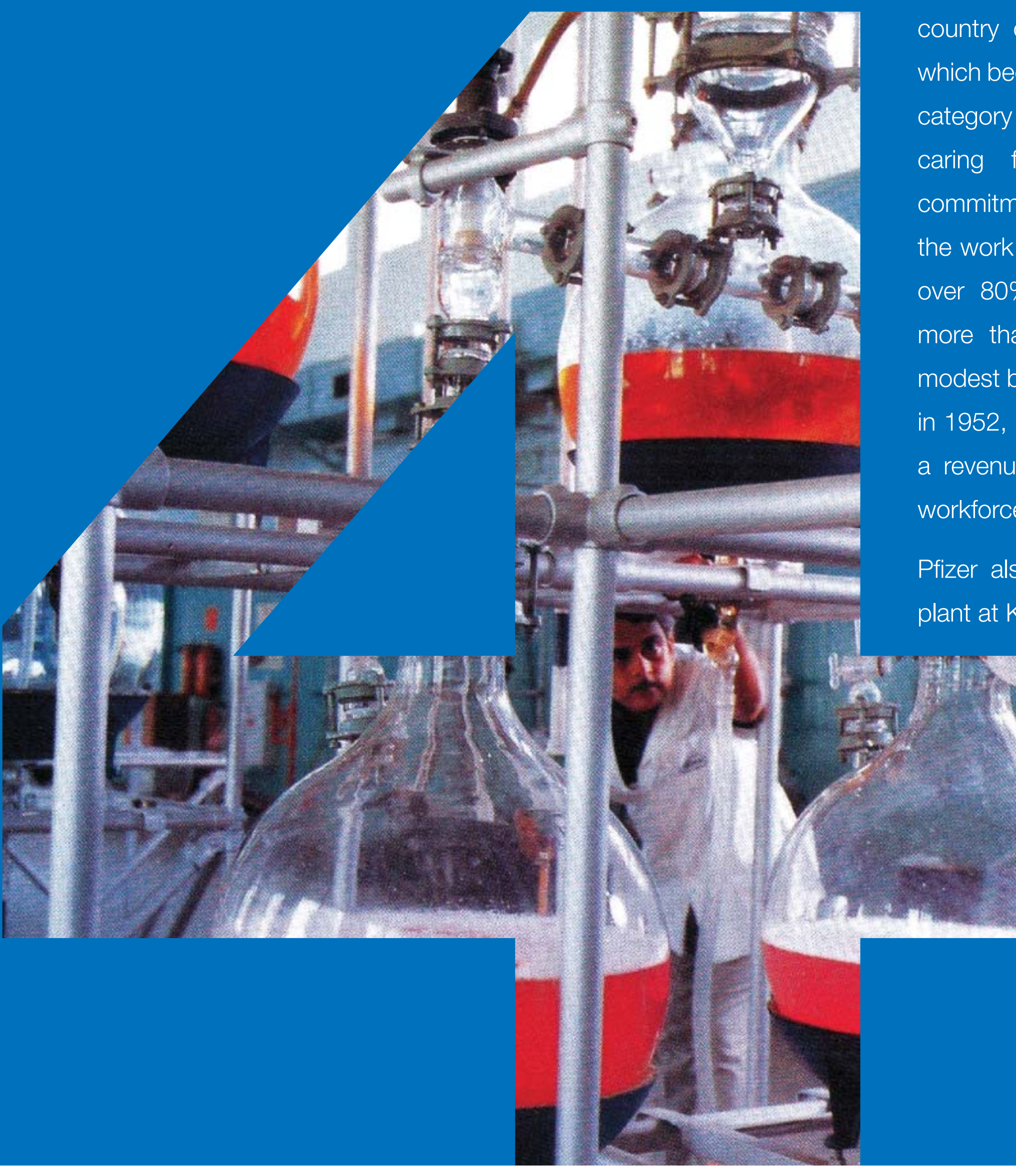
Exercising its Corporate Social Responsibility, the Company provided in the first instance, nutritional and animal health products, and worked with various institutions for relief activities during the severe 1973 drought in Maharashtra. The assistance also consisted of five relief ambulance vans and a fully equipped mobile diagnostic unit.

1980s

Rise in Market Equity and Revenue

The non-steroid anti-inflammatory market in the country changed with the launch of Dolonex which became and continues to be a leader in its category today. Pfizer also built a reputation for caring for its employees. Showing their commitment to Pfizer values and as a proof of the work culture and work satisfaction at Pfizer, over 80% of the employees had completed more than 20 years in the Company. From modest beginnings with net sales of Rs 12 lakhs in 1952, Pfizer marched ahead in the ‘80s with a revenue of Rs.8237 Lakhs in 1988 and a workforce of over 2000 employees.

Pfizer also commenced its new basics drugs plant at Kalyani in West Bengal.



1990s

Further Growth and Better Health

The 90s saw Pfizer scale up the ranks in the Industry. The Company ranked as the most respected pharmaceutical company in India. It was positioned 13th among pharmaceutical Companies in India, taking a giant leap from its previous 34th position.

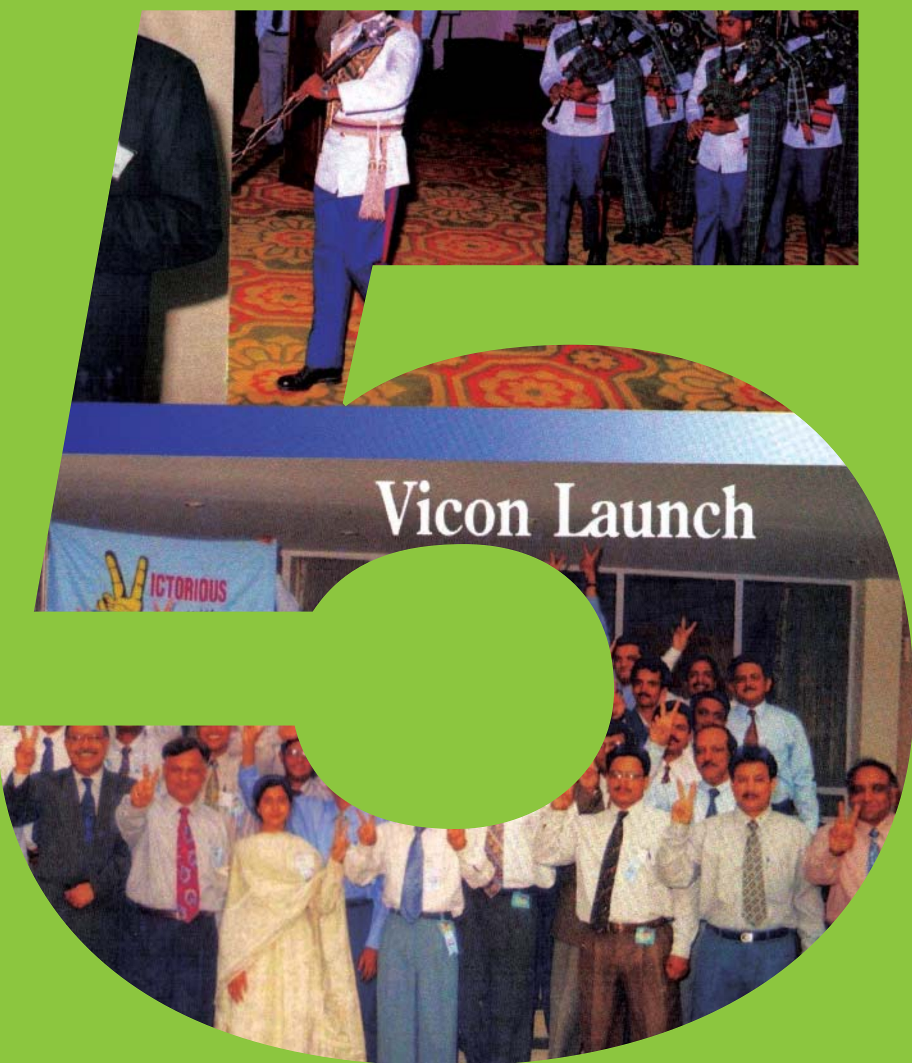
The decade also saw a launch of Minipress XL, setting an example and becoming the most successful in the antihypertensive category and eight brands of Pfizer feature in the top 250 pharmaceutical brands in the country. Amloguard was introduced in India and Becosules Z was launched making the brand equity of the Company stronger.

Clinical research activity started in India. Pfizer was the first pharmaceutical Company to do so in India.

Pfizer published the first ever Indian Manual of Rheumatology in partnership with the India Rheumatism Association.

Corporate Social Responsibility again took a front seat. The Company provided community service through an NGO that did humanitarian work in Orissa after the state was hit by a cyclone. It also contributed funds to the Gujarat earthquake victims.

To fortify its animal care division, Pfizer acquired the animal healthcare operations of SmithKline Beecham.



2000s

Accolades and Launches

The turn of the century had much to celebrate for Pfizer.

The legal merger between Pfizer and Parke-Davis and Pharmacia were completed.

The new century was also a time for public recognition of Pfizer. The Company was awarded Golden Peacock Innovative Service Award for its innovative initiative Prime MD Today (Daxid) and was ranked #1 among multinationals and #3 among all pharmaceuticals, in the Business World survey.

Becosules collects several awards - Reader's Digest Trusted Brand Asia – Gold Award 2007' in the vitamin and health supplement category and Frost & Sullivan Brand Strategy Leadership Award for Becosules in the Indian Dietary Supplement Market.

Pfizer embarked on a rural healthcare program called "Arpana Mother And Child Rural Healthcare" program in India. The program received the Community Engagement Award at the Asia Responsible Entrepreneurship Award 2010. Pfizer was rated as one of India's most socially responsive Companies and was awarded by FICCI-Socio Economic Development Foundation for Social Responsiveness.

Kewal Handa, then CFO received the 'India CFO 2004 –Excellence in Finance in an MNC' by International Market – Assessment Group. As Managing Director, he was awarded the Bharat Shiromani award for outstanding contribution to the pharmaceutical industry. He also received the Pharmaceutical Professional of the Year Award.

In addition to the launch of Viagra, the decade also witnessed the launch of patented product namely Champix, a revolutionary smoking cessation medicine. Your Company also made its entry into branded value offerings (BVOs) and has launched over seven products.

Pfizer launched India's first 'Speaking Book' in Hindi, English and Telugu. With simple illustrations, the speaking book explains how clinical trials are conducted, showcasing our commitment to high standards in clinical trials.

And the journey goes on to this day. With dreams taking another wing, with ambitions knowing no bounds, all with one idea in mind - To make the lives of people healthier.

Dear Members,

We are 60 years old and we are at your service!

60 years ago as your Company commenced its operations in India; it had one aspiration - creating a healthy India. A vision that has sustained it through six decades and has made it what we are today.

Like Incredible India, your Company is a diverse organization, which has through the sixty years, absorbed the best culture and values of the merged organizations. As we stand rooted in our legendary past, determined to take the leap into the future – our paths for success is carved out. I can proudly say that your Company has the best of the old and new that will help make this vision a reality.

We stand here and proudly so, because of the relentless hard work of Pfizer colleagues through the last six decades to overcome hurdles and inch slowly but steadily towards our goals. Today, I can confidently say that your Company is best positioned to offer the strength and depth of healthcare solutions that will help improve the quality of life for Indians across the country.

Your Company wants to be a partner in India's healthcare development and we truly believe that our commitment to research and development, education and outreach on chronic disease prevention and treatment, and patient assistance will lead to a healthier India.

We certainly face a huge challenge in addressing India's diverse healthcare needs. But, we strongly believe that by working together, and with our depth of resources, products and talent, we can meet that challenge and succeed.

We live in an age of where rapid changes are transforming India's healthcare arena and we are already at the next stage where the future takes shape for Pfizer India for the next decade.

Your Company has 60 glorious years of experience and success and I look forward to your support to continue this legacy of Pfizer shining bright for several generations to come.

Regards

Kewal Handa
Managing Director
Pfizer Limited

Contents

Ten Year Financial Summary

₹ in Lakhs

	Nov 2001	Nov 2002±	Nov 2003	Nov 2004§	Nov 2005	Nov 2006	Nov 2007	Nov 2008	Nov 2009^	Mar 2011 16 months
Sources of Funds										
Shareholders'Fund										
Share Capital	2344	2344	2880	2880	2984	2984	2984	2984	2984	2984
Share Capital Suspense A/c	-	536	-	104	-					
Reserves and Surplus	14645	27923	27960	31292	34672	37589	61880	86972	96449	113360
Total Shareholders' Funds	16989	30803	30840	34276	37656	40573	64864	89956	99433	116344
Borrowed Funds										
Secured Loans	-	-	-	-	-	-	-	-	-	-
Unsecured Loans	-	-	-	1200	-	-	-	-	-	-
Total	16989	30803	30840	35476	37656	40573	64864	89956	99433	116344
Application of Funds										
Net Fixed Assets	4210	5696	6110	7564	7770	6675	7040	8306	9329	8621
Investments	324	529	324	324	-	-	50	50	50	-
Deferred Tax Asst (Net)	503	790	989	636	903	1436	1298	2267	2750	3554
Current Assets, Loans and Advances;										
Inventories	5644	8484	8658	7389	8983	9845	9506	12468	11337	15932
Sundry Debtors	5421	12341	5883	7174	8282	6901	6137	5973	6439	9819
Cash and Bank Balances	5763	6840	8908	16110	20993	30651	47979	54306	52740	57701
Other Current Assets	-	-	45	137	214	903	817	1449	482	591
Loans & Advances	4289	7260	8330	6840	6693	6821	13537	24795	37209	42127
Total Currents Assets, Loans and Advances	21117	34925	31824	37650	45165	55121	77976	98991	108207	126170
Less: Current Liabilites and Provisions										
Current Liabilities	6312	11112	9619	11284	13404	14495	10628	12214	13289	15719
Provisions	2853	5244	4192	5421	6448	9498	11165	7444	7614	6282
Net Current Assets	11952	18569	18013	20945	25313	31128	56183	79333	87304	104169
Misc Expenditure (Deferred Revenue Expenditure)										
Voluntary Retirement Schemes	-	5219	5404	6007	3670	1334	293	-	-	-
Total	16989	30803	30840	35476	37656	40573	64864	89956	99433	116344
Income										
Gross Sales	36207	65127	55896	65966	69750	76586	77301	76482	81183	121501
Less : Excise Duty	3796	5719	3954	4884	5416	6039	6199	5409	3956	4545
Less : Sales Tax	2643	5165	4478	5304	4482	4312	3836	3302	-	-
Net Sales	29768	54243	47464	55778	59852	66235	67266	67771	77227	116956
Operating and Other Income	6147	6007	4051	3924	4103	5953	34270	9342	10074	17579
Total	35915	60250	51515	59702	63955	72188	101536	77113	87301	134535
Expenditure										
Material Cost	10736	21978	19737	22370	20007	22356	23148	23759	28771	39049
Personnel Cost	5580	8784	7942	8255	10014	10234	10170	10210	12920	22699
Manufacturing and Other Expenses	11154	17183	16409	18564	19273	19746	20510	20966	22689	36823
Interest Expense	26	76	39	81	15	7	2	-	-	-
Depreciation and amortization	717	1064	1083	1026	1385	1307	958	1112	828	1200
Total	28213	49085	45210	50296	50694	53650	54788	56047	65208	99771
Profit Before Taxation and Exceptional Items	7702	11165	6305	9406	13261	18538	46748	21066	22093	34764
Exceptional Items -Net	-	1518	(1673)	(1922)	(2337)	(2337)	(1735)	20790	(1092)	(302)
Profit Before Taxation	7702	12683	4632	7484	10924	16201	45013	41856	21001	34462
Taxation	2953	5089	1881	2932	4112	5628	11120	11944	7313	11828
Profit After Taxation	4749	7594	2751	4552	6812	10573	33893	29912	13688	22634
Tax Provision as a % of PBT	38.3	40.1	40.6	39.2	37.6	34.7	24.7	28.5	34.8	34.3
Net Profit as a % of Sales	13.1	11.7	4.9	6.9	9.8	13.8	50.3#	44.1**	17.7	19.4
Earnings Per Share (₹)	20.26	26.37	9.55	15.25	22.83	35.43	113.58	100.24	45.87	75.85
Equity Dividend Per Share (₹)	5.00	7.50	7.50	10.00	10.00	22.50	27.50	12.50	12.50	16.50
Total Dividend Amount (₹ in Lakhs)	1172	2160	2160	2984	2984	6714	8206	3730	3730	4924
Book Value per share (₹)	72.48	106.95	107.08	114.86	126.19	135.95	217.37	301.46	333.22	389.84

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

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

Includes profit on sale of Chandigarh property.

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

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

BOARD OF DIRECTORS (as on May 3, 2011)

R.A. Shah
Chairman

Kewal Handa
Managing Director

Pradip Shah
Director

Bomi M. Gagrat (Dr.)
Executive Director, Technical Operations

REGISTERED OFFICE:
Pfizer Limited
Pfizer Centre, Patel Estate,
Off S.V. Road, Jogeshwari (W),
Mumbai - 400 102.
Tel No.: 022 6693 2000 Fax.: 022 2678 4569
E-mail: contactus.india@pfizer.com

REGISTRARS & TRANSFER AGENTS:
Karvy Computershare Pvt. Ltd.
UNIT : Pfizer Limited
Plot No. 17-24, Vittalrao Nagar, Near Image Hospital,
Madhapur, Hyderabad - 500 081.
Tel No.: 040 4465 5000 Fax: 040 2342 0814
E-mail: einward.ris@karvy.com

SOLICITORS & ADVOCATES:
Crawford Bayley & Co.
AZB & Partners

BANKERS:
Deutsche Bank AG
HSBC Limited
Citibank N.A.
Standard Chartered Bank

EXECUTIVE COMMITTEE

Kewal Handa
Managing Director

Bomi M. Gagrat (Dr.)
Technical Operations

Hiroo Mirchandani (Ms.)
BU Head

Pradeep Patni
BU Head

Suresh Subramanian
BU Head

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

Partha Ghosh
Commercial

S. Sridhar
Finance

S. Venkatesh
Strategy & Business Development

Samir Kazi
Legal

Shiva Nair
Business Technology

Sunil Madhok
Business Operations

Uday Mohan*
Human Resources

Yash Goyal (Dr.)
Animal Health

Prajeet Nair
Company Secretary

Auditors
B S R & Co.

Cost Auditors
RA & Co.

* Upto 17/10/2010

Notice

Notice is hereby given that the 60th Annual General Meeting of the members of Pfizer Limited will be held at the **Yeshwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 on Tuesday, July 19, 2011, at 3.00 p.m**. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, Profit and Loss Account for the 16 months period December 1, 2009 to March 31, 2011 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend for the 16 months period ended March 31, 2011.
3. To appoint a Director in place of Mr. R.A. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Notes:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 12, 2011 to Tuesday, July 19, 2011 (both days inclusive) for the purpose of payment of final dividend.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The instrument appointing Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
3. The members/proxies are requested to bring their copy of the Annual Report to the Meeting along with duly-filled in Attendance Slips for attending the Meeting.
4. The members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
5. In compliance with new Clause 5A.II of the Listing Agreement, the Company will send three reminders to all shareholders whose shares remain unclaimed with the Company. In case no response is received to the said reminders as required under the said Clause, the Company shall transfer the same to an Unclaimed Suspense Account and dematerialize the same.
6. The Reserve Bank of India vide its Circular dated July 29, 2009 had instructed banks to move to the National-Electronic Clearing Services (N-ECS) platform. Members are requested to note that in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through N-ECS, they should submit their details to the Company's Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. by July 11, 2011. In order to avail the facility of N-ECS, Members holding shares in physical form are requested to furnish their Core Banking Account Number to the Company's Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. along with blank cancelled cheque by July 11, 2011. Members (Beneficiaries) holding scrip of the Company in dematerialized mode should intimate change in their bank details to their Depository Participant (DP) furnishing their details with the correct 9 digit MICR code of their bank along with blank cancelled cheque.
7. Members (Beneficiaries) holding shares in dematerialized mode are requested to note that the bank details furnished by them to their respective Depository Participants will be printed on their Dividend Warrants, if not opted for National-Electronic Clearing Service (N-ECS). This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.
8. In compliance with Sections 205A and 205C of the Companies Act, 1956, unclaimed dividend for the year ended 2003 has been transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. Members shall not be able to register their claim in respect of their unencashed dividend with regard to the said dividend. Unclaimed dividend for all the subsequent years will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company's Registrars and Transfer Agents, M/s. Karvy Computershare Pvt. Ltd. in respect of their outstanding dividends for the succeeding years.

9. Members may note that Securities and Exchange Board of India (SEBI) has vide its Circular dated January 7, 2010 made it mandatory to furnish a copy of PAN in the following cases:
   (i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
   (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
   (iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.

10. The Ministry of Corporate Affairs has announced a "Green Initiative in Corporate Governance" thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send notices for General Meetings/Annual Reports/Other Shareholder Communication through electronic mode to the e-mail addresses which are registered for the purpose from time to time.

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

By Order of the Board of Directors of Pfizer Limited

Mumbai, May 3, 2011

Prajeet Nair
Company Secretary

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

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

Mr. R.A. Shah was appointed as a Director liable to retire by rotation by the shareholders at the 57th Annual General Meeting held on April 15, 2008. Mr. R.A. Shah is liable to retire by rotation at the 60th Annual General Meeting and, being eligible, offers himself for re-appointment.

The information required to be furnished under Clause 49 of the Listing Agreement is given hereunder:

Mr. R.A. Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a firm of Advocates & Solicitors. He 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. R.A. Shah holds 3400 equity shares of ₹10/- each in the Company.

He is the Chairman/Director of the following other public limited companies and Chairman/Member of following other Board Committees as on March 31, 2011:

Name of the Company	**Designation**	**Chairmanship/Membership of Audit Committee of Board**
Godfrey Phillips India Ltd. (Phillip Morris affiliate)	Chairman	-
Clariant Chemicals (India) Ltd.	Chairman	Chairman
Procter & Gamble Hygiene and Healthcare Ltd.	Chairman	Chairman
Colgate Palmolive India Ltd.	Vice-Chairman	Chairman
Abbott India Ltd.	Director	Member
Asian Paints Ltd.	Director	-
ACC Limited	Director	-
The Bombay Dyeing & Mfg. Co. Ltd.	Director	Member
BASF India Ltd.	Director	Member
Century Enka Ltd.	Director	Member
Deepak Fertilizers & Petrochemicals Corpn. Ltd.	Director	-
Lupin Limited	Director	-
Wockhardt Ltd.	Director	Member
Piramal Healthcare Ltd.	Director	Chairman

DIRECTORS' REPORT including Management Discussion and Analysis Report

TO THE MEMBERS

Your Directors have pleasure in presenting this 60th Annual Report together with the Audited Accounts for the 16 months period ended March 31, 2011. The Report reviews the Company's operations covering Pharmaceutical and Animal Health Products. Members may please note that your Company has changed the Accounting Year of the Company from December 1 – November 30 to April 1 – March 31 with effect from December 1, 2009. The prior year's figures in the financial statements have been regrouped / re-arranged where necessary and are strictly not comparable with those of the current period which are for 16 months ended March 31, 2011.

DIVIDEND

During the period under review, your Directors had declared an interim dividend of ₹12.50 per share (125%) which was paid to the shareholders on January 31, 2011. Your Directors are pleased to recommend a final dividend of ₹4.00 per share (40%) for the period under review. Thus the total dividend payout for the 16 months period ended March 31, 2011 would be ₹16.50 per share (165%), aggregating to ₹4924 Lakhs and the tax on distributed profits payable by the Company would amount to ₹799 Lakhs.

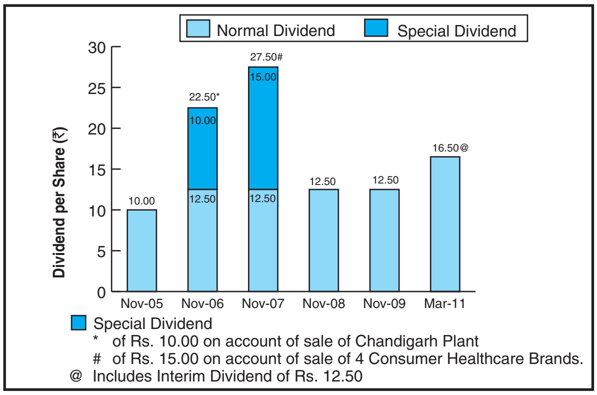
FINANCIAL RESULTS

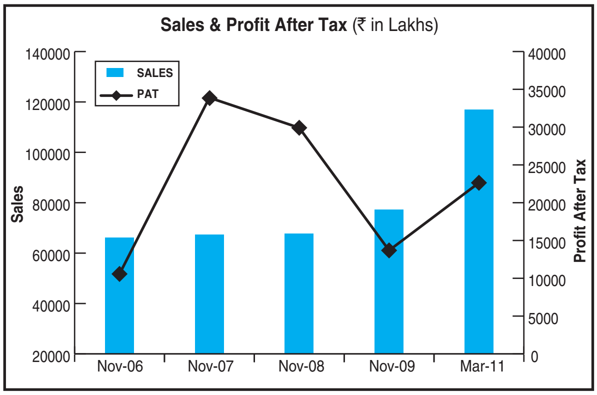
Your Company's sales (net of excise duty and sales tax) amounted to ₹116956 Lakhs for the 16 months period ended March 31, 2011. On a 12 months comparison, i.e., March 31, 2010 and March 31, 2011, the sales recorded a growth of 11.5%. Your Company achieved a Net Profit of ₹ 22634 Lakhs for the 16 months period ended March 31, 2011 showing an increase of 24% on an annualised basis.

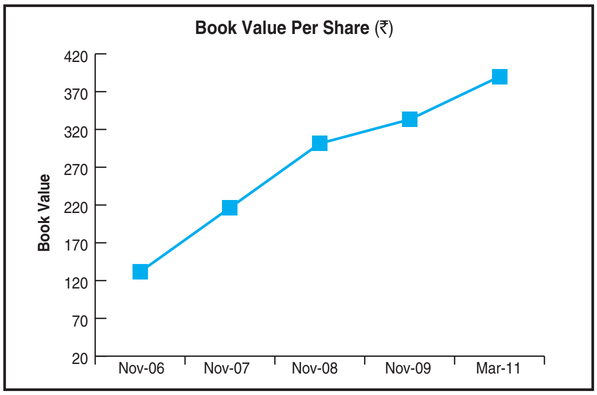
₹ in Lakhs

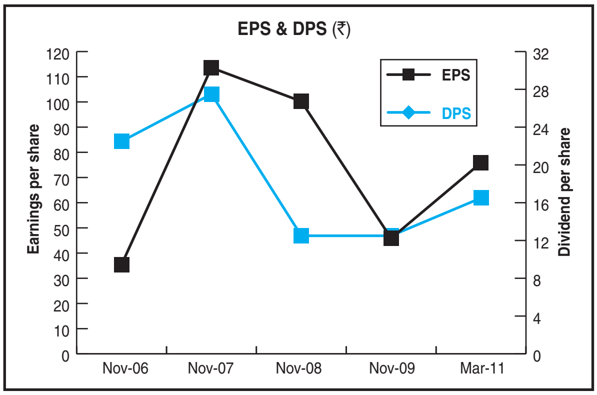
Particulars	16 Months Period Ended March 31, 2011	12 Months Ended November 30, 2009
Sales (Net of Excise Duty & Sales Tax)	116956	77227
Operating and other Income	17579	10074
Profit Before Tax and Exceptional Items	34764	22093
Exceptional Items (Expenses)/Income	(303)	(1092)
Profit Before Tax	34461	21001
Less: Taxation		
- Current Tax	12631	7705
- Fringe Benefit Tax	-	91
- Deferred Tax Credit	(804)	(483)
Profit After Tax	22634	13688
Balance of Profit from Prior Years	75329	67545
Adjustment on account of amalgamation of erstwhile Duchem Laboratories Limited	-	(171)
Surplus available for Appropriation	97963	81062
Appropriations:		
Transfer to General Reserve	2263	1369
Interim Dividend	3730	-
Final Dividend Proposed	1194	3730
Tax on Dividend (interim & final proposed dividend)	799	634
Balance carried to Balance Sheet	89977	75329

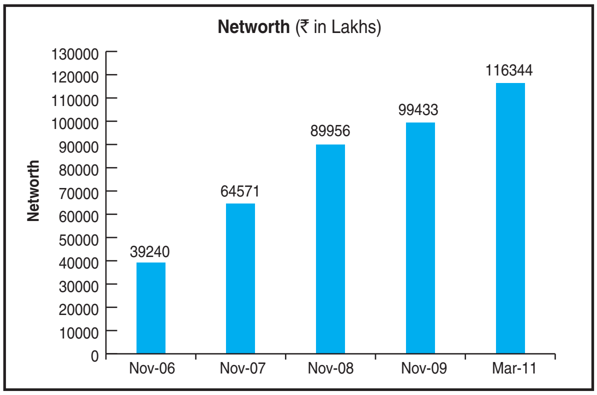
GRAPHS

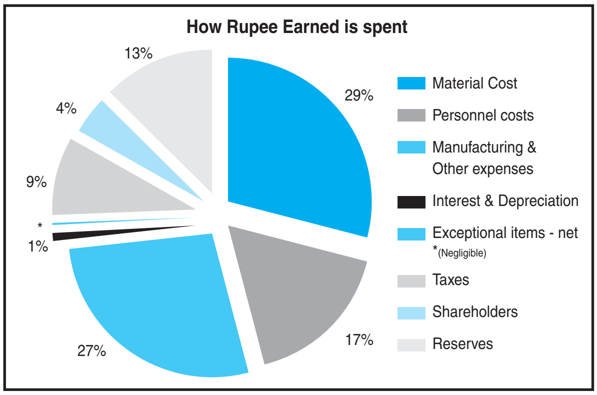

Normal Dividend
Special Dividend
Dividend per Share (₹)
30
25
20
15
10
5
0
10.00
22.50*
10.00
12.50
27.50#
15.00
12.50
12.50
12.50
16.50@
Nov-05
Nov-06
Nov-07
Nov-08
Nov-09
Mar-11
Special Dividend
* of Rs. 10.00 on account of sale of Chandigarh Plant
# of Rs. 15.00 on account of sale of 4 Consumer Healthcare Brands.
@ Includes Interim Dividend of Rs. 12.50


Sales & Profit After Tax (₹ in Lakhs)
SALES
PAT
Sales
140000
120000
100000
80000
60000
40000
20000
Profit After Tax
40000
35000
30000
25000
20000
15000
10000
5000
0
Nov-06
Nov-07
Nov-08
Nov-09
Mar-11


Book Value Per Share (₹)
Book Value
420
370
320
270
220
170
120
70
20
Nov-06
Nov-07
Nov-08
Nov-09
Mar-11


EPS & DPS (₹)
EPS
DPS
Earnings per share
120
110
100
90
80
70
60
50
40
30
20
10
0
Dividend per share
32
28
24
20
16
12
8
4
0
Nov-06
Nov-07
Nov-08
Nov-09
Mar-11


Networth (₹ in Lakhs)
Networth
130000
120000
110000
100000
90000
80000
70000
60000
50000
40000
30000
20000
10000
0
39240
64571
89956
99433
116344
Nov-06
Nov-07
Nov-08
Nov-09
Mar-11


How Rupee Earned is spent
13%
29%
4%
9%
*
1%
27%
17%
Material Cost
Personnel costs
Manufacturing & Other expenses
Interest & Depreciation
Exceptional items - net
*(Negligible)
Taxes
Shareholders
Reserves

OUTLOOK AND PHARMACEUTICAL INDUSTRY OVERVIEW

As per a McKinsey Report, the pharmaceuticals market in India looks poised to grow to USD 55 billion by 2020. At this projected scale, the market will be comparable to developed markets other than the US, Japan and China. Even more impressive will be its level of penetration. In terms of volume, India will be at the top, a close second only to the US market. The report also states that the BRIC countries (Brazil, Russia, India and China), will lead growth in the coming decade. Furthermore, India is expected to continue its high growth curve and rank among the top 11 global pharmaceutical markets by 2015.

Currently, the Indian pharmaceutical market ranks fourteenth globally in terms of value and third in volume. The Indian Pharmaceutical Market achieved 15.3% growth with volumes contributing 7.6%, new products contributing 6.5% and price 1.2% (IMS-SSA MAT Mar 2011).

India's healthcare sector, growing at 16% annually, is likely to touch USD 350 billion by 2023, an eight-fold increase from 2008, estimates consulting firm Technopak. According to Ernst & Young, healthcare spending could rise to contribute 6.1% of India's GDP in 2012 as against the current contribution of 4.8% and would employ around nine million people from four million today.

With the changing disease profile in India, the pattern of demand for medicines is also shifting. In 2001, anti-infective and gastrointestinal drugs and vitamins accounted for 50% of the domestic pharmaceutical market. In the next decade, they are expected to account for just 36%. Conversely, drugs for cardiovascular problems, disorders of the central nervous system and other chronic diseases will account for 64% of total phamaceutical market, up from 50% in 2001, states PricewaterhouseCoopers.

India thus has to address both old and new public health challenges. While India continues to deal with the problems of infectious diseases, India is also experiencing a rapid upsurge in chronic diseases such as diabetes and cardiovascular ailments due to lifestyle factors and in some cases genetic dispositions.

OPPORTUNITIES, THREATS, RISKS & CONCERNS

The Government has promised to increase spend on healthcare to 2% of GDP. Furthermore, it has committed to increasing public investment to control communicable diseases.

Over the years, India's healthcare sector has seen growth of corporate hospitals as well as the expansion of chemist outlets in small towns. The growth in purchasing power of Indian consumers is expected to contribute to 40% of the projected market growth. Improvements in medical infrastructure will account for 20% of growth. Greater health insurance penetration will add 15%, and Indian's changing epidemiological profile will account for 10% of growth. (Source: McKinsey)

The industry is taking steps to expand beyond metros and cities to smaller towns, but its efforts are constrained by inadequate investment in rural infrastructure and low insurance penetration.

Pharmaceuticals are one of the many components of healthcare delivery. However, poor investment in rural healthcare infrastructure and excessive scrutiny and price controls of the pharmaceutical industry are hampering the industry's growth potential and its capacity to reach to all people who need medicines.

The Pharmaceutical Industry continues to remain under price control. Almost 100% of the prescription medicines in India are already under some form of price control. The price regulation has not contributed to increased access. WHO estimates that almost 60% of India's population do not have access to essential medicines. Tighter controls on pricing envisioned in the proposed New Drug Policy threaten to further reduce margins and impact business.

REVIEW OF OPERATIONS – BUSINESS SEGMENT : PHARMACEUTICAL

Your Company continues to record faster growth than Industry and across various therapeutic segments especially vitamins and minerals, cardiac, and neuroscience and pain (Source: IMS)

As per IMS-SSA MAT Mar 2011, your Company has recorded the growth rate of 18.6% with the market share of 2.12%. As was the case last year, a significant proportion of the growth has come from increased volumes by revitalizing growth of core brands. Our current portfolio includes some of India's best known brands, with six of our key brands being in the list of top 100 brands in the industry. Becosules and Corex, your Company's premier brands continued to be ranked # 1 in their respective therapeutic segments. These brands have stood the test of time and even today are growing from strength to strength.

During the period under review, key brands of your Company like Becosules and Dolonex have significantly increased market share. Brands like Gelusil and Claribid which are key products in their segments have also over-performed their segment growth. Your Company's aggressive investment in geographic expansion, increased focus on key prescribers and emphasis on performance management has resulted in increased market share of these brands.

Your Company has launched seven products during the period under review. Above 5 (Anti-ulcerant) was launched in late 2009. Sharp segmentation and innovative messaging helped the brand achieve the status of best launch among anti-ulcerants in 2010. EquiO (Analgesic) was launched in the second half of 2010.

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

BRAND LEADERSHIP*

Products	Segment	Rank	% Mkt Share	% Growth	No. of Competitors
Becosules Group	Vitamin B-Complex + C and Zinc	1	49.7	22.1	86
Corex	Cough Preparations	1	14.7	8.4	928
Gelusil	Antacid	2	30.2	23.0	124
Dolonex Group	NSAIDs	4	3.7	17.9	1674
Claribid	Macrolides	6	3.3	27.0	350
Daxid	Antidepressant	6	2.3	8.2	379
EquiO	NSAIDs	7	2.8	-	163

* Source : IMS-SSA MAT MAR 2011

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

Your Company has launched three new brands under this BU during the period under review viz., BecoSpecial, My Pal - an emergency contraceptive tablet and one new variant of Gelusil called Xtra Cool. As per ORG-IMS MAT March 2011 the flagship brand Gelusil ranks # 2 in the antacid category with a market share of 32% and a year on year growth of 23%. Repositioning of Gelusil through new communication and launch of Xtra Cool variant targeted at Generation Next have been instrumental in Gelusil's excellent performance. Corex Dx cough suppressant, the second largest brand for this BU has registered a 32% growth as per ORG-IMS MAT March 2011.

BUSINESS SEGMENT:

ANIMAL HEALTH

India is the largest producer of milk, fourth largest producer of eggs and fifth largest broiler producer in the world. The Livestock sector has emerged as a major priority area for Government to achieve the goal of inclusive growth and providing sustenance livelihood to rural population. The Five Year Plan envisages an overall growth of 6-7% per annum for the sector. The Indian animal health market is growing at 5%. Dairy, Poultry and Companion animals are three major verticals comprising of more than 95% of the market.

Indian dairy sector is a unique universe comprising millions of backyard dairy farms co-existing with mechanized dairy farms which produce largest volume of milk from the largest bovine population in the world. India has a unique distinction of being the largest producer as well as one of the largest milk consumers. The domestic demand for milk is growing at about six million tons per year whereas annual incremental production over the last ten years has been about 3.5 million tons per year. This has resulted in introduction of National Dairy Plan by Government of India. We are sure that these government initiatives in Dairy sector will help in capacity building across the country which will lead to greater demand for dairy wellness products.

Poultry development is one of the most resilient sectors in the country, fast adapting itself to the changing biosecurity, health, and food safety needs. This sector has witnessed high level of forward and backward integration, leading to over all growth of poultry industry.

Increasing urbanization has propelled the growth of companion animal business and has emerged as one of the fastest growing business unit of your Company.

Your Company has continued its stellar performance of outpacing the market growth in 2010. This growth is driven by strategic framework with three major pillars of maximizing the base, initiative to fund future growth and innovative strategies to transform the business.

Our Dairy Business is well poised to take maximum advantage of growing dairy industry in India with a robust framework of proactive team, tailor made products and sound business practices. In terms of segments representation, we are one of the industry leaders with the product offering ranging from value for money products for the backyard dairy farming to premium products for the organized dairy farms.

Large segment of Indian poultry industry is in the organized sector with a couple of national players vertically integrated across value chain. Despite the challenges of high input cost and constant threat of avian influenza the Indian Poultry industry future looks promising as indicated by a high rate of growth in poultry meat consumption in India. Pfizer poultry team's conscious effort to focus on biosecurity has paid rich dividends and we plan to consolidate the same in future.

Companion Animal (CA) Business is growing at 20% per annum which is primarily driven by need for companionship, higher disposable income, increasing responsible pet ownership and media attention.

Pfizer CA team has consolidated its leadership position in the polyvalent bios segment and expanded to adjacent space of pet food. The CA business is focused on expanding the portfolio and increasing customer reach.

BUSINESS SEGMENT: SERVICES

CLINICAL OPERATIONS

The Clinical Operations group is responsible for all clinical trials conducted by the Company within the country. The Clinical Operations group comprises of four organizational segments viz., Study Management; India Regional Monitoring Group; Business Operations and Clinical Quality Services. About four-fifths of the clinical research portfolio relates to phase II and phase III studies executed for Pfizer Global Research and Development worldwide development teams while the rest are phase IIIb, phase IV comparative, observational studies and other studies to support local business. Your Company has contributed greatly to the development of clinical research in the country and holds a position of leadership in this area. Initiatives such as the establishment of preferred research centers, core research sites and earning trust initiative helped to establish training partnerships are key to Pfizer's commitment to develop research capacity and supporting scientific and medical professionalism.

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

Exemplary efforts of your Company for this cause include:

- Supporting the development of Indian research guidelines, including the revision of Schedule Y, which governs conduct of clinical trials, training of regulatory inspectors, capacity building of ethics committees and development of centers of excellence in research;
- Launching the "Preferred Research Center", a collaboration with seven major multi-speciality health centers in India; Core Research sites with two sites and
- Leading the creation of the "Academy for Clinical Excellence" – a training institute for clinical research professionals.

MEDICAL AFFAIRS & RESEARCH:

Medical Affairs and Research (MAR) Division consists of 18 Medical doctors that represent the medical conscience of your Company and they support scientific presentations to the medical community, investigator-initiated research, medical information, design of local clinical programs and scientific engagements with physicians to the product training of sales force and new product evaluations.

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

Notable contributions have been made by MAR Division in differentiation and positioning of Branded Value Offerings and medical development plans for in-line and line extensions.

The key initiatives of the MAR Division were focused around World Kidney Day in March, World Hypertension Day in May, World Heart Day in September and World Diabetes Day in November. Around these days, activities like patient awareness camps, Continous Medical Education (CME) programs and educational sessions were conducted in institutions and teaching hospitals. By associating with these events throughout the year, we emphasized on the management of hypertension and also on protecting the vital organs that may be affected by hypertension thus projecting our vision of working for a healthier world.

A Workshop on antibiotic selection based on case studies was appreciated well by doctors. The Medical Division also contributed to overall leadership development in physicians through Women's Leadership Forum and training on interactions with media.

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

HUMAN RESOURCES:

Your Company is involved in redesigning its HR structures and processes to make the HR function more agile and adaptable to deliver strategic HR solutions to the business. This process is slated to be completed by the end of 2011 and will increase the effectiveness of the workforce. This initiative involves the standardization, automation and consolidation of the foundational work, its business and will lower the cost of the HR function and delivery on its budgetary commitments.

Colleague Engagement

The Colleague Engagement survey is a global initiative and is in its fourth year. This year we have shown significant progress on various measures of engagement, inclusiveness, and culture and follow through. The results indicate that colleagues are more confident about Pfizer's future. Studies have shown a strong correlation between engagement and company performance. Team leaders review the results and act on the opportunities identified to improve engagement. Activities are planned and implemented by the Colleague Engagement Team to keep the enthusiasm and interest of colleagues going on a regular basis.

Diversity

In line with the global initiative, your Company's initiative on diversity, DIWA (Diversity and Inclusion through Women

Allies), continued its engagement of women colleagues by attraction, retention and development of talent. This initiative in the field helped in increasing the number of female colleagues from 44 to 154 in the past 2 years. Your Company also launched a study on 'Unconscious Bias'.

'Agranee' – Leadership without boundaries

2010 was named "Year of Engaging the Manager" to make the expectations of Pfizer managers more explicit and to recognize the Company's very best managers. During the year, your Company organized a People Managers' Forum called 'Agranee' across locations. The objective of this forum was to introduce the theme 'Year of Engaging the Manager' and the role of the manager and the core competency framework.

Performance Management System

The Global Performance Management (GPM) system is a tool for setting performance objectives for the year and for the year-end performance review process. It has been used as a strong lever to change the performance culture in the organization. A new simplified performance management process was launched on February 15, 2010. Key activities such as objective setting process, review mechanisms, rating distribution, coaching and counseling processes and the final appraisal rating and payout were revisited and reviewed extensively by HR and the leadership team.

Talent Planning Process

Your Company has put in place a comprehensive talent identification and retention program. Colleagues from the talent pool are involved in the high level projects identified by the organization. Through Individual Developmental Plans, specific and meaningful activities were identified to help colleagues perform more effectively and grow in their current role as well as begin to prepare for future career goals.

Your Company has been inducting Management Graduates, sourced from leading Indian business schools. These graduates were supported by a structured twelve month programme which includes assignments, exposure and mentoring through business critical projects and roles. They are given career development opportunities at a global level.

Reward and Recognition

Your Company has been conducting the "Reward and Recognition" program to recognize and reward teams who have successfully completed projects which are linked to predetermined organizational goals and have an impact on business performance. During the 'R & R Event' for the period under review, we felicitated 58 colleagues.

Field Force

Market expansion as a part of the 'Asia Strategy' is continuing. A new division 'Neuroscience' was launched wherein approximately 180 colleagues were added, both internally and from the industry. As a part of the Talent Management in the field, multiple opportunities were provided to colleagues at higher positions. The organization has also embarked upon its ambitious plans to enter the Diabetes therapy segment and hiring is in progress. Attrition is increasingly becoming a major bane of the pharmaceutical sales force. However, the organization was successful in containing the attrition rate at the same rate as the previous year. Currently, a study is also being conducted to reduce/contain the attrition rate.

Employee Relations

A healthy Employee Relations environment was maintained across the organization in line with the Company's business goals and mission.

Your Company's present employee strength is 3177.

MANUFACTURING OPERATIONS:

Pfizer's continued focus on Quality of its products makes it one of the most trusted companies. Quality is one of the nine core values of the Company and its products are subject to the most stringent processes and systems. Pfizer products impact and improve lives of millions of patients and their families across the country.

Pfizer not only implements constant upgrades and improvements on its existing products but also endeavors to bring newer drugs to the market to improve patient health and contribute to a better standard of living. With the new initiative of introducing various Branded Value Offerings (BVOs), your Company has aggressively launched many new products. There is a close collaboration with various stakeholders to ensure that the Company introduces new products that are relevant to our country.

The Company is sensitive to non-renewable resources and continues to work towards creating awareness for environment sustainability. There is a constant emphasis on conservation of resources across manufacturing sites and to reduce waste. The excellent Environment, Health and Safety standards of the Company have earned Pfizer India recognition in the form of ISO 140001:2004 and OHSAS 18001:2007. The ISO 14001 certification reiterates the Company's focus on Environment, Health and Safety.

At the core of our Manufacturing and Quality Operations are the people who give us the foundation of a caring and patient focused Company. Colleagues in the Company understand their responsibility and the impact they have on lives of patients. Training and skill enhancement forms the core of the Company's operations and with 'Continuous Improvement' being the guiding mantra, its people and teams create platforms for better and improved products across facilities.

Continuing its tradition of 'Continuous Improvement' in its operations, various teams in the PGS (Pfizer Global Supply) delivered value and manufacturing efficiencies year over year. Initiatives in 'Business Excellence' are now part of our manufacturing operations. Several Yellow Belts, Green Belts and Black Belt projects are underway and these initiatives are bearing fruit.

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

CORPORATE AFFAIRS:

Corporate Affairs (CAF) focused on shaping the regulatory and policy environment in India and fulfilling the Company's commitment as a responsible corporate citizen.

CAF has developed innovative pilot projects based on socially responsible and commercially viable models. The development of high profile tobacco cessation (TC) training workshops enabled Pfizer to bring multiple stakeholders together on a common platform to treat the high disease burden associated with tobacco use. The first phase enabled Pfizer to be the first MNC in India to be associated with the WHO and Ministry of Health to take the war on tobacco to the next level. The TC workshop generated substantive positive media coverage for the Company. CAF went on to conceptualize a series of best practice Tobacco Cessation Clinics (TCC) case studies that helped to strengthen the Company's linkages with doctors and position Pfizer as a thought leader in the field of tobacco control in India.

The Community Pharmacy in Orissa is another innovative project that will provide low cost medicines to the poor. The project involves partnering with Micro Insurance Academy and NGOs to set up a community pharmacy in Kalahandi district of Orissa to offer local communities good quality medicines that are not currently available in the local market at low cost through a community insurance scheme.

Building on last year's efforts, CAF continued to shape the policy environment in India on several levels. This ranged from engaging in a direct dialogue with the senior Government officials on Pricing and IPR issues, to participating in industry representations. Pfizer also shared its perspective on the IPR issues at several FICCI, ASSOCHAM and CII conferences.

CAF developed a policy paper on pricing issues facing our industry. The paper addresses several myths surrounding pricing issues using market data to demonstrate that the cost of medicines is not rising as dramatically as portrayed. The paper addresses a gamut of issues including the pricing of patented products, recent MNC acquisitions and sale of generics. The paper seeks to address the root of all problems which is the need to increase access to healthcare through public-private partnerships. The paper has been submitted to the Government by the OPPI as an industry wide response to address pricing issues.

CAF has continued to support the 'Arpana Mother and Child Project' with a three year grant to scale up the project from 61 to 100 villages in Karnal. This will enable Arpana to impart knowledge and skills to rural women on ways to improve health outcomes and livelihoods. The project recently won the Community Engagement Award by Malaysia-based Enterprise Asia for its outstanding achievements and contribution towards community development. It has been cited as a best practice case study in several CSR studies and reports produced by the Government and industry bodies.

The department assisted the Company uphold its values through consistent communication with internal and external stakeholders. The communication team handled charitable contributions, disease awareness campaigns in addition to product donations and participated in various initiatives to promote corporate governance, environment and social responsibility.

Pfizer was awarded the Most Admired Pharmaceutical Company of the Year by Pharma Leaders Magazine. Your Managing Director, Mr. Kewal Handa was recognized as Pharma Professional of the Year by Pharma Leaders Magazine. Your Company has also been recognized as "The Best Companies To Work For" by Business Today Magazine.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

An extensive program of Risk Assurance further supplements the Company's internal control systems. This is done by the Risk Assurance Department which is supported by independent firms of Chartered Accountants who review the effectiveness and efficiency of these systems and procedures. The management periodically reviews reports of internal auditors. All significant Internal Audit observations and follow-up actions thereon are brought to the notice of the Audit Committee of the Board and corrective steps recommended for implementation. The Audit Committee of the Board addresses significant issues raised by the Risk Assurance Department, Cost Auditors and Statutory Auditors.

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

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

DIRECTORS:

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

Mr. Richard Gane, who was appointed as a Non-Executive Director at the 57th Annual General Meeting of the Company, resigned from the Board with effect from January 11, 2011. Your Directors wish to place on record their appreciation for the valuable contribution made by Mr. Richard Gane.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the 16 months period ended March 31, 2011 and of the profit of the Company for that period.

iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. Your Directors have prepared the attached Statement of Accounts for the 16 months period ended March 31, 2011, on a 'going concern basis'.

CORPORATE GOVERNANCE:

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

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

OTHER INFORMATION:

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

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

AUDITORS:

M/s. B S R & Co., the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to continue to act as Auditors of the Company for the current year, if re-appointed.

COST AUDITORS:

Pursuant to the provisions of Section 233B of the Companies Act, 1956, necessary application is being submitted to the Department of Corporate Affairs for the appointment of M/s. RA & Co. as Cost Auditors to audit the cost accounts maintained by the Company in respect of Formulations for the year ending March 31, 2012.

ACKNOWLEDGEMENTS:

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

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

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

R.A. SHAH
Mumbai, May 3, 2011 ***Chairman***

ANNEXURE 'I' TO DIRECTORS' REPORT

CONSERVATION OF ENERGY:

(a) Energy Conservation continues to receive top priority in the Company. Energy audits are carried out, consumption monitored, maintenance systems improved and distribution losses are reduced.

Specific Energy Conservation Measures are:

(i) Installation of Heat Recovery System for Boiler.

(ii) Replacement of Furnace Oil by Bagasse Briquette as fuel for Boiler.

(b) Additional proposals or activities if any:

(i) Variable Frequency Drives for additional Equipment.

(ii) Installation of new Aeration System.

(iii) Revamping of Electrical Distribution System.

(c) Impact of measures taken:

Energy conservation measures stated above have resulted in gradual savings.

Total energy consumption and energy conservation per unit of production:

As per Form A of the Annexure hereunder:

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO CONSUMPTION OF ENERGY

A. POWER & FUEL CONSUMPTION:

Particulars		1.12.2009 to 31.03.2011	1.12.2008 to 30.11.2009
1) ELECTRICITY			
a) Purchased Unit	(Kwh)	6504835	5233867
b) Total Amount	(₹)	36362028	28686530
c) Rate/Unit	(₹)	5.59	5.48
2) OWN GENERATION:			
Through Diesel Generators	(Kwh)	11400	8280
Units/Litre of H.S.D.		1.45	1.12
Marginal cost/unit	(₹/Kwh)	26.68	34.47
(considering only H.S.D. price)			
3) BAGASSE:			
Quantity	(MT)	3453	3035
Total Amount	(₹)	16248350	12774970
Avg. Rate/MT	(₹)	4705.6	4209.5
4) FURNACE OIL:			
Quantity	(KL)	186.62	99.377
Total Amount	(₹)	6001218	2504800
Avg rate/KL	(₹)	32157.42	25200

Consumption per unit of production:	Standard
Electricity (Units) Furnace Oil (Litres)	There is no specific standard as the consumption per unit depends on the product mix of basic drugs (from chemicals and biochemical processes) and formulations (capsules, tablets, ointments, liquids and injectibles).

I. ENERGY CONSERVATION MEASURES TAKEN

1. Modifications in Bagasse Furnace to achieve reduction in fuel consumption.
2. Recycling of drained water from Purified Water Plant.

II. ADDITIONAL PROPOSALS BEING IMPLEMENTED FOR REDUCTION OF ENERGY CONSUMPTION

1. Optimization of HVAC system operating pattern.
2. Use of Processed Natural Gas as an alternate fuel in place of Furnace Oil.

Impact of measures taken

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

B. TECHNOLOGY ABSORPTION:

FORM B

DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION:

Research and Development (R&D):

1. Specific areas in which R&D is carried out by the Company.

   R&D is carried out in Pharmaceutical, Clinical and Formulation Development areas.

2. Benefits derived as a result of the above R&D:

   (a) Product improvements, process development, import substitution, standardization of quality control of formulations.

   (b) New application for drugs researched abroad, better dosage recommendations and improvements.

3. Future plan of action:

   (a) Import substitution and resolving process problems encountered in formulation manufacturing for quality and productivity.

   (b) Optimization of process parameters with emphasis on cost control and rationalisation.

   (c) Studying feasibility of using new manufacturing technology in existing dosage forms.

   (d) Development of new dosage formulations, pharmaceutical and animal health.

4. Expenditure on R&D

		₹ In Lakhs
(i)	Capital	28.63
(ii)	Recurring	1038.09
(iii)	Total	1066.72
(iv)	Total R&D expenditure as percentage of total turnover	0.91%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief made towards technology absorption, adaptation and innovation:

   (a) The Company is allowed to use the patents and technical know-how of Pfizer Inc. U.S.A. Continuous adaptive research and development of products and processes with the objective of import substitution and cost containment in an inflationary environment is carried out.

   (b) Clinical research to introduce new products researched abroad and to discover their new applications, better dosage recommendations and improvements under Indian conditions is carried out.

   (c) Development of ancillary technology for packaging materials and machinery is undertaken.

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

   Product improvement, cost reduction, import substitution, standardized analytical methods which are reflected in the productivity of resources and better quality and stability of products.

3. Technology imported during the last 5 years reckoned from the beginning of the financial year is given below:

Technology Imported	Year of Import	Has technology been fully absorbed
Manufacture of formulation -BronCorex	2004-2005	Being absorbed

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

1. Activities relating to exports: Initiatives taken to increase exports; development of new export markets for products and services and export plans.

   The Company is at present exporting bulk drugs to Ireland. The Company is continuously exploring possibilities of exporting more of its products to different markets.

2. During the period under review:

   (a) The foreign exchange earnings by the Company was ₹3811.03 Lakhs.

   (b) The foreign exchange expenditure (which includes import of raw materials, spares and remittance of dividends etc.) was ₹14751.98 Lakhs.

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

R. A. SHAH
Chairman

Mumbai, May 3, 2011

Report on Corporate Governance

I. PFIZER'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

INTEGRITY

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

RESPECT FOR PEOPLE

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

CUSTOMER FOCUS

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

COMMUNITY

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

INNOVATION

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

COLLABORATION

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

PERFORMANCE

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

LEADERSHIP

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

QUALITY

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

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

II. BOARD OF DIRECTORS

(a) Composition of the Board of Directors

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Dirctors ("the Board"). The Board at Pfizer represents an optimum mix of professionalism, knowledge and experience. The Board comprises of 2 Non-Executive Directors out of the total strength of 4 Directors as on date. Mr. R.A. Shah and Mr. Pradip Shah, Non-Executive Directors are Independent Directors. The Chairman of the Board is a Non-Executive Independent Director. None of the Directors are related to each other. The table set below will explain the details:

Name	Category of Directorship*	No. of other Directorships held as on 31/3/2011	No. of other Committees of which Member as on 31/3/2011	No. of other Committees of which Chairman as on 31/3/2011
Mr. R.A. Shah (Chairman)	NED (I)	14	5	4
Mr. Kewal Handa (Managing Director)	WTD	2	3	Nil
Dr. Bomi M. Gagrat	WTD	Nil	Nil	Nil
Mr. Pradip Shah	NED (I)	14	4	2
Mr. Richard Gane (resigned w.e.f. 11/1/2011)	NED	N.A.	N.A.	N.A.

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

Notes:

(1) Number of directorships/memberships held in other companies excludes directorships/memberships in private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956, membership of managing committees of various chambers/bodies and alternate directorships.

(2) The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors is a Member of more than 10 committees and Chairman of more than 5 committees across all Indian public limited companies in which he is a Director. Number of chairmanships/ memberships of committees includes chairmanship/memberships of audit committee and shareholders'/ investors' grievance committee.

(b) Board Meetings

The Board meets at least once every quarter to review the quarterly results and other items of the Agenda and, if necessary additional meetings are held. The Board meets at least 4 times in a year and the gap between two Board Meetings does not exceed four months. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in Annexure-1A of Clause 49 of the Listing Agreement. The Chairman of the Board, the Managing Director and the Company Secretary discuss the items to be included in the Agenda and the Agenda is sent in advance to the Directors along with the draft of the relevant documents and explanatory notes wherever required to enable the Board to discharge its responsibilities effectively and take informed decisions. Seven Board Meetings were held during the 16 months period December 1, 2009 to March 31, 2011 ("period under review"). These were held on December 22, 2009, February 25, 2010, March 19, 2010, March 26, 2010, July 12, 2010, October 6, 2010 and January 11, 2011. The following table gives attendance of the Directors of the Company in the Board Meetings:

Name	Number of Board Meetings held	Number of Board Meetings attended	Whether Last Annual General Meeting attended
Mr. R.A. Shah	7	7	Yes
Mr. Kewal Handa	7	7	Yes
Mr. Pradip Shah	7	7	Yes
Dr. Bomi M. Gagrat	7	7	Yes
Mr. Richard Gane	7	Nil*	No

* Leave of absence was granted to Mr. Richard Gane.

The attendance of the Resident Directors at the Board Meetings was 100%.

III. BOARD COMMITTEES

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

AUDIT COMMITTEE

The Audit Committee comprises of Mr. R.A. Shah as Chairman, Mr. Pradip Shah and Dr. Bomi M. Gagrat.

Mr. R.A. Shah is a Solicitor by profession. Mr. Pradip Shah is a Chartered Accountant by profession. Dr. Bomi M. Gagrat is the head of the Technical Operations of the Company. All the members of the Committee are professionals and are also financially literate within the meaning of Sub-clause (ii) Explanation 1 of Clause 49 II (A) of the Listing Agreement.

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

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

1. Oversight of the Company's financial reporting process and the disclosure of financial information;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act,1956;
   - (b) Changes, if any, in accounting policies and practices and reasons for the same;
   - (c) Major accounting entries involving estimates based on the exercise of judgement by management;
   - (d) Significant adjustments made in the financial statements arising out of audit findings;
   - (e) Compliance with listing and other legal requirements relating to financial statements;
   - (f) Disclosure of any related party transactions;
   - (g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up thereon;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
12. To review the functioning of the Whistle Blower mechanism of the Company;
13. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc.

14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also reviews the following information:

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

Seven Audit Committee Meetings were held during the period under review and the gap between two Meetings did not exceed four months. These were held on December 22, 2009, February 25, 2010, March 19, 2010, March 26, 2010, July 12, 2010, October 6, 2010 and January 11, 2011. The following table gives attendance of the Members in the Audit Committee Meetings:

Name	Number of Meetings held	Number of Meetings attended
Mr. R.A. Shah	7	7
Mr. Pradip Shah	7	7
Dr. Bomi M. Gagrat	7	7

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present at the 59th Annual General Meeting held on April 26, 2010.

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

SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee comprises of Mr. Pradip Shah, Independent Director as its Chairman and Mr. Kewal Handa, Managing Director.

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

Two Shareholders' Grievance Committee Meetings were held during the period under review. They were held on October 6, 2010 and January 11, 2011.

The details of complaints received, cleared/pending during the period under review are given below:

Nature of Complaints	Number of Complaints as on 1/12/2009	Received during the 16 months period ended 31/3/2011	Cleared/ attended during 16 months period 31/3/2011	Pending as on 31/3/2011
Non-receipt of dividend	Nil	38	38	Nil
Non-receipt of share certificates after transfer/consolidation/transmission/ exchange/split/merger	Nil	16	16	Nil
Non-receipt of Annual Report	Nil	10	10	Nil
Letters from SEBI/Stock Exchanges and Department of Corporate Affairs	Nil	13	13	Nil
Total	**Nil**	**77**	**77**	**Nil**

During the period under review, 77 complaints were received and all of them have been redressed/answered to the satisfaction of the shareholders. No investor grievance remained unattended/pending for more than 30 days and no request for share transfers and dematerialization received for the period under review was pending for more than 30 days and 15 days respectively.

REMUNERATION TO DIRECTORS

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

Remuneration to Directors: Salary, Benefits, Perquisites, Sitting Fees and Commissions:

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

(a) Executive Directors

₹ in lakhs

Name	Remuneration			
	Salary	Benefits and Perquisites	Performance Linked Incentives	Total
Mr. Kewal Handa	230.87	90.47	92.00	413.34
Dr. Bomi M. Gagrat	83.27	27.61	15.28	126.16
Total	**314.14**	**118.08**	**107.28**	**539.50**

Notes:

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

The appointment of the Managing Director and Whole-time Director 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. A separate Service Contract is not entered into by the Company with the Managing Director and with those elevated to the Board from the management cadre, who already have a prior Service Contract with the Company.

In terms of the Articles of Association of the Company, resignation of a Director becomes effective upon its acceptance by the Board. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Managing Director and Whole-time Director.

(2) **Employee Stock Option Scheme**

The Company does not have any Employee Stock Option Scheme. Mr. Kewal Handa and Dr. Bomi M. Gagrat are eligible for stock options granted by the Parent Company.

(3) **Performance Linked Incentive criteria**

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

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

(b) Non-Executive Directors

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

₹ in lakhs

Name	Sitting Fees	Commission	Total	Number of shares held
Mr. R.A. Shah	1.40	9.50	10.90	3400
Mr. Pradip Shah	1.60	9.50	11.10	Nil
Mr. Richard Gane	-	N.A.	-	Nil
Total	**3.00**	**19.00**	**22.00**	

Notes:

(1) The Commission payable to Resident Indian Non-Executive Directors is decided by the Board of Directors of the Company within the limits stipulated by the Special Resolution passed at the 58th Annual General Meeting held on 15th April, 2009. The payment of remuneration to Non-Executive Directors is made on an ad-hoc basis. The amount of Commission payable to each of the Resident Indian Non-Executive Director is decided by the Board on the following basis:

- The role and responsibility as Chairman/Member of the Board;
- The role and responsibility as Chairman/Member of the Committee(s);
- The number of various Board and Committee Meetings attended.

(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 Ltd. 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 ₹50.08 Lakhs that was paid to them during the period 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 Clause 49 (V) of the Listing Agreement, the CEO and CFO Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting is annexed to this Report.

V. GENERAL BODY MEETINGS

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

AGM	Financial Year	Date and Time	Venue of the AGM
59^{th}	2008-2009	April 26, 2010 at 3.00 p.m.	Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.
58^{th}	2007-2008	April 15, 2009 at 3.00 p.m.	
57^{th}	2006-2007	April 15, 2008 at 3.00 p.m.	

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

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

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

(c) Passing of Special Resolutions by Postal Ballot

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

VI. 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 interest of the Company at large.

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

Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 14 of Schedule 19 to the financial statements in the Annual Report and they are not in conflict with the interest of the Company at large.

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

(b) Compliances by the Company

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

(c) Code of Conduct

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

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

(d) Whistle Blower Policy

The Company has already put in place a mechanism for employees to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the higher levels of supervisors.

(e) Risk Management framework

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

(f) Management Discussion and Analysis Report

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

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

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 also displayed on the website of the Company 'www.pfizerindia.com' shortly after its submission to the Stock Exchanges. The official news releases are also displayed on the website of the Company.

Presentation to Institutional Investors/Analysts

Five tele-conferences were held with Institutional Investors/Analysts on February 26, 2010, April 1, 2010, July 15, 2010, October 7, 2010 and January 12, 2011. The transcript of the same were put on the Company's website 'www.pfizerindia.com'.

VIII. GENERAL SHAREHOLDER INFORMATION

Date, time and venue of the Annual General Meeting

Date	:	July 19, 2011
Time	:	3.00 p.m.
Venue	:	Y.B. Chavan Auditorium General Jagannath Bhosale Marg, Near Sachivalaya Gymkhana, Nariman Point, Mumbai – 400 021.

Date of Book Closure

July 12, 2011 to July 19, 2011 (both days inclusive).

Dividend Payment Date

Interim Dividend

The Board of Directors of the Company at their meeting held on January 11, 2011 declared an interim dividend of ₹12.50 (125%) per Equity Share of ₹10 each for the 16 months period ended March 31, 2011. The Board had fixed January 21, 2011 as the 'Record Date' for the purpose of determining the eligibility of payment of the interim dividend to the shareholders. The interim dividend was paid/credited on January 31, 2011 to the account mandated by shareholders.

Final Dividend

The Board of Directors at their meeting held on May 3, 2011 have recommended a final dividend of ₹4.00 (40%) per Equity Share of ₹10 each for the period under review.

The final dividend as recommended by the Board of Directors, if declared, at the ensuing Annual General Meeting, shall be deposited in a separate bank account within 5 days of its declaration and shall be paid/credited on August 2, 2011 to the account mandated by the shareholders.

Final dividend will be paid to those members whose names appear in the Register of Members of the Company on July 19, 2011 after giving effect to all valid share transfers in physical form lodged with the Company on or before July 11, 2011. In respect of shares held in dematerialized mode, the final dividend will be payable to those beneficial owners as on the close of business hours on July 11, 2011, as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

Listing on Stock Exchanges

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

Stock Code

Bombay Stock Exchange Ltd. - 500680

The National Stock Exchange of India Ltd. - PFIZER EQ

Financial Year

The Company has changed its financial year from November year end to March year end. The financial year of the Company under review is for 16 months period from December 1, 2009 to March 31, 2011.

The subsequent financial years of the Company would be for the period April 01 to March 31.

Financial Calendar (tentative)

First Quarter Results	:	Last week of July, 2011
Second Quarter	:	Last week of October, 2011
Third Quarter Results	:	Last week of January, 2012
Fourth Quarter and Annual Results	:	Last week of May, 2012

Address for Correspondence

All Shareholders' correspondence should be sent to Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agents of the Company or to Secretarial Department of the Company at the following addresses:

Registrar and Transfer Agents Address:

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

Registered Office Address:

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

Share Transfer System

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

International Securities Identification Number (ISIN)

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

Corporate Identity Number (CIN)

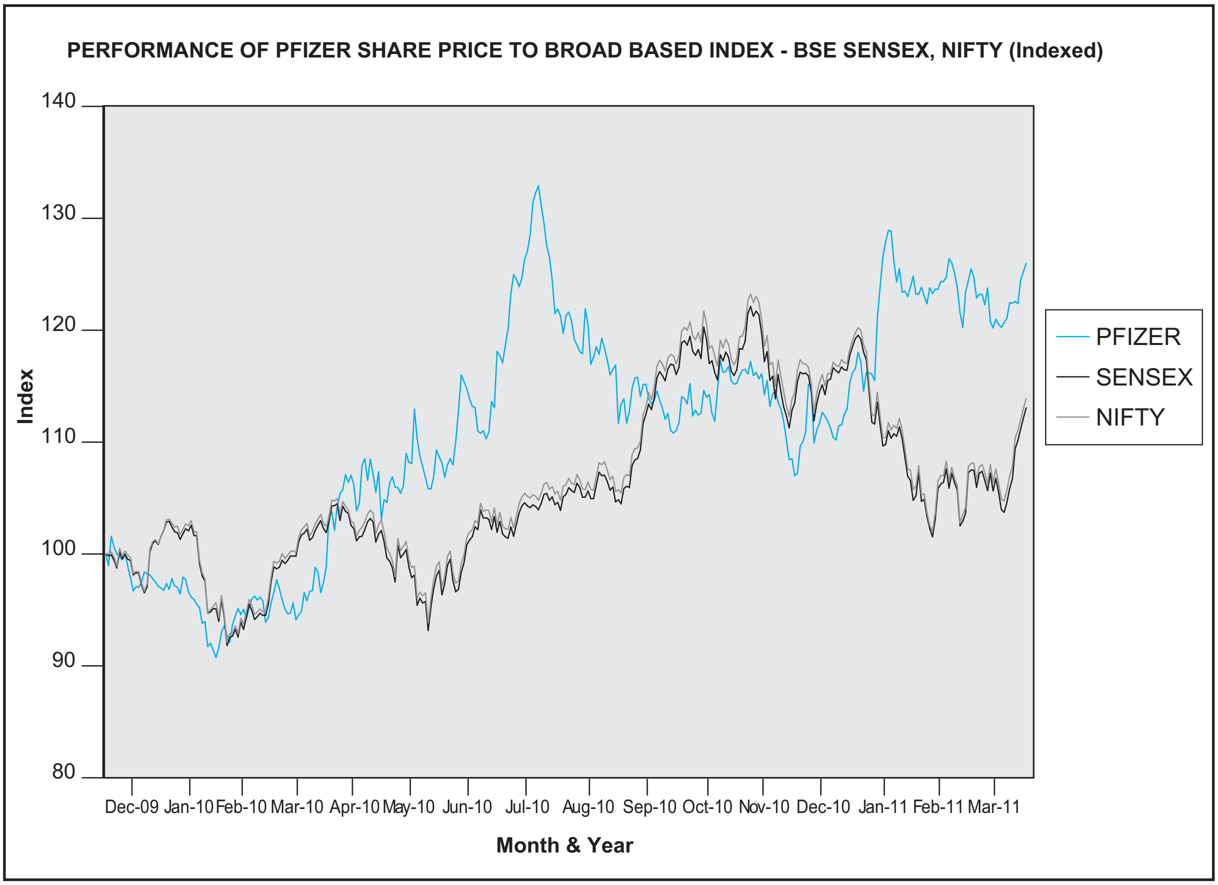
The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India, is **L24231MH1950PLC008311.** The Company is registered at Mumbai in the State of Maharashtra, India.

MARKET PRICE DATA*

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

Month	Bombay Stock Exchange Ltd.		The National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Dec 2009	1013.00	926.00	1015.00	930.00
Jan 2010	991.25	862.40	1072.90	**770.00**
Feb 2010	955.00	**856.00**	957.00	874.55
Mar 2010	978.00	894.00	975.40	910.10
Apr 2010	1085.00	957.00	1084.80	984.00
May 2010	1125.00	1000.00	1124.00	1007.00
Jun 2010	1199.85	1036.05	1199.00	1016.30
July 2010	**1310.00**	1126.00	1300.00	1125.00
Aug 2010	1215.00	1060.00	1210.00	1026.30
Sep 2010	1155.00	1071.00	1148.00	1050.65
Oct 2010	1198.50	1056.00	1179.00	1059.90
Nov 2010	1155.00	1032.00	1149.70	1032.00
Dec 2010	1142.85	1030.00	1145.00	1020.20
Jan 2011	1265.00	1102.00	1263.00	1100.10
Feb 2011	1245.00	1156.00	**1365.00**	1149.30
Mar 2011	1230.00	1150.05	1228.00	1145.10

* Source: BSE and NSE Website.



DISTTRIBUTION OF SHAREHOLDING

(a) Shareholding Pattern as on March 31, 2011:

Category of Shareholder	Number of Shares	Percentage of Shareholding
Promoters		
Pfizer Corporation, Panama	9376100	31.42
Pfizer Investments Netherlands B.V.	8810234	29.52
Warner-Lambert Company, LLC, USA	1187163	3.98
Parke, Davis & Company, LLC, USA	955733	3.20
Pharmacia Corporation, USA	783941	2.63
Sub-Total	**21113171**	**70.75**
Non-Promoters		
Banks	10491	0.04
Financial Institutions	306401	1.02
Foreign Institutional Investors	670147	2.25
Mutual Funds	1580307	5.30
Domestic Companies	577976	1.94
Non-Domestic Companies	300	0.00
Non-Residents	148312	0.50
Others (Resident Individuals)	5434335	18.20
Sub-Total	**8728269**	**29.25**
Total	**29841440**	**100.00**

(b) Class-wise Distribution of Equity Shares as on March 31, 2011:

Number of Equity Shareholding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 50	39179	62.34	876549	2.94
51 – 100	10897	17.34	881508	2.95
101 – 500	11341	18.04	2309432	7.74
501 – 1000	917	1.46	652528	2.19
1001 – 5000	430	0.68	797635	2.67
5001 – 10000	33	0.05	250133	0.84
10001 & Above	56	0.09	24073655	80.67
Total	**62853**	**100.00**	**29841440**	**100.00**

Dematerialization of Shares and Liquidity

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

As on March 31, 2011, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage to Total Capital Issued	Numbers of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	16426345	55.04	37032	58.92
Held in dematerialized mode in CDSL	572120	1.92	7122	11.33
Physical mode	12842975	43.04	18699	29.75
Total	**29841440**	**100.00**	**62853**	**100.00**

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

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

Plant Location

Pfizer Ltd.
Thane-Belapur Road
KU Bazar Post
Navi Mumbai - 400 705
Tel No.: 022 6791 6161 Fax: 022 6791 6160

IX. NON-MANDATORY REQUIREMENTS

Shareholders' Rights

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

On behalf of the Board of Directors of Pfizer Limited

R.A. Shah
Chairman

Mumbai, May 3, 2011

Auditors' certificate on Corporate Governance

To the Members of Pfizer Limited

We have examined the compliance of conditions of Corporate Governance by Pfizer Limited ("the Company") for the period ended 31 March 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

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

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

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

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

Sanjay Aggarwal
Partner
Membership No. 40780

Mumbai, 3 May 2011

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

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

a. We have reviewed the financial statements and the cash flow statement for the 16 months period December 1, 2009 to March 31, 2011 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company for the 16 months period December 1, 2009 to March 31, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee that there are no

   (i) significant changes in internal control over financial reporting for the 16 months period December 1, 2009 to March 31, 2011;

   (ii) significant changes in accounting policies for the 16 months period December 1, 2009 to March 31, 2011 and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Pfizer Limited

Kewal Handa
Managing Director
(Chief Executive Officer)

S. Sridhar
Finance Director
(Chief Financial Officer)

Mumbai, May 3, 2011

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

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the 16 months period December 1, 2009 to March 31, 2011.

For PFIZER LIMITED

Kewal Handa
Managing Director

Mumbai, May 3, 2011

Auditors' Report

To the Members of Pfizer Limited

We have audited the attached balance sheet of Pfizer Limited ('the Company') as at 31 March 2011 and also the related profit and loss account and cash flow statement of the Company for the sixteen months period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;

d) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;

e) on the basis of written representations received from directors of the Company as at 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and

f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2011;

   ii) in the case of the profit and loss account, of the profit of the Company for the sixteen months period ended on that date; and

   iii) in the case of the cash flow statement, of the cash flows of the Company for the sixteen months period ended on that date.

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

Sanjay Aggarwal
Partner
Membership No: 40780

Mumbai, 3 May 2011

Annexure to the Auditors' Report 31 March 2011
(Referred to in our audit report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were physically verified by the management during the period. No material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the period were not substantial and therefore do not affect the going concern assumption.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. All stocks lying with third parties at the period-end have been confirmed.

(b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.

(iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases and sales of certain items of inventories are for the Company's and buyers' specialised requirements respectively and similarly certain services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.

(v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register required to be maintained under Section 301 of the Act.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Investor Education and Protection fund, Income tax, Sales tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance.

There were no dues on account of Cess under Section 441A of the Act since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Investor Education and Protection fund, Income tax, Sales tax, Service tax, Wealth tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable.

Annexure to the Auditors' Report 31 March 2011 (Continued)

(b) According to the information and explanations given to us, the dues set out in Appendix 1 in respect of Income-tax, Sales tax, Service tax, Customs duty and Excise duty have not been deposited by the Company with the appropriate authorities on account of disputes.

(x) The Company does not have any accumulated losses as at 31 March 2011 and has not incurred cash losses in the current financial period and in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institution, banks, or debentureholders during the period.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the period.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the period

(xx) The Company has not raised any money by public issues during the period.

(xxi) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.

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

Sanjay Aggarwal
Partner
Membership No: 40780

Mumbai, 3 May 2011

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

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amounts paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty and penalty on classification/ valuation and other disputes	68.54 76.09 22.32 22.32 40.49 14.49 75.00 36.83 90.97 3.17 6.06	- - - - 1.00 - - - - - -	1996-2003 1998-2000 1998-2003 1998-2003 1998-2001 1999-2000 1999-2003 2001-2003 2002-2003 2005-2006 1990-1992	Customs, Excise, Service tax Appellate Tribunal
The Central Excise Act, 1944	Duty and penalty	14.55	-	1998	Supreme Court
The Central Excise Act, 1944	Duty and penalty	12.62 484.40 142.42	- - -	1985-1988 2005-2006 2005-2006	Customs, Excise, Service tax Appellate Tribunal
The Central Excise Act, 1944	Duty and penalty	3.66 8.70	- -	2005-06 2005-2007	Commissioner of Appeals
Customs Act, 1962	Duty and penalty on imports and other disputes	41.92	5.00	1996-1997	Supreme Court
Customs Act, 1962	Duty and penalty on imports and other disputes	1.06 0.96 10.19 8.16 0.56	- - - - -	1995 1991 2001 2001 2001	Commissioner of Customs (Appeals)
The Central Excise Act, 1944 (Service tax)	Duty and penalty	193.11	-	1997-2001	Bombay High Court
The Income Tax Act, 1961	Tax and penalty on expenditure disallowed	3.28 50.41 36.28 1,045.61 4,424.81 480.75 569.92 564.70 8,266.74 824.65 725.11 729.60	- - - - - - - - - - - -	1994-1995 1999-2000 2002-2003 2003-2004 2005-2006 2007-2008 2004-2005 2005-2006 2006-2007 2006-2007 2008-2009 2009-2010	Income Tax Appelate Tribunal Commissioner of Appeals
The Income Tax Act, 1961	Tax and penalty on expenditure disallowed	15.01 15.02 6.39 1.09 0.28	- - - - -	2004-2005 2005-2006 2006-2007 2007-2008 2008-2009	Income Tax Appelate Tribunal Commissioner of Appeals

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

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amounts paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
State and Central Sales Tax Acts	Tax interest and penalty for non submission of forms and other disallowances	10.27	-	1992-1993	Supreme Court
		0.56	-	1983-1984	Deputy Commissioner (Appeal)
		6.54	-	1985-1986	
		1.31	-	1986-1987	
		1.17	-	1993-1994	
		0.60	-	2006-2007	Deputy Commissioner (Appeal)
		1.81	-	2007-2008	
		0.30	-	2008-2009	
		0.85	-	2006-2007	
		7.61	-	1994-1995	Deputy Commissioner (Appeal)
		0.45	-	1995-1996	
		0.55	-	1996-1997	
		41.12	-	1999-2000	
		87.41	-	2000-2001	
		125.50	-	2001-2002	
		20.16	-	2002-2003	
		123.61	-	2003-2004	
		24.70	-	1993-1994	Additional Commissioner
		4.56	-	1994-1995	
		4.00	-	1995-1996	
		2.97	-	1996-1997	
		0.62		1997-1998	
		7.87	-	1998-1999	
		3.32	0.81	1994-1996	Appellate Tribunal
		1.64	-	1996-1997	
		8.80	-	1998-1999	
		3.57	-	2002-2003	
		3.05	-	1993-1994	
		1.46	-	1998-1999	Deputy Commissioner (Appeal)
		54.76	36.08	2001-2002	Joint Commissioner
		14.31	-	2002-2003	
		1.54	-	1998-1999	Assistant Commissioner of sales tax (Appeals)
		1.92		1986-1987	
		3.70	-	2006-2007	Deputy-commissioner Appeal
		2.98	-	2006-2007	
		1.88	-	2007-2008	Joint Commissioner
		3.30	-	2007-2008	
		11.85	-	2005-2006	Assistant Commissioner
		79.17	70.00	2008-2009	
		292.01	-	2009-2010	
		15.54	-	2007-2008	Joint Commissioner, Corporate circle, Lucknow
		29.71	-	2009-2010	
		9.46		2009-2010	

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

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amounts paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
		20.39	-	2006-2007	Appellate Authority, Hyderabad
		3.12	-	2009-2010	Joint Commissioner, Corporate Circle, Lucknow
		8.61	-	2009-2010	
		7.15	-	2009-2010	
		15.83	-	2010-2011	
		9.01	-	2009-2010	

Balance Sheet as at 31 March, 2011

	Schedule Ref.			₹ in lakhs As at 31 Mar 2011			₹ in lakhs As at 30 Nov 2009
Sources of Funds							
Shareholders' funds							
Share capital	1		2984.32			2984.32	
Reserves and surplus	2		113360.39			96448.94	
				116344.71			99433.26
TOTAL				116344.71			99433.26
Application of Funds							
Fixed assets	3						
Gross block			16900.24			18780.82	
Less: Accumulated depreciation / amortization			(8466.44)			(9532.20)	
Net block			8433.80			9248.62	
Capital work-in-progress at cost, including advances			187.58			79.87	
				8621.38			9328.49
Investments	4			0.25			50.25
Deferred tax assets (Net)	5			3553.86			2750.20
Current assets, loans and advances							
Inventories	6	15932.35			11337.11		
Sundry debtors	7	9819.43			6439.18		
Cash and bank balances	8	57701.07			52740.45		
Other current assets	9	590.92			482.06		
Loans and advances	10	42127.07			37209.16		
			126170.84			108207.96	
Current liabilities and provisions							
Current liabilities	11	(15719.49)			(13289.37)		
Provisions	12	(6282.13)			(7614.27)		
			(22001.62)			(20903.64)	
Net current assets				104169.22			87304.32
TOTAL				116344.71			99433.26
Significant accounting policies	18						
Notes to the accounts	19						

The schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date attached.

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

SANJAY AGGARWAL
Partner
Membership No: 40780

Mumbai, 03 May, 2011

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

R A SHAH — *Chairman*

KEWAL HANDA — *Managing Director*

PRADIP SHAH
B M GAGRAT (Dr) } *Directors*

PRAJEET NAIR — *Company Secretary*

Mumbai, 03 May, 2011

Profit and Loss Account for the sixteen months ended 31 March, 2011

	Schedule Ref.			₹ in lakhs 16 months ended 31 Mar 2011			₹ in lakhs 12 months ended 30 Nov 2009
Income							
Gross sales		121500.61			81183.09		
Less: Excise duty		4544.73			3955.92		
Net sales			116955.88			77227.17	
Operating and other income	13		17579.34			10074.32	
				134535.22			87301.49
Expenditure							
Material cost	14		39049.02			28770.93	
Personnel cost	15		22699.35			12920.22	
Manufacturing and other expenses	16		36822.68			22688.80	
Depreciation and amortization	3		1199.65			828.76	
				99770.70			65208.71
Profit before Taxation and Exceptional Items				34764.52			22092.78
Exceptional items (Net)	17			(302.56)			(1091.77)
Profit before Taxation				34461.96			21001.01
Less: Taxation							
Current tax				12631.55			7705.24
Fringe benefits tax				-			90.50
Deferred tax credit				(803.66)			(483.06)
Profit after Taxation				22634.07			13688.33
Balance brought forward				75329.14			67545.19
Less: On account of amalgamation of erstwhile Duchem Laboratories Limited ('Duchem'). (Refer Note 20 of the Notes to the accounts, Schedule 19)				-			(171.24)
Total Profit available for Appropriation				97963.21			81062.28
Transfer to general reserve			2263.41			1368.83	
Interim dividend			3730.18			-	
Tax on interim dividend			605.05			-	
Proposed final dividend			1193.73			3730.18	
Tax on proposed final dividend			193.66			634.13	
				7986.03			5733.14
Balance carried to Balance Sheet				89977.18			75329.14
				₹			₹
Earnings per Share (Basic and Diluted) (Not Annualised) (Refer Note 9 in the Notes to the accounts, Schedule 19)				75.85			45.87
Nominal Value per Share				10.00			10.00
Significant accounting policies	18						
Notes to the accounts	19						

The schedules referred to above form an integral part of this Profit and Loss Account.

As per our report of even date attached.

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

SANJAY AGGARWAL
Partner
Membership No: 40780

Mumbai , 03 May, 2011

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

R A SHAH — *Chairman*

KEWAL HANDA — *Managing Director*

PRADIP SHAH, B M GAGRAT (Dr) — *Directors*

PRAJEET NAIR — *Company Secretary*

Mumbai, 03 May, 2011

Cash Flow Statement for the sixteen months ended 31 March, 2011

		₹ in lakhs 16 months ended 31 Mar 2011	₹ in lakhs 12 months ended 30 Nov 2009
A	Cash Flow from Operating Activities : -		
	Net profit before taxation and exceptional items	34764.52	22092.78
	Adjustments for :		
	Depreciation and amortization	1199.65	828.76
	Unrealised foreign exchange loss (Net)	10.06	4.30
	Interest income	(7626.72)	(5188.44)
	Loss / (Profit) on fixed assets sold / discarded	49.07	(53.36)
	Provision for doubtful debts and advances	590.95	172.46
	Provisions no longer required written back	(745.88)	(264.93)
	Operating profit before working capital changes	28241.65	17591.57
	Adjustments for :		
	Trade and other receivables	(5413.52)	(1816.43)
	Inventories	(4595.24)	1161.66
	Trade and other payables	3192.78	1267.34
	Provisions (excluding proposed dividend, tax on proposed dividend, income tax provision)	1644.77	686.66
	Cash generated from operations	23070.44	18890.80
	Direct taxes paid (Net)	(14898.97)	(10331.72)
	Net cash from operating activities before exceptional items	8171.47	8559.08
	Exceptional Items :		
	VRS paid	(302.56)	(1091.77)
	Net cash from operating activities after exceptional items (A)	7868.91	7467.31
B	Cash Flow from Investing Activities : -		
	Purchase of fixed assets	(699.60)	(1871.48)
	Proceeds from sale of fixed assets	54.32	60.57
	Purchase of investments / Inter corporate deposits (Net)	(2100.00)	(9100.00)
	Interest received	8459.08	6155.79
	Net cash from / (used) in investing activities (B)	5713.80	(4755.12)
C	Cash Flow from Financing Activities :-		
	Dividend paid (including tax on dividend)	(8626.46)	(4332.33)
	Net cash used in financing activities (C)	(8626.46)	(4332.33)
	Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	4956.25	(1620.14)
	Opening cash and cash equivalents (Note 1)	52740.45	54301.84
	Cash & Cash equivalents as at 1 December, 2008 taken over on amalgamation of Duchem (Refer Note 20 of the notes to the accounts, Schedule 19)	-	58.75
	Closing cash and cash equivalents (Note 1)	57696.70	52740.45
		4956.25	(1620.14)

Cash Flow Statement for the sixteen months ended 31 March, 2011

	₹ in lakhs 16 months ended 31 Mar 2011	₹ in lakhs 12 months ended 30 Nov 2009
Notes :		
1 Cash and cash equivalents include :		
Cash on hand	2.15	3.59
With scheduled banks		
On current accounts (including accounts with overdraft facility)	2692.30	4729.24
On time deposit accounts	55006.62	48006.88
Cheques on hand / in transit	-	0.76
Unrealised translation gain on foreign currency cash and cash equivalents	(4.37)	(0.02)
	57696.70	52740.45

2 Interest income on delayed payments from customers, loans given to employees and rental income have been shown under 'Cash flow from operating activities' as according to the Company these form an integral part of the operating activities.

3 Cash and Cash Equivalents include balances aggregating to ₹447.58 lakhs (Nov. 2009; ₹341.02 lakhs) with scheduled banks on current account in respect of unpaid dividend, which are not available for use by the Company.

4 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement".

As per our report of even date attached.

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

SANJAY AGGARWAL
Partner
Membership No: 40780

Mumbai , 03 May, 2011

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

R A SHAH — *Chairman*

KEWAL HANDA — *Managing Director*

PRADIP SHAH
B M GAGRAT (Dr) } *Directors*

PRAJEET NAIR — *Company Secretary*

Mumbai, 03 May, 2011

Schedules to the Financial Statements

	₹ in lakhs 31 Mar 2011	₹ in lakhs 30 Nov 2009
Schedule 1: Share capital		
Authorised		
2,98,44,080 (Nov 2009: 2,98,44,080) Equity shares of ₹10 each	2984.41	2984.41
1,01,55,920 (Nov 2009: 1,01,55,920) Unclassified shares of ₹10 each	1015.59	1015.59
	4000.00	4000.00
Issued		
2,98,44,080 (Nov 2009: 2,98,44,080) Equity shares of ₹10 each	2984.41	2984.41
Subscribed and paid up		
2,98,41,440 (Nov 2009: 2,98,41,440) Equity shares of ₹10 each fully paid-up	2984.14	2984.14

Of the above

- 1,91,08,636 (Nov 2009: 1,91,08,636) Equity shares of ₹10 each were allotted as fully paid - up bonus shares by capitalisation of general reserves ₹1776.92 lakhs and share premium account ₹133.94 lakhs.
- 93,76,100 (Nov 2009: 93,76,100) Equity shares of ₹10 each fully paid-up are held by Pfizer Corporation, Panama.
- 21,42,896 (Nov 2009: 21,42,896) Equity shares of ₹10 each fully paid-up in aggregate are held by Warner-Lambert Company LLC, USA and Parke-Davis & Company LLC, USA.
- 53,57,244 (Nov 2009: 53,57,244) Equity shares of ₹10 each were issued as fully paid-up to the shareholders of erstwhile Parke-Davis (India) Limited (pursuant to the Scheme of Amalgamation of Parke-Davis (India) Limited with the Company).
- 10,43,900 (Nov 2009: 10,43,900) Equity shares of ₹10 each were issued as fully paid-up to the shareholders of erstwhile Pharmacia Healthcare Limited (pursuant to the Scheme of Amalgamation of Pharmacia Healthcare Limited with the Company) including 7,83,941 Equity shares issued to Pharmacia Corporation, USA.
- 88,10,234 (Nov 2009: 88,10,234) Equity shares of ₹10 each fully paid-up were acquired by Pfizer Investments Netherlands B.V. pursuant to the open offer.
- The shares held by Pfizer Corporation and it's affiliates as at 31 March 2011 were 2,11,13,171, representing 70.75% (Nov 2009 : 2,11,13,171, representing 70.75%) of the paid-up equity share capital.

	31 Mar 2011	30 Nov 2009
Add: Forfeited share capital		
Amount paid-up on 2,640 (Nov 2009: 2,640) Equity shares of ₹10 each forfeited	0.18	0.18
TOTAL	2984.32	2984.32

		31 Mar 2011		30 Nov 2009
Schedule 2: Reserves and surplus				
Share premium		2277.70		2277.70
General reserve				
Opening balance	18842.10		17149.27	
Add : Transfer from profit and loss account	2263.41		1368.83	
Add : Reversal of provision for dimunition in value of investments on account of amalgamation of erstwhile Duchem Laboratories Limited *	-		324.00	
		21105.51		18842.10
Balance as per profit and loss account		89977.18		75329.14
TOTAL		113360.39		96448.94

* Refer Note 20 of the Notes to the accounts, Schedule 19

Schedule 3 : Fixed assets

₹ in lakhs

	COST				DEPRECIATION / AMORTISATION				NET BOOK VALUE	
	As at 01.12.2009	Additions	Deductions	As at 31.03.2011	As at 01.12.2009	For the 16 months ended 31.3.2011	Deductions	As at 31.3.2011	As at 31.03.2011	As at 30.11.2009
INTANGIBLE ASSETS										
Trademarks	15.51	-	-	15.51	15.51	-	-	15.51	-	-
TANGIBLE ASSETS										
Land :										
Leasehold	32.57	-	-	32.57	14.86	0.44	-	15.30	17.27	17.71
Buildings :										
On freehold land @	787.38	-	-	787.38	181.00	17.17	-	198.17	589.21	606.38
On leasehold land	5930.79	66.09	0.29	5996.59	401.78	240.08	0.06	641.80	5354.79	5529.01
Leasehold improvements	1459.58	51.76	988.43	522.91	1161.99	131.91	968.21	325.69	197.22	297.59
Machinery & equipment	5544.03	43.82	39.75	5548.10	3386.65	468.83	32.24	3823.24	1724.86	2157.38
Office equipment, Furniture & fixtures	4484.52	326.56	1247.71	3563.37	3919.25	304.01	1172.27	3050.99	512.38	565.27
Vehicles	526.44	-	92.63	433.81	451.16	37.21	92.63	395.74	38.07	75.28
TOTAL	**18780.82**	**488.23**	**2368.81**	16900.24	**9532.20**	**1199.65**	**2265.41**	8466.44	8433.80	**9248.62**
Previous year	13989.94	5008.47	217.59	18780.82	8913.82	828.76	210.38	9532.20	9248.62	
Capital work-in-progress including capital advances [₹23.53 lakhs (November 2009 : ₹35.62 lakhs)]									187.58	79.87
Grand Total									8621.38	**9328.49**

@ Buildings include investment in share application money of ₹500 (Nov 2009: ₹500) in a co-operative housing society, representing ownership of two residential flats.

Schedules to the Financial Statements

Schedule 4: Investments

(At cost except where otherwise stated)

	₹ in lakhs 31 Mar 2011	₹ in lakhs 30 Nov 2009
Long Term Investments		
Non-Trade (unquoted)		
Government securities	0.11	0.11
Rural Electrification Corporation of India Nil (Nov 2009: 500) Bonds of ₹10,000 each fully paid-up	-	50.00
Gold Sovereign (Actual cost ₹61)	-	-
The Shamrao Vithal Co-operative Bank Limited 1,000 (Nov 2009: 1,000) shares of ₹25 each, fully paid-up	0.25	0.25
Other securities		
Bharuch Eco-Aqua Infrastructure Limited 72,935 (Nov 2009: 72,935) Equity Shares of ₹10 each, fully paid-up	7.29	7.29
Bharuch Enviro Infrastructure Limited 175 (Nov 2009: 175) Equity Shares of ₹10 each, fully paid-up	0.02	0.02
Provision for diminution other than temporary in value of investments	(7.42)	(7.42)
TOTAL	0.25	50.25

Schedule 5: Deferred tax assets (Net)

		31 Mar 2011		30 Nov 2009
Deferred tax asset				
Arising on account of timing differences in :				
Provision for doubtful debts and advances	778.65		645.26	
Provision for leave encashment	532.61		464.58	
Provision for excise duty, custom duty and sales tax	118.72		123.21	
Amortization of voluntary retirement costs	345.66		393.70	
Others	1951.93		1510.57	
		3727.57		3137.32
Deferred tax liability				
Arising on account of timing difference in:				
Depreciation		173.71		387.12
TOTAL		3553.86		2750.20

Schedule 6: Inventories

	31 Mar 2011	30 Nov 2009
Stores and maintenance spares	155.07	125.81
Packing materials	1013.96	514.36
Stock-in-trade		
Raw materials	4075.82	3224.53
Work-in-process	788.71	553.82
Finished goods	9898.79	6918.59
TOTAL	15932.35	11337.11

Schedules to the Financial Statements

Schedule 7: Sundry debtors (unsecured)

	₹ in lakhs 31 Mar 2011	₹ in lakhs 30 Nov 2009
Debts outstanding		
- Over six months	2217.00	1680.95
- Other debts	9686.73	6311.83
	11903.73	7992.78
of which		
- Considered good	9819.43	6439.18
- Considered doubtful	2084.30	1553.60
	11903.73	7992.78
Provision for doubtful debts	(2084.30)	(1553.60)
TOTAL	9819.43	6439.18

Note:

1 Bad debts written off ₹54.65 lakhs (Nov 2009: ₹824.13 lakhs) out of the provision for doubtful debts.

2 Debts due from companies under same management under Section 370 (1B) are as follows:

a Wyeth Limited - ₹1795.86 lakhs (Nov 2009 - Nil)

b AHP Manufacturing B.V - ₹13.44 lakhs (Nov 2009 - Nil)

c Pfizer Animal Health Limited - ₹169.35 lakhs (Nov 2009 - Nil)

Schedule 8: Cash and bank balances

	₹ in lakhs 31 Mar 2011	₹ in lakhs 30 Nov 2009
Cash on hand	2.15	3.59
With scheduled banks		
In current accounts	2692.30	4729.22
In time deposit accounts	55006.62	48006.88
Cheques on hand / in transit	-	0.76
TOTAL	57701.07	52740.45

Schedule 9: Other current assets

	₹ in lakhs 31 Mar 2011	₹ in lakhs 30 Nov 2009
Interest accrued but not due on bank deposits	541.30	432.44
Fixed assets held for sale **	49.62	49.62
(at book value or estimated net realisable value / salvage value, whichever is lower) *		
TOTAL	590.92	482.06

* Realisable value / Salvage value is based on valuation reports of approved valuers, where applicable

** Refer Note 11 of the Notes to the accounts, Schedule 19

Schedules to the Financial Statements

Schedule 10: Loans and advances (unsecured)

		31 Mar 2011 ₹ in lakhs		30 Nov 2009 ₹ in lakhs
Advances recoverable in cash or in kind or for value to be received				
Considered good	2930.49		2099.89	
Considered doubtful	259.61		344.23	
	3190.10		2444.12	
Provision for doubtful advances	(259.61)		(344.23)	
		2930.49		2099.89
Income tax payments		4344.36		2076.94
[Net of taxes provided ₹98238.23 lakhs (Nov 2009 : ₹84113.52 lakhs)]				
Amounts recoverable from Pfizer Pharmaceutical India Private Limited *		3.65		441.19
Inter Corporate Deposits placed with Pfizer Pharmaceutical India Private Limited*		28650.00		25200.00
Amounts recoverable from Pfizer Products India Private Limited *		193.85		697.52
Inter Corporate Deposits placed with Pfizer Products India Private Limited*		-		1300.00
Deposits		4339.33		4331.87
Balances with Customs, Port Trust and Excise on current accounts		1665.39		1061.75
TOTAL		42127.07		37209.16

Advances written off ₹90.22 lakhs (Nov 2009: Nil) out of the provision for doubtful advances.

* Refer Note 3 of the Notes to the accounts, Schedule 19

Schedule 11: Current liabilities

	31 Mar 2011 ₹ in lakhs	30 Nov 2009 ₹ in lakhs
Sundry creditors		
Due to Micro and Small Enterprises (Refer Note 13 of the Notes to the accounts, Schedule 19)	174.36	270.89
Others	13679.84	11353.74
Security deposits	637.77	647.77
Dividends - unclaimed *	447.59	374.51
Other liabilities	779.93	642.46
TOTAL	15719.49	13289.37

* Investor education and protection fund is being credited by the amount of unclaimed dividend after seven years from the due date.

Schedules to the Financial Statements

	₹ in lakhs 31 Mar 2011	₹ in lakhs 30 Nov 2009
Schedule 12: Provisions		
Proposed dividend	1193.73	3730.18
Tax on proposed dividend	193.66	634.13
Gratuity	2243.86	620.17
Leave encashment	1603.30	1366.42
Provident fund	900.10	1120.48
Others	77.37	82.37
Fringe benefits tax	3.64	3.64
[Net of taxes paid ₹1065 lakhs (Nov 2009 : ₹1065 lakhs)]		
Wealth tax (Net)	66.47	56.88
TOTAL	6282.13	7614.27

	16 months ended 31 Mar 2011	12 months ended 30 Nov 2009
Schedule 13: Operating and other income		
Service income	7392.42	2746.25
Interest (Gross)		
On staff loans	75.31	37.54
On deposits with banks	4196.38	3094.71
[Tax deducted at source - ₹494.72 lakhs (Nov 2009: ₹790.80 lakhs)]		
On others	3430.34	2093.73
[Tax deducted at source - ₹240.39 lakhs (Nov 2009: ₹388.56 lakhs)]		
Rental income (Gross)	1588.30	1636.24
[Tax deducted at source - ₹194.39 lakhs (Nov 2009: ₹365.74 lakhs)]		
Profit on fixed assets sold (Net)	-	53.36
Insurance claims	29.28	49.88
Exchange gain (Net)	95.97	16.06
Provision / liability no longer required written back	745.88	264.93
Others	25.46	81.62
TOTAL	17579.34	10074.32

Schedules to the Financial Statements

				₹ in lakhs 16 months ended 31 Mar 2011			₹ in lakhs 12 months ended 30 Nov 2009
Schedule 14: Material cost							
(Increase)/decrease in stock of finished goods and work-in-process							
Stock at commencement							
Finished goods	6918.59				7859.52		
Work-in-process	553.82				574.14		
		7472.41				8433.66	
Add: On account of amalgamation of erstwhile Duchem Laboratories Limited *		-				30.45	
Stock at close							
Finished goods	9898.79				6918.59		
Work-in-process	788.71				553.82		
		10687.50				7472.41	
			(3215.09)				991.70
Raw materials consumed							
Stock at commencement		3224.53				3220.24	
Add: Purchases (Net)		20331.18				14446.81	
		23555.71				17667.05	
Less: Stock at close		4075.82				3224.53	
			19479.89				14442.52
Packing materials consumed			7785.18				5424.90
Purchase of traded goods			14999.04				7911.81
TOTAL			39049.02				28770.93

* Refer Note 20 of the Notes to the accounts, Schedule 19

Schedule 15: Personnel cost

	16 months ended 31 Mar 2011	12 months ended 30 Nov 2009
Salaries, wages and bonus	19002.32	10388.81
Company's contribution to gratuity fund	1354.53	514.67
Company's contribution to provident and other funds	930.38	1139.15
Staff welfare expenses	1412.12	877.59
TOTAL	22699.35	12920.22

Schedules to the Financial Statements

Schedule 16: Manufacturing and other expenses

		₹ in lakhs 16 months ended 31 Mar 2011		₹ in lakhs 12 months ended 30 Nov 2009
Consumption of stores and maintenance spares		235.13		182.93
Processing charges		3998.74		2385.45
Power and fuel		863.71		815.79
Water		50.12		34.96
Repairs : Buildings	15.27		1.82	
Machinery	173.42	188.69	147.54	149.36
Rent		2322.59		1418.07
Rates and taxes		385.67		217.67
Insurance		388.46		170.40
Clinical trials		2172.15		1283.91
Legal and professional charges		2160.39		1173.46
Equipment rentals, service charges, low cost assets written off		1974.79		1314.38
Freight, forwarding and transport		3234.13		2151.13
Travelling (including boarding, lodging, conveyance and other expenses)		4332.87		2379.21
Communication expenses		985.56		571.42
Advertising and promotion		6415.01		4034.79
Commission		1684.95		1167.34
Provision for doubtful debts and advances (Net)		590.95		172.46
Loss on sale of Assets		49.07		-
Royalty		571.31		775.49
Miscellaneous expenses		4218.39		2290.58
TOTAL		36822.68		22688.80

Schedule 17: Exceptional items - Net

Exceptional expense		
Compensation paid to employees under Voluntary retirement scheme	(302.56)	(1,091.77)
TOTAL	(302.56)	(1,091.77)

Schedules to the Financial Statements

Schedule 18: Significant Accounting Policies

(a) Basis of Accounting

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

(b) Use of estimates

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

(c) Fixed Assets and Depreciation/Amortization

Tangible Assets

(i) All fixed assets are stated at cost of acquisition less accumulated depreciation/amortization and impairment losses. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

(ii) Assets costing individually up to ₹5000 are written off and those costing more than ₹5000 but up to US$ 5000 are fully depreciated in the year of purchase except that -

"multiple-like items" the cost of which is over US$ 10000 in the aggregate; and

"unlike items of a capital nature within an asset category" for large scale projects the aggregate cost of which exceeds US$ 10000 are considered as one asset and depreciated in accordance with the accounting policy stated in (iii) below.

(iii) Depreciation/amortization for the year has been provided on straight line method at the higher of the rates determined by the Company based on the estimated useful life of the assets or the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions other than those stated in (ii) above is provided on a pro-rata basis from the month of capitalisation. Depreciation on deletions during the year is provided up to the month in which the asset is sold / discarded.

(iv) Depreciation on assets other than those specified in (ii) above are provided at the following rates per annum:

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

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

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

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

Intangible Assets

(i) Intangible assets comprises of trademarks. Trademarks are recorded at their acquisition cost and are amortised over the lower of their estimated useful life and period of ownership on straight line basis i.e. over a period of 3 years.

(ii) Intangible assets comprises of cost of application software. Cost of Application Software are recorded at its acquisition cost and is amortized on straight-line basis over 3 to 5 years, which in managements 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 Profit and Loss Account.

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

Impairment of Assets

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

(d) Foreign Currency Transactions

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

Monetary assets and liabilities in foreign exchange, which are outstanding as at the year end, are translated at year end at the closing exchange rate and the resultant exchange differences are recognized in the Profit and Loss Account.

(e) Investments

Long-term investments are stated at cost less other than temporary diminution in value, determined separately for each individual investment.

(f) Inventories

Raw materials, work-in-process, 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-process includes cost of materials, direct labour and an appropriate portion of overheads. Stores and maintenance spares are valued at average cost.

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

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

(g) Samples

Physicians' samples are valued at standard cost, which approximates actual cost and are charged to the Profit and Loss Account when distributed.

(h) Revenue Recognition

Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers. Sales are net of sales returns and trade discounts. 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. Interest income is recognized on time proportionate basis.

(i) Employee Benefits

Short-term employee benefits:

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

Long Term employee benefits:

(i) Defined contribution plan:

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

(ii) Defined benefit plans:

Provident Fund:

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

Gratuity Plan:

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

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

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

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

(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.

(j) Leases

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

(k) 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 Profit and Loss Account.

(l) Taxation

Income tax expense comprises current tax, deferred tax charge or credit and fringe benefits tax. Provision for current tax is based on the results for the 16 months period ended 31 March 2011, in accordance with the provisions of the Income Tax Act, 1961.

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

Fringe Benefits Tax is not applicable since April 2009.

(m) 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.

(n) 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.

Schedule 19 - Notes to the Accounts

		₹ in Lakhs 31 Mar 2011	₹ in Lakhs 30 Nov 2009
1	**Estimated amount of contracts on capital account to be executed and not provided for**	206.41	119.35
2	**Contingent Liability**		
	(a) In respect of the guarantees given to banks on behalf of :		
	(i) Other guarantees	403.20	114.27
	(b) In respect of :		
	(i) Excise duty	1033.40	409.55
	(ii) Customs duty	59.45	41.50
	(iii) Sales tax	1192.39	638.97
	(iv) Service tax	193.11	193.11
	(v) Income tax	31529.64	8085.87
	(vi) Pending labour matters contested in various courts	109.66	109.66
	(vii) Claims against the Company not acknowledged as debts	Amount Unascertainable	Amount Unascertainable
	(c) DPEA claims (Refer Note 7)		
3	**Loans and advances include amounts due from:**		
	(a) Pfizer Pharmaceutical India Private Limited, a company under the same management [Maximum aggregate amount due during the period ₹29733.81 lakhs (Nov 2009 : ₹27091.01 lakhs)]	28653.65	25641.19
	(b) Pfizer Products India Private Limited, a company under the same management [Maximum aggregate amount due during the period ₹2068.23 lakhs (Nov 2009 : ₹2983.80 lakhs)]	193.85	1997.52

		₹ in Lakhs 16 months ended 31 Mar 2011	₹ in Lakhs 12 months ended 30 Nov 2009
4	**Auditors' remuneration:***		
	Statutory Audit fees	28.00	31.00
	Limited Review	28.00	21.00
	Other services	5.00	0.25
	Out of pocket expenses	1.88	2.33
	Total	62.88	54.58

* Figures exclude service tax ₹6.48 lakhs (Nov 2009 : ₹6.27 lakhs)

5 Information required by Paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956.

a) Production, sales and stocks

Manufacturing activities

		STOCKS AT COMMENCEMENT		PRODUCTION	SALES		STOCKS AT CLOSE	
Class of goods	Unit of Measure	Quantity	₹ in lakhs	Quantity	Quantity	₹ in lakhs	Quantity	₹ in lakhs
BULK (A)	Tonnes	-	-	-	-	-	-	-
		-	-	(11.80)	(11.80)	(223.25)	-	-
FORMULATIONS (B)								
Injectables:								
Liquid Parentals	Litres	53752.67	281.40	555486.20	529920.71	3317.47	79308.06	314.51
		(16307.07)	(85.01)	(318097.30)	(264984.27)	(1822.10)	(53752.67)	(281.40)
Tablets and Capsules	No.in Millions	318.88	2854.53	3489.91	3168.33	40503.65	629.04	3825.06
		(384.85)	(3098.59)	(2347.21)	(2314.01)	(28566.76)	(318.88)	(2854.53)
Liquids	Litres	1149124.13	1790.89	10810553.97	11052353.19	34253.83	906780.77	1161.95
		(1027626.80)	(1722.24)	(8190599.26)	(7704118.12)	(22148.46)	(1149124.13)	(1790.89)
Solids	Kgs	15452.21	60.05	165419.30	152663.34	1707.01	22579.43	109.84
		(26086.35)	(202.30)	(96542.27)	(105157.46)	(1195.25)	(15452.21)	(60.05)
Food products	Tonnes	-	-	-	-	-	-	-
		-	-	-	-	(0.50)	-	-
Feed supplements	Tonnes	80.26	93.86	1068.26	1138.95	1971.97	128.14	158.15
		(88.65)	(303.72)	(494.01)	(498.14)	(1341.60)	(80.26)	(93.86)
TOTAL (B)			5080.73			81753.93		5569.51
			(5411.86)			(55073.67)		(5080.73)

TRADING ACTIVITIES

Class of goods	Unit of Measure	STOCKS AT COMMENCEMENT Quantity	₹ in lakhs	PURCHASES Quantity	₹ in lakhs	SALES Quantity	₹ in lakhs	STOCKS AT CLOSE Quantity	₹ in lakhs
Formulations (C)									
Injectables :									
Liquid Parentals	Litres	4143.87	309.69	21014.51	2092.10	15735.54	5408.69	7107.91	690.10
		(8880.06)	(323.48)	(19475.31)	(1335.70)	(20472.93)	(3843.24)	(4143.87)	(309.69)
Powder Parentals	Kgs	665.47	282.51	6107.17	2131.31	5530.36	10843.44	1096.28	430.66
		(630.20)	(274.83)	(3894.79)	(1422.26)	(3329.59)	(7033.93)	(665.47)	(282.51)
Tablets and Capsules	No. in Millions	223.03	559.86	2352.34	3943.50	1831.05	6680.09	689.15	1450.86
		(22.05)	(926.21)	(434.00)	(1450.16)	(84.75)	(2857.13)	(223.03)	(559.86)
Liquids	Litres	271732.84	409.33	1850548.19	3159.57	1705427.69	6138.94	356507.59	893.76
		(166162.68)	(489.12)	(1375499.67)	(2225.02)	(1052051.90)	(4763.39)	(271732.84)	(409.33)
Solids	Kgs	111829.75	109.68	577908.58	975.03	355505.58	1492.10	314339.99	294.78
		(17598.67)	(111.28)	(157962.62)	(310.70)	(44541.74)	(630.68)	(111829.75)	(109.68)
Ointments	Kgs	7496.35	30.81	43086.60	98.86	41822.46	845.57	7933.12	35.10
		(4653.93)	(22.59)	(29473.38)	(110.88)	(26309.48)	(534.60)	(7496.35)	(30.81)
Feed supplements	Tonnes	101.52	83.11	1427.07	1030.63	1080.58	1499.18	215.33	241.26
		(102.27)	(133.35)	(528.38)	(441.40)	(515.26)	(783.05)	(101.52)	(83.11)
Feed supplements	Litres	148226.00	42.32	2553587.64	1150.38	2133543.32	1635.21	337459.61	194.71
		(175890.82)	(69.12)	(1339544.00)	(479.76)	(1332766.50)	(975.49)	(148226.00)	(42.32)
Miscellaneous	No. in Millions	0.19	10.55	5.36	417.66	4.31	658.73	1.19	98.05
		(1.67)	(128.13)	(2.01)	(135.93)	(0.66)	(508.74)	(0.19)	(10.55)
TOTAL (C)			1837.86		14999.04		35201.95		4329.28
			(2478.11)		(7911.81)		(21930.25)		(1837.86)
TOTAL (A + B + C)			6918.59		14999.04		116955.88		9898.79
			(7889.97)		(7911.81)		(77227.17)		(6918.59)

Notes:
1. Figures of production are inclusive of production for captive consumption and quantities produced in the factories of third parties on loan licenses.
2. Figures for Production, Purchases and Closing Stock exclude Physicians' Sample packs.
3. Stocks are after adjustments of write-offs.
4. Figures in brackets are in respect of the previous year.

5 (b) Raw Materials Consumed

Class of Goods	Unit of Measure	16 months ended 31 Mar 2011 Quantity	₹ in Lakhs	12 months ended 30 Nov 2009 Quantity	₹ in Lakhs
Vitamins	Tonnes	645.46	3280.98	503.15	3741.71
Codeine Phosphate	Kgs	9097.62	3087.76	7230.21	2406.64
Minipress Bulk Tablets	Thousands	98257.06	2623.21	71796.91	2095.10
Others			10487.94		6199.07
TOTAL			19479.89		14442.52
Whereof:		Percentage		Percentage	
Imported		36	7101.29	41	5873.70
Indigenous		64	12378.60	59	8568.82
TOTAL		100	19479.89	100	14442.52

Note: 'Components' and 'Spare Parts' referred to in para 4 D(C) of Part II of Schedule VI to the Companies Act, 1956 are assumed to be those consumed in goods produced and not those used for maintenance of Plant and Machinery.

5 (c) Licensed and Installed Capacities

Class of Goods	Unit of Measure	Installed Capacity 31 Mar 2011	Installed Capacity 30 Nov 2009
Formulations			
Tablets & Capsules (Three shift basis)	Million Nos.	3624	3624
Liquids (Two shift basis)	Litres	6960000	6960000
Solids (Two shift basis)	Kgs	162400	162400
Ointments (Single shift basis)	Kgs	232800	232800

Notes:

A. In terms of Press Note No. 4 (1994 series) dated 25 October, 1994 issued by the Department of Industrial Development, Ministry of Industry, Government of India and Notification No. S.O. 137(E) dated 1 March 1999 issued by the Department of Industrial Policy and Promotion, Ministry of Industry, Government of India, industrial licensing has been abolished in respect of bulk drugs and formulations.

B. The installed capacity is as certified by the Management and not verified by the Auditors, this being a technical matter.

	₹ in Lakhs 16 months ended 31 Mar 2011	₹ in Lakhs 12 months ended 30 Nov 2009
5 (d) Value of imports calculated on CIF basis		
Raw materials	5696.71	5863.65
Capital goods	-	3.50
Finished goods	3229.60	1593.48
5 (e) Expenditure in Foreign Currency (on payment basis)		
Travel	122.12	65.30
Royalty	131.65	514.66
Service charges	233.31	185.21
Professional charges	18.62	19.54
Others	41.67	43.80

			₹ in Lakhs 16 months ended 31 Mar 2011	₹ in Lakhs 12 months ended 30 Nov 2009
5	(f)	**Remittance made on account of dividends in foreign currency**		
		Number of shareholders	5	4
		Number of shares held	2,11,13,171	1,23,02,937
		Net amount of dividends remitted in foreign currency		
		Interim Dividend for the period ended 31 March 2011	2639.15	-
		Dividend in respect of the year ended 30 November 2009	2639.15	-
		Dividend in respect of the year ended 30 November 2008	N.A	1537.87
5	(g)	**Earnings in foreign currency**		
		Exports (on FOB basis)	190.27	349.27
		Service income (Gross)	3620.76	2209.54
6	(a)	**Managerial remuneration under Section 198 of the Companies Act, 1956**		
		Salaries and bonus	426.52	265.30
		Contribution to provident fund and other funds	64.42	40.99
		Perquisites	48.56	39.76
		Sitting fees	3.00	2.30
		Commission to non- whole time Directors	19.00	14.00
		Total	561.50	362.35

1. Excludes gratuity and leave encashment benefits as the same are based on actuarial valuation.
2. Excludes ESOPs outstanding: 9183 (Nov 2009: Nil) & RSUs outstanding:1836 (Nov 2009: 3202) amounting to ₹13.47 lakhs (Nov 2009: ₹4.53 lakhs). (Refer Note 22 of Schedule 19, Notes to Accounts.)

6	(b)	**Computation of net profits for commission payable to the Directors u/s 349 of the Companies Act, 1956**		
		Net Profit as per Profit and Loss Account	22634.07	13688.33
		Income-tax	11827.89	7312.68
		Remuneration to Directors	561.50	362.35
		Depreciation charged in the accounts	1199.65	828.76
		Net Profit / (Loss) on sale of fixed assets as per Section 349 of the Companies Act, 1956	(49.07)	53.36
		Provision for doubtful debts/advances	590.95	156.70
			36764.99	22402.18
		Net (Profit) / Loss on sale of fixed assets as per accounts	49.07	(53.36)
		Depreciation as computed under Section 350 of the Companies Act 1956 (see note below)	(1199.65)	(828.76)
		Bad debts and Doubtful Advances written off against provision	(144.87)	(824.13)
		Total	35469.54	20695.93
		Commission to two Directors, who are not in whole time employment and who are resident in India, the aggregate not being in excess of 1% of net profits as computed above, subject to a maximum of ₹50 lakhs per annum as approved by the members at the 58th AGM held on 15 April 2009. Commission approved by the Board of Directors at meeting held on 03 May 2011.	19.00	14.00

The Company depreciates its fixed assets based on estimated useful lives which are lower or equal to the implicit estimated useful lives prescribed by Schedule XIV of the Companies Act 1956. Thus, the depreciation charged in the books is higher than that prescribed as the minimum by the Companies Act 1956. Hence, this higher value has been considered as a deduction for the computation of managerial remuneration above.

7 Drugs Prices Equalisation Account (DPEA)

(a) Oxytetracycline and Other Formulations

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

(b) Multivitamin Formulations

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

(c) Protinex

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

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

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

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

(d) Vitamin and Other Formulations

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

(e) Chloramphenicol

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

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

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

(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 was raised against the Company. Against this demand an excise duty set off of ₹7 lakhs was allowed to the Company and a final demand of ₹106 lakhs was raised in 1987.

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

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

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

(g) Multivitamin Formulations:

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

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

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

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

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

8 Expenditure on Research and Development during the period

	₹ in Lakhs 16 months ended 31 Mar 2011	₹ in Lakhs 12 months ended 30 Nov 2009
Capital expenditure	28.63	9.06
Revenue expenditure charged to the Profit and Loss Account	1038.09	1500.74
TOTAL	1066.72	1509.80

9 Earnings per Share

	31 Mar 2011	30 Nov 2009
Earnings per share has been computed as under:		
(a) Profit after Taxation (₹ in Lakhs) (Net profit attributable to Equity Shareholders)	22634.07	13688.33
(b) Number of Equity Shares outstanding at end of the year	2,98,41,440	2,98,41,440
(c) Earnings per share (Face value ₹10/- per share) (a) / (b) (Basic and diluted) (not annualised)	₹75.85	₹45.87

10 Disclosure for operating leases under Accounting Standard 19 – "Leases"

(a) Where the Company is a Lessee:

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

The details of future minimum lease payments under operating leases are as under:

	₹ in Lakhs 31 Mar 2011	₹ in Lakhs 30 Nov 2009
Amount due within one year from the balance sheet date*	1152.89	-
Amount due in the period between one year and five years*	1345.04	-
Amount due over five years*	-	-
	2497.93	-

* Inclusive of service tax as applicable

(ii) Lease payments are recognized in the Profit and Loss Account under "Rent" in Schedule 16.

(b) Where the Company is a Lessor:

(i) The Company has let out its owned property during the year on operating lease. The information in respect of the same is as follows:

	₹ in Lakhs 16 months ended 31 Mar 2011	₹ in Lakhs 12 months ended 30 Nov 2009
Gross book value	5316.91	5305.87
Accumulated depreciation	441.59	196.74
Depreciation for the lease period	244.85	55.93
Rental income	1043.35	1134.58

(ii) Lease Income recognised in the Profit and Loss Account for the year in respect of sub-let property is ₹544.95 lakhs (Nov 2009 : ₹501.66 lakhs)

11 Assets held for disposal

The Company has identified the assets being guest house colony situated at Bharuch, Gujarat as retired from active use consequent to its ceasing manufacturing operations at Ankleshwar Gujarat. These assets are held for disposal and stated at lower of net book value and estimated net realizable value as reported under 'Other current assets' (Schedule 9).

₹ in Lakhs

Asset Head	Original Cost		Accumulated Depreciation		Written Down Value	
	31 Mar 2011	30 Nov 2009	31 Mar 2011	30 Nov 2009	31 Mar 2011	30 Nov 2009
Freehold Land	20.28	20.28	-	-	20.28	20.28
Freehold Building	165.82	165.82	136.48	136.48	29.34	29.34
Total	186.10	186.10	136.48	136.48	49.62	49.62

12 Stock of Physicians' samples is included under 'Loans and advances' (Schedule 10) ₹291.97 lakhs (Nov 2009 – ₹210.86 lakhs).

13 The following disclosures are made for the amounts due to the Micro, Small and Medium enterprises:

₹ in Lakhs

	31 Mar 2011	30 Nov 2009
Principal amount payable to suppliers at the period/year end	47.74	178.86
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period/year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period/year	126.62	92.03

On the basis of information and records available with the Company, the above disclosures are made under "Current liabilities" (Schedule 11) in respect of amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities. This has been relied upon by the auditors.

14 Disclosures as required by the Accounting Standard 18 on "Related Party Disclosures" are given below:

I Names of Related Parties and description of Relationships

A Parties where control exists:

Ultimate holding company — Pfizer Inc., USA

Companies collectively exercising significant influence — Pfizer Corporation, Panama
Warner-Lambert Company, LLC, USA
Parke-Davis & Company, LLC, USA
Pharmacia Corporation, USA
Pfizer Investments Netherlands, B. V.
[Collectively holding 70.75% of the aggregate of equity share capital of the Company]

Fellow Subsidiaries: (with whom transactions have taken place during the period/year)
Pfizer Asia Manufacturing Pte Limited, Singapore
Pfizer Corporation Hong Kong Limited, Hong Kong
Pfizer Enterprises SARL, Luxembourg
Pfizer Export Co., Ireland
Pfizer Global Trading, Ireland
Pfizer Limited, United Kingdom
Pfizer Overseas LLC., USA
Pfizer Pharmaceutical India Private Limited., India
Pfizer Singapore Trading Pte Limited, Singapore
Pfizer Limited, Philippines
Pfizer Private Limited., Singapore
Pfizer Products India Private Limited, India
Pfizer International LLC., USA
Pfizer Products Inc, USA
Pfizer Australia Pty Limited, Australia
Pfizer Laboratories (Pty) Limited, South Africa
Pfizer Animal Health India Limited, India
AHP Manufacturing B.V., India
Wyeth Limited, India

B Executive Committee Members

Mr. Kewal Handa *
Dr. B.M. Gagrat *
Ms. Hiroo Mirchandani

Mr. Pradeep Patni (w.e.f. 01/02/2010)
Mr. Suresh Subramanian (w.e.f. 18/03/2010)
Mr. Anjan Sen (resigned w.e.f. 01/09/2010)
Dr. Chandrashekhar Potkar
Ms. Dipali Talwar (resigned w.e.f. 16/05/2010)
Mr. Partha Ghosh
Mr. Samir Kazi (w.e.f. 01/06/2010)
Mr. S. Madhok
Mr. Shiva Nair (w.e.f. 01/04/2010)
Mr. S. Sridhar
Mr. S. Venkatesh
Mr. Uday Mohan (upto 17/10/2010)
Mr. Vivek Dhariwal (w.e.f. 01/03/2011)
Dr. Yash Goyal
* Executive Directors on the Board

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

₹ in Lakhs

		16 months ended 31 Mar 2011			12 months ended 30 Nov 2009		
	Nature of Transactions	Ultimate Holding Company	Companies exercising significant influence	Fellow Subsidiaries	Ultimate Holding Company	Companies exercising significant influence	Fellow Subsidiaries
1	Sale of finished goods (net of returns)	-	-	150.95	-	-	49.73
2	Sale of bulk materials	-	-	-	-	-	238.50
3	Service income	-	-	7392.42	-	-	2195.74
4	Recovery of expenses	341.24	-	1552.88	55.76	-	889.38
5	Purchase of finished goods	-	-	2577.29	-	-	1548.65
6	Purchase of raw/bulk materials	-	-	2225.62	-	-	2098.02
7	Royalty expense	58.45	512.86	-	27.28	110.12	377.26
8	Write back Royalty	-	-	578.81	-	-	-
9	Expenses reimbursed	-	-	572.06	-	-	210.82
10	Dividend in respect of the year ended 30 November 2009 & 31 March 2011	-	5278.30	-	-	1537.87	-
11	Rental income	-	-	923.61	-	-	103.62
12	Inter Corporate Deposits given	-	-	33400.00	-	-	37600.00
13	Inter Corporate Deposits repaid	-	-	31250.00	-	-	28500.00
14	Interest received on Inter Corporate Deposits given	-	-	3430.11	-	-	2091.77
15	Outstanding as at the period/ year end – Due from	-	-	31421.55	-	-	28454.69
16	Outstanding as at the period/year end – Due to	132.07	430.02	1901.29	117.95	144.89	1399.57

Executive committee members

₹ in Lakhs

		31 Mar 2011	30 Nov 2009
Nature of Transactions		Key Management Personnel	Key Management Personnel
1	Remuneration	1731.52	860.19
2	Rent paid for residential flats	45.12	43.16
3	Deposits outstanding as at the year end	1399.60	1396.16

III **Others**

Under the terms of the agreement between Pfizer Inc. (Ultimate Holding Company) and the Company for conducting clinical trials and studies in India, Pfizer Inc., has agreed to indemnify, defend and hold the Company and its directors, employees and agents harmless against any and all liability, loss or damage they may suffer as a result of any claims, demands, costs, penalties, fines or judgements incurred or imposed against it arising out of any clinical trial and study or otherwise pursuant to the agreement.

IV Details of material transactions during the period/year

		₹ in Lakhs 31 Mar 2011	₹ in Lakhs 30 Nov 2009
a)	**Sale of finished goods (net of returns)**		
	Pfizer Laboratories(Pty)Limited, South Africa	75.00	-
	Pfizer Pharmaceutical India Private Limited, India	1.28	19.63
	Pfizer Animal Health, RSA	-	30.10
	Wyeth Limted, India	62.48	-
b)	**Sale of bulk materials**		
	Pfizer Global Trading, Ireland	-	238.50
c)	**Service income**		
	Pfizer Limited, United Kingdom	2757.38	1334.78
	Pfizer International LLC, USA	857.29	679.79
	Pfizer Pharmaceutical India Private Limited, India	58.37	224.40
	Wyeth Limited, India	3342.78	-
	Pfizer Products India Private Limited, India	775.40	543.34
d)	**Recovery of expenses**		
	Pfizer NY	341.24	55.76
	Pfizer Pharmaceutical India Private Limited, India	167.33	37.74
	Pfizer Products India Private Limited, India	376.83	246.62
	Wyeth Limited, India	804.08	-
e)	**Purchase of finished goods**		
	Pfizer Export Company, Ireland	432.63	425.52
	Pfizer Overseas LLC., USA	733.25	322.44
	Pfizer Global Trading, Ireland	36.59	14.58
	Pfizer Singapore Trading Pte Limited, Singapore	682.07	458.91
	Pfizer Enterprises SARL, Luxembourg	156.22	272.37
f)	**Purchase of Raw/ Bulk materials**		
	Pfizer Export Company, Ireland	2163.16	2098.02
g)	**Royalty expense**		
	Parke-Davis & Company LLC, USA	137.09	103.56
	Pfizer Products Inc, USA	-	377.26
	Warner-Lambert Company LLC, USA	259.66	6.56
h)	**Expenses reimbursed**		
	Wyeth Limited, India	165.71	-
	Pfizer Private Limited, Singapore	233.31	185.21
	Pfizer Corporation Hong Kong Limited, Hong Kong	4.22	2.32
	Pfizer Products India Private Limited, India	49.92	23.28
i)	**Dividend Paid**		
	Pfizer Corporation, Panama	2344.03	1172.01
	Pfizer Investment Netherland	2202.56	-
j)	**Inter Corporate Deposits given**		
	Pfizer Pharmaceutical India Private Limited, India	32100.00	35300.00
	Pfizer Products India Private Limited, India	1300.00	2300.00
k)	**Inter Corporate Deposits repaid**		
	Pfizer Pharmaceutical India Private Limited, India	28650.00	25200.00
	Pfizer Products India Private Limited, India	2600.00	3300.00
l)	**Interest received on Inter Corporate Deposits given**		
	Pfizer Pharmaceutical India Private Limited, India	3412.31	1933.23
	Pfizer Products India Private Limited, India	17.80	158.54
m)	**Remuneration to Key Management Personnel**		
	Kewal Handa	413.34	259.57
	Dr. B.M.Gagrat	126.16	86.48
n)	**Outstanding as at the period/year end due from**		
	Pfizer Pharmaceutical India Private Limited, India	28650.00	25200.00
o)	**Outstanding as at the period/year end due to**		
	Pfizer Export Company, Ireland	1188.62	634.05
	Warner Lambert Co., LLC	259.63	6.53

15 Disclosures as required by the Accounting Standard 17 on "Segment Reporting" are given below:

Business Segments (Refer Note 1 below)

₹ in Lakhs

	31 Mar 2011				30 Nov 2009			
	Pharma-ceuticals	Animal Health	Services	Total	Pharma-ceuticals	Animal Health	Services	Total
Segment revenue								
External sales and services	101790.76	15920.01	7392.42	125103.19	66611.17	10620.86	2741.53	79973.56
Total Segment revenue	101790.76	15920.01	7392.42	125103.19	66611.17	10620.86	2741.53	79973.56
Segment results	28630.71	3193.79	791.48	32615.98	16968.93	2069.08	735.44	19773.45
Unallocated corporate (expenses) / income (net)				(5279.77)				(2672.35)
Operating profit				27336.21				17101.10
Interest expense and bank charges				(278.75)				(234.30)
Interest income				7707.06				5225.98
Income tax				(11827.89)				(7312.68)
Exceptional Items - net	(228.06)	(74.50)		(302.56)	(1091.77)			(1091.77)
Net profit				22634.07				13688.33
Other information								
Segment assets	26148.81	6154.18	4421.72	36724.71	20690.19	3550.89	838.39	25079.47
Unallocated corporate assets				101621.59				95257.43
Total assets				138346.30				120336.90
Segment liabilities	15160.05	1569.30	548.06	17277.41	10879.22	1040.13	296.20	12215.55
Unallocated corporate liabilities				4724.18				8688.09
Total liabilities				22001.59				20903.64
Capital expenditure	430.37	1.21	56.65	488.23	450.78	5.50	4.00	460.28
Depreciation/Amortization	949.75	6.81	14.10	970.66	759.92	11.54	43.79	815.25

Geographical Segments
(Refer Note 2 below)

	31 Mar 2011			30 Nov 2009		
	India	Other Countries	Total	India	Other Countries	Total
Segment Revenue - external sales & services	121292.16	3811.03	125103.19	77414.75	2558.81	79973.56
Carrying amount of segment assets	137838.01	508.29	138346.30	119550.87	786.03	120336.90
Capital expenditure	699.60	-	699.60	1871.48	-	1871.48

Notes:

1 Business Segments: The business operations of the Company comprise Pharmaceuticals, Animal Health and Services. The business segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and the internal financial reporting systems.

The Pharmaceuticals business comprises of manufacturing of bulk drugs and formulations, trading of formulations and also includes rendering of marketing services.

The Animal Health business has a presence primarily in the large animal health and poultry market segments and also includes rendering of marketing services.

Services - Clinical Development Operations primarily include conducting clinical trials, new product development and undertaking comprehensive data management for new drug development.

2 Geographical Segments: For the purpose of geographical segments the consolidated sales are divided into two segments – India and other countries.

3. The accounting policies of the segment are the same as those described in the summary of significant accounting policies as referred to in Schedule 18 to the Financial statements.

16 **Disclosure relating to provisions**

Personnel related provisions

Personnel related provision at the beginning of the year have been settled based on completion of negotiations and execution of the new contract.

The Company has made provision for pending assessments in respect of duties and other levies, the outflow of which would depend on the outcome of the respective events.

The movement in the above provisions are summarised as under:

₹ in Lakhs

	31 Mar 2011	30 Nov 2009
	Others	Others
Opening balance	82.37	103.87
Additions	-	-
Utilisation / Transfers	-	-
Reversals	5.00	21.50
Closing balance	77.37	82.37

17 The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2010. Management believes that the Company's international transactions with related parties post 31 March 2010 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements.

18 The Company does not enter into any forward contract which is intended for trading or speculative purposes.

Foreign currency exposures, not hedged by derivative instruments or otherwise are US$ 30.43 (in lakhs) (Nov 2009 : US$ 5.51 (in lakhs)) equivalent to ₹1356.73 lakhs (Nov 2009 : ₹256.55 lakhs). The break-up of these exposures is tabulated below :

	31 Mar 2011		30 Nov 2009	
Nature of exposure	Foreign Currency (US$ in lakhs)	₹ in lakhs	Foreign Currency (US$ in lakhs)	₹ in lakhs
Accounts receivable	12.22	544.88	18.95	882.25
Accounts payable	42.65	1901.61	24.46	1138.80
Net	30.43	1356.73	5.51	256.55

19 **Employee Benefits**

₹ in Lakhs

	As at 31 Mar 2011			As at 30 Nov 2009			As at 30 Nov 2008		
	Gratuity	Compens-ated Absences	Provident Fund	Gratuity	Compens-ated Absences	Provident Fund	Gratuity	Compens-ated Absences	Provident Fund
Changes in present value of obligations									
Projected Benefit Obligation, at beginning of the period/year	3827.17	2377.90	10059.67	3299.39	2232.61	8834.26	2863.59	1719.84	9084.11
Current Service Cost	390.38	332.71	-	214.96	243.92	-	186.85	191.65	-
Transfers In	271.33	236.43	-	-	-	-	-	-	-
Interest cost	422.08	227.48	-	235.59	161.70	-	223.43	132.93	-
(Benefits Paid)/(Expected Settlements)	(593.25)	(254.44)	(1485.22)	(264.22)	(166.89)	(992.36)	(319.86)	(232.42)	(1228.78)
Past Service Cost – Vested/ (Curtailment Gain)	282.41	(418.51)	-	-	-	-	-	-	-
Actuarial (gain)/loss on obligation/ Increase in account balance	641.72	22.78	940.68	341.45	(93.44)	1094.38	345.37	420.61	33.68
Employer's Contributions	-	-	864.35	-	-	493.82	-	-	415.66
Plan participants' Contributions	-	-	1099.64	-	-	629.57	-	-	529.59
Projected Benefit Obligation, at the end of the period/year	5241.84	2524.35	11479.12	3827.17	2377.90	10059.67	3299.38	2232.61	8834.26

₹ in Lakhs

	As at 31 Mar 2011			As at 30 Nov 2009			As at 30 Nov 2008		
	Gratuity	Compensated Absences	Provident Fund	Gratuity	Compensated Absences	Provident Fund	Gratuity	Compensated Absences	Provident Fund
Changes in fair value of plan assets									
Fair Value of Plan Assets at beginning of the period/year	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10	2489.64	1434.46	8210.58
Expected Return on Plan Assets	338.22	185.45	999.65	218.78	124.74	660.93	229.17	122.76	645.50
Contributions	593.25	254.44	-	306.02	-	-	-	-	-
Benefits Paid/ Transfer Out/Expected settlements	(1184.33)	(254.44)	(1608.71)	(264.22)	-	(992.36)	-	-	(1228.78)
Actuarial gain/(loss) on plan assets	43.84	34.72	212.01	58.55	14.57	24.02	169.06	1.97	(376.45)
Employer's Contributions	-	-	1099.64	-	-	493.82	-	-	415.66
Plan participants Contributions	-	-	864.35	-	-	629.57	-	-	529.59
Fair value of plan assets at end of the period/year	2997.98	1918.67	10579.02	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10
Net Asset/(Liability) recognized in the Balance Sheet									
Projected Benefit Obligation, at the end of the period/year	(5241.84)	(2524.35)	(11479.12)	(3827.17)	(2377.90)	(10059.67)	(3299.39)	(2232.61)	(8834.26)
Fair Value of Plan Assets at end of the period/year	2997.98	1918.67	10579.02	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10
Net Asset/(Liability) recognized in the Balance Sheet	(2243.86)	(605.68)	(900.10)	(620.17)	(679.40)	(1047.59)	(411.52)	(673.42)	(638.16)
Expense recognized in the Profit and Loss Account									
Current Service Cost	390.38	332.71	924.97	214.96	243.92	586.71	186.85	191.65	-
Interest cost	422.08	227.48	101.34	235.59	161.70	42.16	223.43	132.93	61.08
Past Service Cost – Vested/(Curtailment Gain)	282.41	(418.51)	(129.62)	-	-	-	-	-	-
Expected Return on Plan Assets	(338.22)	(185.45)	-	(218.78)	(124.74)	-	(229.17)	(122.76)	-
Net Actuarial (Gain)/Loss recognized	597.88	(11.94)	(1044.18)	282.90	(108.01)	(147.76)	176.32	418.63	(178.29)
Expense recognized in the Profit and Loss Account	1354.53	(55.71)	(147.49)	514.67	172.87	481.11	357.43	620.45	(117.21)
Balance Sheet Reconciliation									
Opening Net Liability	620.17	679.40	1047.59	411.52	673.42	638.16	451.76	273.79	117.97
Transition liability – adjusted in General reserve	-	-	-	-	-	-	(77.81)	11.59	755.56
Expense as above	1354.53	(55.71)	(147.49)	514.67	172.87	481.11	357.43	620.45	(117.21)
Transfer In /(Out)/(Benefits Paid)/ Expected settlements	269.16	(18.01)	-	(306.02)	(166.89)	(71.68)	(319.86)	(232.42)	(118.16)
Amount recognized in the Balance Sheet	(2243.86)	605.68	(900.10)	620.17	679.40	1047.59	411.52	673.42	638.16
Actuarial Assumptions									
Discount Rate	8.00%	8.00%	8.00%	7.3%	7.3%	7.3%	7.5%	7.5%	7.5%
Expected Rate of return on plan assets	8.00 %	8.00%	-	8.00 %	8.00%	-	8.00%	8.00%	-
Annual Increase in compensation	5% to 9.5%	5% to 9.5%	5% to 9.5%	5% to 8%	5% to 8%	5% to 8%	5% to 9.25%	5% to 9.25%	5% to 9.25%

Defined Contribution Plan:

During the period, the Company has contributed ₹27.80 lakhs (Nov 2009 - ₹22.77 lakhs) towards Employees' Superannuation Fund.

General description of significant defined benefit plans

i) **Gratuity plan**

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

ii) **Leave plan**

All eligible employees can carry forward and avail / encash leave on resignation, superannuation, death or permanent disablement subject to a maximum accumulation of 180 / 170 /90 days in case of privileged leave & 75 / 70 days in case of sick leave as per Company's rules.

iii) **Provident Fund**

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

20 The Scheme of Amalgamation ('the Scheme') of Duchem Laboratories Limited (the unlisted wholly-owned subsidiary) (hereinafter referred to as "Duchem") with the Company was sanctioned by the Honorable High Court at Mumbai by its Order passed on 26 February, 2010 and filed with the Registrar of Companies on 15 March, 2010. In accordance with the scheme all the assets, liabilities, duties and obligations of Duchem were transferred to and vested in the Company with effect from 1 December, 2008

('The Appointed Date'). The Scheme has accordingly been given effect to in these financial statements which include the assets and liabilities of Duchem with effect from 1 December, 2008 and the results for the year ended 30 November, 2009. Pending completion of relevant formalities of transfer of assets, liabilities and arrangements acquired pursuant to the Scheme mentioned above, such assets, liabilities and arrangements remain in the name of erstwhile Duchem.

Erstwhile Duchem is engaged in the business of trading of pharmaceutical products. The primary segments for classification of business activities are the pharmaceuticals and animal health segments.

The amalgamation has been accounted for under the "pooling of interests" method as prescribed by Accounting Standard 14 (AS 14) "Accounting for Amalgamations". Accordingly, the assets, liabilities and other reserves of the erstwhile Duchem as at 1 December, 2008 have been taken over at their book values.

In terms of the above mentioned Scheme, book values of assets and liabilities are required to be adopted as at 1 December, 2008.

As per the Scheme of Amalgamation no consideration was paid to Duchem or its shareholders and the investment to the extent of entire 100% equity shareholding held by the Company and its nominees in Duchem stood cancelled.

In accordance with the Scheme of Amalgamation, the aggregate of the net assets of Duchem over the carrying value of investments in the Company shall be credited / debited to the Capital Reserve and balance of investments after adjustments with Capital Reserve, if any, against General Reserve / Profit and Loss account in the books of the Company. The balance in the Capital Reserve account if any shall be added to the General Reserve / Profit and Loss account in the books of the Company

The resultant net assets as referred to in above paragraph is calculated as follows:

₹ in lakhs

Assets Taken over at book values:	
Current Assets	243.49
	243.49
Less: Liabilities taken over at book values:	
Current liabilities and provision	90.73
Net assets taken over	**152.76**

Pursuant to the scheme of amalgamation approved as above, the debit balance in the Profit and Loss account of erstwhile Duchem aggregating ₹171.24 lakhs as at 1 December, 2008 has been taken over.

Further, the provision for diminution other than temporary, in the value of investments aggregating ₹324 lakhs created by the Company in the earlier years is reversed and passed through General Reserves during the year ended 30 November, 2009.

21 The Board of Directors at its meeting held on 25 February, 2010 had approved the audited financial results of Pfizer Limited and the audited consolidated results including that of the unlisted wholly-owned subsidiary Duchem Laboratories Limited for the year ended 30 November, 2009. However, for reasons mentioned in Note 20 above, and in order to give effect to the Honorable Bombay High Court's Order dated 26 February, 2010, the Board of Directors at its meeting held on 19 March, 2010 have taken on record the audited financial results of the Company including the figures of erstwhile Duchem for the year ended 30 November, 2009.

22 The employees of the Company have been issued 50490 (Nov 2009: Nil) Share Options and 10149 (Nov 2009: 13966) restricted stock units under the Pfizer Inc 2004 Share Option Plan by Pfizer Inc. The cost incurred by Pfizer Inc pursuant to the said Pfizer Inc 2004 Share Option Plan for the 16 months ended 31 March, 2011 amounts to ₹47.87 lakhs (Nov 2009: ₹19.75 lakhs). These amounts have not been charged to the Company by Pfizer Inc.

23 (a) Charges towards provision of back office support to fellow subsidiaries, which were netted off against personnel cost amounting to ₹532.01 Lakhs for the year ended 30 November, 2009 have now been regrouped to Service Income. Consequential adjustments have been made to the segment disclosures.

(b) ₹817.31 lakhs has been regrouped from advances recoverable in cash or kind to balance with Customs, Port Trust and Excise on current accounts for the year ended 30 November, 2009.

(c) ₹ 730.02 lakhs has been regrouped from Miscellaneous expenses to Travelling expenses for the year ended 30 November, 2009.

24 The previous year's figures relate to twelve months ended 30 November, 2009 while the current period's figures are sixteen months period ended 31 March 2011. Accordingly, the current period's figures are not comparable to those of the previous year.

As per our report of even date attached.

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

SANJAY AGGARWAL
Partner
Membership No: 40780

Mumbai, 03 May, 2011

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

R A SHAH — *Chairman*

KEWAL HANDA — *Managing Director*

PRADIP SHAH
B M GAGRAT (Dr) } *Directors*

PRAJEET NAIR — *Company Secretary*

Mumbai, 03 May, 2011

Information required as per Part IV of Schedule VI to the Companies Act, 1956

Balance sheet abstract and Company's general business profile

I Registration details

Registration No	8311	State code	11
Balance sheet date	31 03 2011		

II Capital raised during the year (Amount in ₹ thousand)

Public issue	Rights issue
Nil	Nil
Bonus issue	Private placement
Nil	Nil

III Position of mobilisation and deployment of funds (Amount in ₹ thousand)

Total liabilities	Total assets
11634471	11634471

Source of funds

Paid-up Capital	Reserves and surplus
298432	11336039
Secured loans	Unsecured loans
Nil	Nil

Application of funds

Net fixed assets	Investments
862138	25
Deferred tax asset (net)	Net current assets
355386	10416922
Miscellaneous expenditure	Accumulated losses
Nil	Nil

IV Performance of the Company (Amount in ₹ thousand)

Turnover (including other income)	Total expenditure
13453522	9977070
Profit before tax and exceptional items +	
3476452	
Profit before tax +	Profit after tax +
3446196	2263407
Earnings per share (₹)	Dividend rate
75.85	165%

V Generic names of three principal products of the Company *(as per monetary terms)*

Item code No (ITC Code)	30044005
Product description	Syrup based on codeine phosphate
Item code No (ITC Code)	30045005
Product description	B group vitamins (B-Complex) with Vitamin C
Item code No (ITC Code)	30049011
Product description	Other anti-inflammatory (non-steroid) formulations

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

R A SHAH *Chairman*

KEWAL HANDA *Managing Director*

PRADIP SHAH
B M GAGRAT (Dr) } *Directors*

Mumbai, 03 May, 2011 **PRAJEET NAIR** *Company Secretary*

Pfizer Limited

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

Dear Shareholder, May 3, 2011

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the MCA, companies can now send various notices and documents including the Annual Report, Notice for General Meetings and other shareholder communication to its shareholders through electronic mode to the registered e-mail address of the shareholders.

This is a welcome move which will assist in reducing paper consumption and allow you and your Company to contribute to a greener environment. We invite every shareholder to contribute to this Corporate Social Responsibility initiative of the Company.

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

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

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

Thanking you,

Yours truly,
For Pfizer Limited

Prajeet Nair
Company Secretary

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

Pfizer Limited

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

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

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

Dear Sir,

With reference to your Circular dated May 3, 2011, I/We shareholder(s) of Pfizer Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other shareholder communication in electronic mode.

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

Folio No./Client ID No. : ____________________

Name of the Sole/First Shareholder : ____________________

Name of the Joint Shareholders : ____________________

____

No. of Shares : ____________________

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

Date: Signature:____________________

Place: (Sole/First Shareholder)

Notes: 1. Shareholders are requested to inform the Company as and when there is change in their registered e-mail id.

2. For demat shares, shareholders are requested to inform their respective Depository Participants.

Pfizer Limited

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

PROXY

I/We ....

of ....in the district of

.... being a member/members of Pfizer Limited, hereby

appoint .... of ....in the district of.............

.... or failing him/her .... of ....in the district of

.... as my/our proxy to attend and vote for me/us on my/our behalf at the

60th Annual General Meeting of the Company to be held on Tuesday, July 19, 2011 and at any adjournment thereof.

Signed this .... day of .... 2011.

Folio No. / Client ID: ....

No. of Shares: ....

Signature.................... Please Affix ₹1 Revenue Stamp ....

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

Pfizer Limited

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

ATTENDANCE SLIP

To be handed over at the entrance of Meeting Hall

I hereby record my presence at the SIXTIETH ANNUAL GENERAL MEETING of the Company at Y.B. Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, July 19, 2011 at 3.00 P.M.

Name of the Member ....

Folio No. / Client ID ....

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

SIGNATURE OF THE MEMBER OR PROXY / REPRESENTATIVE

Working together for a healthier world™

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