



Gender Equality

Poverty Eradication

Child Health

Environmental Sustainability

Maternal Health

Global Partnerships

Fight Against Disease

Committed to the
Millennium Development Goals



Pfizer has been supporting the rural poor through healthcare programmes spanning maternal and child health, social empowerment and income-generation initiatives.



Working together for a healthier world™

Millennium Development Goals

At the United Nations Millennium Summit in September 2000, the largest gathering of the world leaders adopted a declaration to commit their nations to a new global partnership to reduce extreme poverty and set out a series of time-bound targets, with a deadline of 2015. These objectives have come to be known as the Millennium Development Goals (MDGs).

The MDGs seek to tackle poverty, hunger, lack of healthcare, basic human rights including gender equality, and achieve the goals in an environmentally sustainable way. They encompass basic human rights – the rights of each person on the planet to health, education, shelter, and security.

In India, Pfizer was awarded the best MNC in 2009 by Frost & Sullivan, which substantiates

the commitment of the company towards all its stakeholders in the country. Pfizer is helping to transform the healthcare system, by redefining healthcare, access to medicines, and partnering to build infrastructure and manpower for healthcare.

Pfizer continues its unwavering commitment to create a more equitable and sustainable future. By boosting the healthcare system, researching innovative technology and training healthcare professionals, Pfizer expects to take millions of Indians one step closer to realizing the MDGs.

The following pages identify the areas where Pfizer is contributing to the country's progress towards meeting the Millennium Development Goals.



Poverty Eradication



Over 50% of India's population survives on agriculture. Animal Husbandry is practiced on a large scale by millions of farmers, producing milk, eggs and meat to supplement their income. Pfizer Animal Health division supports the potential of this segment, helping the farmers to increase the productivity of their animals and maximize their earnings. It has a wide range of products which are broadly categorized into dairy and poultry divisions.

The dairy team has a set of nutritional feed supplements and a portfolio of medicines. The nutritional feed supplements help in keeping the animal in healthy condition and in meeting the

shortage of vitamins and minerals in the diet. As a result the cattle provide a high and consistent milk yield. Pfizer's range of medicines not only help in prolonging the life of the cattle but it also reduces the time taken by ailing animals to get back to the original milk yield level. As a result animals stay healthy and stress free to produce the target milk yield without many fluctuations.

The poultry team has products focused at four need types for the poultry farmer, namely: medicated feed supplements, anti-infectives, disinfectants and nutritionals. Over the last decade, Pfizer products have been helping farmers to realize their full potential.

Gender Equality

Pfizer's deep-rooted belief in women's empowerment is seen in its successful partnership with the NGO Arpana as well as in its internal personnel policies.

The Pfizer-Arpana project is a partnership geared towards improving mother-child healthcare in the rural villages of Haryana. The project has expanded its scope to engage in many activities to uplift the surrounding communities. It has started working for the empowerment of women in Karnal district of Haryana. One of the initiatives of this partnership is to form Self Help Groups (SHGs). With the encouragement of the partnership more than 250 self-help groups have been established supported by over 600 women entrepreneurs. The SHGs have led some 3100 rural women to

save Rs. 3 Crores in local banks.

Pfizer offers equal opportunities to its women colleagues. Through the DIWA (Diversity through Women Allies) initiative, Pfizer is progressing towards increasing the number of women colleagues and providing them with the best opportunities to develop their talent. DIWA provides an important platform for engaging female colleagues, promoting diverse thinking, raising awareness of female colleague needs and building a diverse talent pipeline. Its main purpose is to create a work environment that attracts and harnesses the potential of women talent and makes Pfizer an Employer of Choice for both men and women.

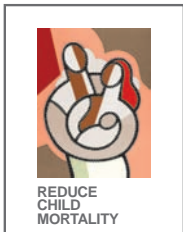


Global Goals

The global goal is to eliminate gender disparity at all levels of education by 2015. The key objectives are:

- Increasing the ratios of girls to boys in primary, secondary and tertiary education.
- Increasing the share of women in wage employment in the non-agricultural sector.
- Increasing the proportion of seats held by women in national parliament.

Child Health



Pfizer has always been at the forefront when it comes to improving the lives of patients. Along with medicines and through awareness and counseling Pfizer is constantly in search of new ways to help people lead better lives. One such approach is its partnership with Arpana Trust, in North India. At Karnal in Haryana, Pfizer is working with Arpana Trust since 2002 to spread awareness about mother and child healthcare. The efforts of Pfizer and Arpana have positively affected the people of more than 65 nearby villages and are reflected in the results.

- There has been more than 20% reduction in low weight birth of babies;
- There has been improvement in the access to healthcare and better awareness about health needs of pregnant women & children less than five years;
- There has been a significant control over preventable diseases (e.g. diarrhea, malaria), especially in women and & children.

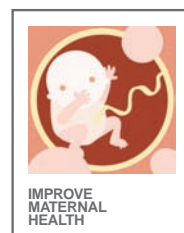


Maternal Health

Reducing the maternal mortality rate and increasing the proportion of childbirths attended by skilled personnel is a key MDG. In India, Pfizer has involved itself in improving the healthcare infrastructure in the country, at the grassroots level. The initiative is a project in partnership with Pfizer External Medical Affairs and Arpana Trust, under which we work in the local villages in north India to better understand the developmental needs of the communities.

The partnership began in 2002 to spread awareness about healthcare, improve maternal

and child care health infrastructure and sanitation in rural villages. Over time the partnership has evolved to address primary, secondary and tertiary healthcare needs and help reduce maternal mortality through encouraging the practice of institutional deliveries and taking folic acid supplements during pregnancy. The partnership has already impacted 65 villages in improving maternal and reproductive health. Pfizer is now scaling up the project to cover 100 villages in Haryana.



Real Progress

Pfizer's project in partnership with Arpana Trust has positively impacted maternal health in 65 villages of Haryana.

- More than 94% coverage has been achieved for neo-natal check-ups.
- A 20% jump in institutional deliveries.
- A 55% decrease of anemia in pregnant women.
- A 36.5% decrease of anemia in adolescent girls.
- Prevention of STDs and reduction in maternal mortality.



Fight Against Disease



Pfizer is in a position to contribute significantly towards combating the most common and deadliest diseases which lead to major loss of human lives on the planet. HIV/AIDS, TB and smoking are the specific areas where Pfizer is contributing.

As far as TB goes, Pfizer has taken preventive and curative approaches. Pfizer has partnered with the Clinton Foundation to sell its tuberculosis drug at \$1 per dose, a 60 percent price decrease, or \$90 for a full, six-month treatment. The lower price will be available in several countries including India.

Further, Pfizer has launched a drug which helps smokers quit the habit which can help to reduce the number of TB cases caused by smoking. This prescription medication is used to treat smoking addiction and is clinically proven to be the most effective drug to help reduce the urge to smoke. Pfizer has launched over 200 smoking cessation clinics across the country to provide a holistic approach towards tobacco control to help reduce the high incidence of chronic diseases in the country.

Environmental Sustainability

Pfizer has contributed towards environmental sustainability. We use the latest technology in water recycling and disposal and it also purifies water for use in the plant rather than depleting scarce clean water resources.

Further, with the aim of reducing Green House Gas (GHG) emissions and saving fossil fuel, the in-operation boiler at our plant was refitted to run on Bagasse Briquettes. This is a renewable fuel derived from agro products. The project has been registered with UNFCCC (United Nations Framework Convention on Climate Change) under CDM (Clean Development Mechanism) for claiming carbon credits.

Through Community Outreach programs, a continuous endeavor is made to involve the local community in aspects such as Environment Protection, Pollution Control, Waste Management and Water & Energy conservation. A focus is given to water conservation techniques like rain water harvesting and digging local fresh water pools. Activities such as tree plantation, free health check-ups and supply of free medicines are conducted in association with NGOs. All these measures have begun to promote a sustainable development and environmental conservation in the surrounding community.



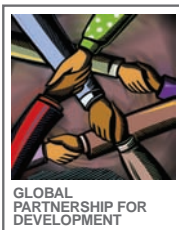
Clean Energy

Bagasse Briquette, a renewable and environment friendly source of energy, is used as a fuel with the aim of reducing Green House Gas (GHG) emissions and saving fossil fuel. Bagasse is derived from agro products. Since it does not contain any sulphur, air pollution is reduced and it is also possible to recover extra heat from the exhaust gases.

The fuel yields 6 to 10% ash as product of combustion, which being non hazardous, can be used for land fill or in low cost constructions. With the use of Bagasse, Pfizer's fuel bill has reduced to almost half at prevailing prices.



Partnerships for Development



Pfizer Partnerships With Arpana and USAID

Pfizer has partnered with Arpana, USAID and the CAP Foundation to jointly evolve a holistic approach towards building the rural infrastructure. The partnerships focus on strengthening health services, providing jobs skills training, and offering real employment to the entire community.

Pfizer EMA + PHFI

Pfizer External Medical Affairs (EMA) has partnered with the Public Health Foundation of India (PHFI) to strengthen public health systems through education, training, research, community empowerment and improved access to health services. Pfizer will provide partial support to PHFI for establishing Centers for Strengthening Health Systems in the underdeveloped districts of Adilabad (Andhra Pradesh) and Ganjam (Orissa).



Specific targets of the Millennium Development Goals include cooperation with pharmaceutical companies to provide access to affordable essential drugs in developing countries, and cooperation with the private sector to make available the benefits of new technologies.

Pfizer, in collaboration with various domestic and international players, has formed partnerships to increase the access to its drugs across socio-economic groups in the country,

improve the healthcare infrastructure in the country upwards from the grassroots level and to provide training to build the local capacity of leading healthcare institutions across the country. Further, the company has created a workforce which is well versed with the latest techniques in the field of medical research and innovation to provide high quality healthcare services to the underserved sections of the rural population.



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Ten Year Financial Summary

Rupees in Lakhs

	2000	2001	2002 [‡]	2003	2004 [§]	2005	2006	2007	2008	2009 [^]
Sources of Funds										
Shareholders' Funds										
Share Capital	2344*	2344	2344	2880	2880	2984	2984	2984	2984	2984
Share Capital Suspense A/c	—	—	536	—	104	—	—	—	—	—
Reserves and Surplus	11167	14645	27923	27960	31292	34672	37589	61880	86972	96449
Total Shareholders' Funds	13511	16989	30803	30840	34276	37656	40573	64864	89956	99433
Borrowed Funds										
Secured Loans	—	—	—	—	—	—	—	—	—	—
Unsecured Loans	—	—	—	—	1200	—	—	—	—	—
Total	13511	16989	30803	30840	35476	37656	40573	64864	89956	99433
Application of Funds										
Net Fixed Assets	3728	4210	5696	6110	7564	7770	6675	7040	8306	9329
Investments	324	324	529	324	324	—	—	50	50	50
Deferred Tax Asset (Net)	310	503	790	989	636	903	1436	1298	2267	2750
Current Assets, Loans and Advances:										
Inventories	5780	5644	8484	8658	7389	8983	9845	9506	12468	11337
Sundry Debtors	3918	5421	12341	5883	7174	8282	6901	6137	5973	6439
Cash and Bank Balances	4609	5763	6840	8908	16110	20993	30651	47979	54306	52740
Other Current Assets	—	—	—	45	137	214	903	817	1449	482
Loans & Advances	3529	4289	7260	8330	6840	6693	6821	13537	24795	37209
Total Current Assets, Loans and Advances	17836	21117	34925	31824	37650	45165	55121	77976	98991	108207
Less: Current Liabilities and Provisions										
Current Liabilities	6771	6312	11112	9619	11284	13404	14495	10628	12214	13289
Provisions	2366	2853	5244	4192	5421	6448	9498	11165	7444	7614
Net Current Assets	8699	11952	18569	18013	20945	25313	31128	56183	79333	87304
Misc. Expenditure (Deferred Revenue Expenditure)										
Voluntary Retirement Scheme	—	—	5219	5404	6007	3670	1334	293	—	—
Commercial Rights	450	—	—	—	—	—	—	—	—	—
Total	13511	16989	30803	30840	35476	37656	40573	64864	89956	99432
Income										
Gross sales	32719	36207	65127	55896	65966	69750	76586	77301	76482	84846
Less: Excise duty		3796	5719	3954	4884	5416	6039	6199	5409	3956
Less: Sales tax		2643	5165	4478	5304	4482	4312	3836	3302	3663
Net sales		29768	54243	47464	55778	59852	66235	67266	67771	77227
Operating and other income	5162	6147	6007	4051	3924	4103	5953	34270	9342	9542
Total	37881	35915	60250	51515	59702	63955	72188	101536	77113	86769
Expenditure										
Material cost	10066	10736	21978	19737	22370	20007	22356	23148	23759	28771
Personnel cost	5056	5580	8784	7942	8255	10014	10234	10170	10210	12388
Manufacturing and other expenses	15774	11154	17183	16409	18564	19273	19746	20510	20966	22689
Interest expense	37	26	76	39	81	15	7	2	—	—
Depreciation and amortisation	676	717	1064	1083	1026	1385	1307	958	1112	828
Total	31609	28213	49085	45210	50296	50694	53650	54788	56047	64677
Profit Before Taxation & Exceptional Items	6272	7702	11165	6305	9406	13261	18538	46748	21066	22093
Exceptional items - Net	—	—	1518	(1673)	(1922)	(2337)	(2337)	(1735)	20790	(1092)
Profit Before Taxation	6272	7702	12683	4632	7484	10924	16201	45013	41856	21001
Taxation	2518	2953	5089	1881	2932	4112	5628	11120	11944	7313
Profit After Taxation	3754	4749	7594	2751	4552	6812	10573	33893	29912	13688
Tax Provision as % of PBT	40.1	38.3	40.1	40.6	39.2	37.6	34.7	24.7	28.5	34.8
Net Profit as % of Sales	11.5	13.1	11.7	4.9	6.9	9.8	13.8	50.3#	44.1**	17.7
Earnings per share (Rs.)	16.02@	20.26	26.37	9.55	15.25	22.83	35.43	113.58	100.24	45.87
Equity Dividend per share (Rs.)	4.00	5.00	7.50	7.50	10.00	10.00	22.50	27.50	12.50	12.50
Total Dividend Amount (Rs. in Lakhs)	938	1172	2160	2160	2984	2984	6714	8206	3730	3730
Book Value per share (Rs.)	57.64@	72.48	106.95	107.08	114.86	126.19	135.95	217.37	301.46	333.22

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

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

‡ Includes 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

R. A. Shah

Chairman

Kewal Handa

Managing Director

Pradip P. Shah

Director

Bomi M. Gagrath (Dr.)

Executive Director, Technical Operations

Richard Gane

Director

Executive Committee*

Kewal Handa

Managing Director

Anjan Sen

Projects

Bomi M. Gagrath (Dr.)

Technical Operations

C. N. Potkar (Dr.)

Medical & Regulatory Affairs

Dipali Talwar (Ms.)

Legal

Hiroo Mirchandani (Ms.)

Futura

Partha Ghosh

Commercial

Pradeep Patni

Pharmaceutical (Critica & Intima)

S. Sridhar

Finance

S. Venkatesh

Strategy & Business Development

Shiva Nair

Business Technology

Sunil Madhok

Business Operations

Suresh Subramanian

Pharmaceutical (Ultima & Proxima)

Uday Mohan

Human Resources

Yash Goyal (Dr.)

Animal Health

Prajeet Nair

Company Secretary

Auditors

B S R & Co.

* As on 19/3/2010

REGISTERED OFFICE:

Pfizer Limited

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

Tel.: 022 6693 2000 • Fax.: 022 6693 2377 • Email: 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.: 040 23420815 - 28 • Fax: 040 23420814, 23420857 • Email: einward.ris@karvy.com

Notice

Notice is hereby given that the 59th 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 Monday, April 26, 2010, at 3.00 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at November 30, 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
2. To declare Dividend for the year ended November 30, 2009.
3. To appoint a Director in place of Dr. Bomi M. Gagrath who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business:

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

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) consent of the Company be and is hereby accorded to the re-appointment of Mr. Kewal Handa as the Managing Director of the Company for a period of 5 years with effect from April 28, 2010 or till the date of his retirement as per the rules of the Company, whichever is earlier, and to his receiving remuneration, payment, perquisites and amenities from that date as given below:

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

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Mr. Kewal Handa, Managing Director shall be subject to a maximum limit of Rs.3,00,00,000/- (Rupees Three Crores Only) per annum.

B. (i) Perquisites:

In addition to the above mentioned Salary, Fixed Allowances and Bonus/Performance Linked Incentives, Mr. Kewal Handa shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and use of Company Car for official duties. In case the Company owned/ leased accommodation is not provided, Mr. Handa shall be entitled for House Rent Allowance subject to the maximum limit of Rs.50,00,000/- (Rupees Fifty Lakhs Only) per annum.

(ii) Mr. Kewal Handa shall also be entitled to the following perquisites and benefits, which are not covered in the aforesaid limits in A & B (i) above:

(a) Telephone/Facsimile/Computer:

Provision for use of telephone (including payment of local and long distance official calls), facsimile and computer facility at residence.

(b) Contribution to Provident Fund, Superannuation Fund, etc.:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the above ceiling to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable as per the Company's Scheme and encashment of leave at the end of the tenure.

(c) Medical Expenses:

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

(d) Leave and Leave Passage:

Leave as per the rules of the Company. Leave Travel Concession for Mr. Kewal Handa and family once in a year to any destination in India.

(e) Club Membership:

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

(f) Entertainment Expenses:

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

Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.

The Board of Directors may, in its discretion, pay to Mr. Kewal Handa lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limits stipulated. The terms of remuneration payable to Mr. Kewal Handa shall be in compliance with the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956, read with Schedule XIII of the Act.

C. Minimum Remuneration:

In the event of loss or inadequacy of profits, in any financial year during the tenure of Mr. Kewal Handa as the Managing Director of the Company, he shall be entitled to receive a total remuneration including perquisites, etc. not exceeding ceiling limits as approved by the Central Government as minimum remuneration.

D. Period:

Subject to the provisions of Section 317 of the Companies Act, 1956, Mr. Handa shall continue in office as Managing Director for a period of 5 years commencing April 28, 2010 or till the date of his retirement as per the rules of the Company, whichever is earlier, subject to earlier termination of his service by either the Board of Directors on instructions given by Pfizer Corporation or by Mr. Handa giving to the other 60 days notice in writing.

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

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

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

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") consent of the Company be and is hereby accorded to the appointment of Dr. Bomi M. Gagrath as a Whole-time Director designated as Executive Director – Technical Operations of the Company for a period of three years with effect from April 28, 2010 or till the date of his retirement as per the rules of the Company, whichever is earlier, and to his receiving remuneration, payment, perquisites and amenities from that date as given below:

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

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Dr. Gagrath shall be subject to a maximum limit of Rs.1,00,00,000/- (Rupees One Crore Only) per annum.

B. Perquisites

In addition to the above mentioned Salary, Fixed Allowances and Bonus/Performance Linked Incentives, Dr. Gagrath shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement, leave travel concession for self and family, club fees, medical insurance etc. and/or such other perquisites as may be determined by the Board of Directors from time to time, the aggregate value of such perquisites being subject to a maximum limit of Rs.15,00,000/- (Rupees Fifteen Lakhs Only) per annum. The limits for perquisites shall be in addition to the limit of Rs.1,00,00,000/- per annum for Salary, Fixed Allowances and Bonus/Performance Linked Incentives as mentioned above.

C. Other terms and conditions

- (i) In cases where Company owned/leased accommodation is not provided, besides House Rent Allowance, Dr. Gagrat shall be entitled to reimbursement of expenditure towards repairs, renovation, fittings etc. up to a maximum limit of Rs.3,00,000/- per annum. The amount so reimbursed shall not be included in the limit of Rs.1,00,00,000/- per annum in respect of Salary, Fixed Allowances and Bonus/Performance Linked Incentives and the limit of Rs.15,00,000/- per annum in respect of perquisites mentioned above. This reimbursement shall be subject to specific approval of the Board of Directors.
- (ii) Provision for use of Company car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (iii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. Gratuity payable as per the Company's Scheme and encashment of leave at the end of the tenure shall not be included in the limit of Rs.15,00,000/- per annum for perquisites.
- (iv) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.
- (v) The Board of Directors may, in its discretion, pay to Dr. Gagrat lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time, within the maximum limits stipulated.

D. Minimum Remuneration

The above remuneration including incentives payable shall be paid and allowed as minimum remuneration, notwithstanding the absence or inadequacy of profits in any accounting year of the Company subject however to the approvals including that of the Central Government being obtained, where applicable.

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

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing resolution or otherwise considered by it to be in the best interest of the Company.

Notes:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 5 and 6 of Special Business is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from April 17, 2010 to April 26, 2010 (both days inclusive) for the purpose of payment of dividend.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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

4. The members/proxies are requested to bring duly filled in Attendance Slips for attending the Meeting.
5. Re-appointment of Director retiring by rotation:

Dr. Bomi M. Gagrat was appointed as a Director liable to retire by rotation at the 56th Annual General Meeting held on March 22, 2007. Dr. Gagrat is liable to retire by rotation at the 59th Annual General Meeting and, being eligible, offers himself for re-appointment.

The information required to be furnished under Code of Corporate Governance is given under the Item No. 6 of the Explanatory Statement to the Notice.

6. The members seeking any information with regard to accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
7. Members (Beneficiaries) holding shares in dematerialized mode are requested to note that the bank details furnished by them to their respective Depository Participants will be printed on their Dividend Warrants, if not opted for Electronic Clearing Service (ECS). This is pursuant to the SEBI directive vide Circular No. D&CC/FITTC/CIR-4/2001 dated 13.11.2001.
8. In compliance with Sections 205A & 205C of the Companies Act, 1956, unclaimed dividend for the year ended 2002 has been transferred to the "Investor Education and Protection Fund" established by the Central Government. Members shall not be able to register their claim in respect of their unencashed dividend with regard to the said dividend. Unclaimed dividend for all the subsequent years will be transferred to the "Investor Education and Protection Fund" according to the statutory stipulations. Members are requested to contact the Company's Registrars and Transfer Agents, in respect of their outstanding dividends for the succeeding years.

Mumbai, February 25, 2010

By Order of the Board of Directors

Registered Office:

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

Prajeet Nair
Company Secretary

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

ITEM NO. 5:

At the 55th Annual General Meeting held on April 21, 2006, the shareholders have approved the appointment of Mr. Kewal Handa as the Managing Director of the Company for a period of 5 years effective April 28, 2005.

The Board of Directors at its meeting held on February 25, 2010 re-appointed Mr. Kewal Handa as the Managing Director of the Company for a period of 5 years with effect from April 28, 2010 or till the date of his retirement as per the rules of the Company, whichever is earlier, subject to the approval of the shareholders at the Annual General Meeting of the Company. The remuneration payable to Mr. Handa is set out in the Resolution at Item No. 5 of the Notice.

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

Mr. Handa is 57 years old and is a member of The Institute of Cost and Works Accountants of India and The Institute of Company Secretaries of India. Mr. Handa holds a Masters degree in commerce. He joined the Company in June, 1990 as Controller in MIS - Taxation and was promoted as Financial Controller in August, 1991 and then moved to head the Animal Health Division in December, 1994. Mr. Handa held the position of Executive Director of the Company heading the Finance Division from December 16, 1996 till his appointment as the Managing Director of the Company. He is the Director of the Organization of Pharmaceutical Producers of India (OPPI) and the President of the Bombay Management Association. He is also a Committee Member of the Confederation of Indian Industry (CII), Indian Pharmaceutical Alliances (IPA) and the Bombay Chamber of Commerce and Industry (BCCI). He is a visiting faculty in Narsee Monjee Institute of Management Studies. He was awarded the 'India CFO 2004 – Excellence in Finance in MNC' by the International Market Assessment Group.

He is the Chairman/Director of the following other Public Limited companies and Chairman/Member of the following other Board Committees as on November 30, 2009.

Name of the Company	Designation	Chairmanship or Membership of Board Committees
Alfa-Laval India Limited	Director	Member – Audit Committee
Wyeth Limited	Managing Director	Member – Audit Committee Member – Shareholders' Grievance Committee

Mr. Kewal Handa holds 302 Equity Shares of Rs.10/- each in the Company

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

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

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

ITEM NO. 6:

At the 54th Annual General Meeting held on April 28, 2005, the shareholders have approved the appointment of Dr. Bomi M. Gagrat as the Executive Director – Technical Operations of the Company for a period of 5 years effective April 28, 2005 or till the date of his retirement as per the rules of the Company, whichever is earlier.

The Board of Directors at its meeting held on February 25, 2010 appointed Dr. Bomi M. Gagrat as Whole-time Director designated as Executive Director – Technical Operations of the Company for a period of three years with effect from April 28, 2010 or till the date of his retirement as per the rules of the Company, whichever is earlier, subject to the approval of the shareholders at the Annual General Meeting of the Company. The remuneration payable to Dr. Gagrat is set out in the Resolution at Item No. 6 of the Notice.

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

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

Dr. Bomi M. Gagrat is 63 years old and is on the Pfizer India Board for the last 12 years. Prior to joining Pfizer, Dr. Gagrat held a variety of positions of increasing responsibility in pharmaceutical manufacturing. Dr. Gagrat joined Pfizer in 1989 as Plant Manager at Thane Plant and subsequently was appointed as General Manager in 1994. In December 1996, he was designated as Vice President of the Animal Health Division in India. In September, 1998 Dr. Gagrat was appointed as Executive Director – Pharmaceuticals. Effective December, 2002, Dr. Gagrat, assumed the responsibilities of Executive Director, Pfizer Global Manufacturing for the technical and manufacturing operations in India and he was designated as Executive Director – Technical Operations.

Details of his Chairmanship/Directorships in other Public Limited Companies and Board Committees as on November 30, 2009 are given below:

Name of the Company	Designation	Chairmanship or Membership of Board Committees
Duchem Laboratories Limited.	Chairman	NIL

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

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

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

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

Mumbai, February 25, 2010

Registered Office:

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

By Order of the Board of Directors

Prajeet Nair
Company Secretary

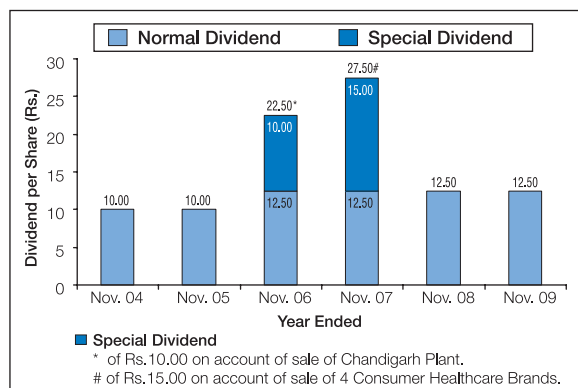
Directors' Report including Management Discussion and Analysis Report

TO THE MEMBERS

Your Directors have pleasure in presenting this 59th Annual Report together with the Audited Accounts for the year ended November 30, 2009. The Report reviews the Company's operations covering Pharmaceutical and Animal Health Products.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.12.50 per share (125%) for the financial year ended November 30, 2009. The dividend payout will aggregate to Rs.3730.18 Lakhs and the tax on distributed profits payable by the Company would amount to Rs.634.13 Lakhs.



FINANCIAL RESULTS

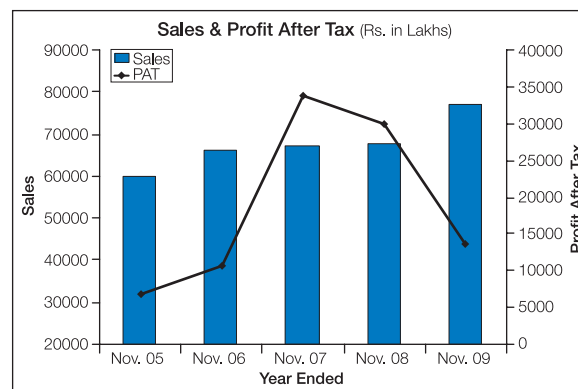
Rupees in Lakhs

	Year Ended November 30, 2009	Year Ended November 30, 2008
Sales (Net of Excise Duty & Sales Tax)	77227	67771
Operating and other Income	9542	9342
Profit Before Tax and Exceptional Items	22093	21066
Exceptional Items (Expenses) / Income	(1092)	20790
Profit Before Taxation	21001	41856
Less: Taxation		
– Current Tax	7705	12451
– Fringe Benefit Tax	91	228
– Deferred Tax (Credit) / Debit	(483)	(735)
Profit After Taxation	13688	29912
Balance of Profit from Prior Years	67545	44989
Adjustment on account of amalgamation of erstwhile Duchem Laboratories Limited	(171)	–
Surplus available for Appropriation	81062	74901
Appropriations:		
Transfer to General Reserve	1369	2991
Proposed Dividend	3730	3730
Tax on Dividend	634	634
Balance carried to Balance Sheet	75329	67545

Your Company's sales (net of excise duty and sales tax) amounted to Rs.77227 Lakhs (Previous year – Rs.67771 Lakhs) recording an impressive growth of 14% over the previous year. Your Company achieved a Net Profit of Rs.13688 Lakhs as compared to Rs.29912 Lakhs showing a decline of 54%. This decline is mainly due to the impact of Exceptional Income in the previous year. The profit before exceptional items however, recorded an increase of 5%.

OPEN OFFER

Pursuant to the cash offer made by Pfizer Investments Netherlands B.V. to acquire up to 100,78,143 equity shares of the Company representing 33.77% of the total paid up equity share capital of the Company at a price of Rs.830/- per share, the tendering to the extent of 88,10,234 equity shares were accepted. Accordingly, the equity stake of Pfizer Corporation and its affiliates in the Company would stand at 70.75%.



Out of 88,10,234 shares so tendered, 87,82,252 shares are currently held in the escrow account for the benefit of Pfizer Investments Netherlands B.V. The same shall be transferred to Pfizer Investments Netherlands B.V. on completion of all formalities.

OUTLOOK

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. Global investment firm, Moody's, believes that driven by renewed growth in India and China, the world economy is beginning to recover from one of the worst economic downturns in decades.

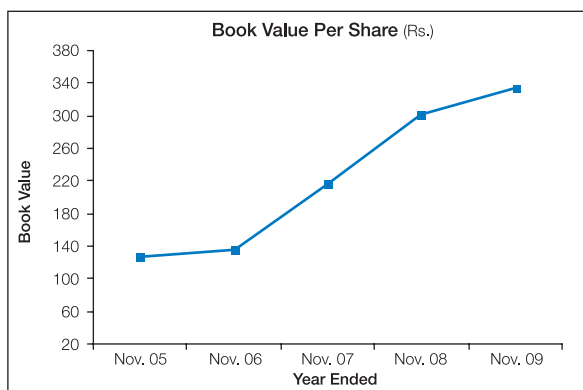
The World Bank has projected an 8% growth for India in 2010, which will make it the fastest-growing economy overtaking China's expected 7.7% growth for the first time.

A number of leading indicators, such as increase in hiring, freight movement at major ports and encouraging data from a number of key manufacturing segments, such as steel and cement, indicate that the downturn has reached its nadir and India is back on the growth track.

It is estimated that by 2015, the Indian Pharmaceutical Industry will rank amongst the top 10 in the world and will be valued at US\$ 20 Billion. The major trends that will influence the growth of the market over the next few years are: increasing disposable income, growing number of middle class households, expansion of healthcare infrastructure, penetration of healthcare insurance, rising incidence of chronic diseases, and expanded healthcare access to rural and semi urban markets, aided by GDP increase of approximately 7%.

Pharmaceutical companies will also continue to grow through acquisitions, joint ventures, leveraging low operational costs and outsourcing. MNCs are also targeting rural and semi-urban markets to further consolidate their presence.

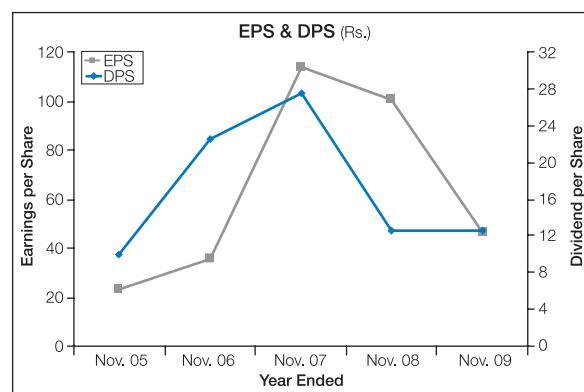
India's product patent regime for drugs is now five years old. However, ambiguity surrounding issues such as the scope of patentability, compulsory licensing, recent economic slowdown, pre-grant opposition and data protection continue to deter large scale foreign investments that can accelerate growth of the Industry.



Tighter controls on pricing envisioned in the New Drug Policy threaten to reduce margins and impact business. Factors such as rising prevalence of lifestyle related diseases coupled with improving health awareness and purchasing power, will continue to drive growth in the pharmaceutical market.

PHARMA INDUSTRY IN 2009 – AN OVERVIEW

The Indian Pharmaceutical industry has been largely resilient to the economic challenges. The Indian Pharmaceutical Market achieved 15.7% growth on an annualized basis, volumes contributing 7.4%, new products contributing 7.6% and price 0.7% (Source: ORG IMS: MAT Nov. 2009), versus 10.5% in 2008 and 12.5% in 2007. Indian companies outgrew the market at 15.9%, while MNCs registered a growth of 15%. Acute therapy continues to dominate the market with a value contribution of over 74%. The chronic segment has registered a healthy growth of 18% as against 15% of acute segment.



REVIEW OF OPERATIONS

BUSINESS SEGMENT: PHARMACEUTICALS DIVISION:

The revenue of your Company's Pharmaceutical Division for the year under review, at Rs.66611 Lakhs (Previous Year Rs.59478 Lakhs) grew by 12%. This year your Company recorded faster growth than most other multinational companies and across various therapeutic segments especially vitamins and minerals, anti-infectives, cardiac, derma and neuro/CNS. (Source: ORG IMS)

Your Company moved from rank 14th to 12th during the year under review and has been consistently growing faster than the market over the last seven months of the financial year under review. Currently, we are growing at 19.8% and have a market share of 2.3% (Source: ORG IMS-SSA MAT Nov. 2009). As was the case last year, a significant proportion of the growth has come from increased volumes by revitalizing growth in core brands. Our current portfolio includes

some of India's best known brands, with six of our key brands being in the list of top 100 brands in the industry. 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. Brands like Becosules, Magnex, and Minipress XL have been consistently growing faster than the market. Dedicated focus has been established on specific brands to ensure more of our brands that have the potential to perform, are given the opportunity to grow in the market.

BRAND LEADERSHIP*

Brand	Therapeutic Segment	Rank	Market Share (in %)	Number of Competitors
BECOSULES	Vitamins, minerals & supplements	1	44.6	77
COREX	Cough Preparations	1	15.2	953
MAGNEX	Injectable Cephalosporins	3	4.3	487
DOLONEX	Anti-Rheumatic Non-Steroidal Drugs	4	3.1	1575
DAXID	Anti-depressant	5	3	392
MINIPRESS XL	Cardiovascular	5	1.8	1425
CLARIBID	Anti-infective	8	2.6	324
LYRICA	CNS (Neuropathic pain)	10	2	447

*(Source: ORG IMS-SSA)

In order to improve overall presence across therapy areas, your Company rolled out the "Branded Value Offering" strategy focusing on launching products in fast growing therapy areas. "Targit" (Telmisartan and combinations), an Angiotensin Receptor Blocker used in the treatment of hypertension, was launched in July, 2009. This was followed by the launch of "Above 5" (Rabeprazole and combinations) in the month of October.

In the OTC space, Gelusil MPS showed an impressive growth of 18% (y-o-y). Repositioning of Gelusil to a lifestyle platform, launch of a new communication and high frequency media innovation, helped in increasing consumer off take for Gelusil by 15.4% (as per AC Nielsen – Mat Nov., 2009). Other key products in this segment have also improved market shares, amongst intense competition.

Your Company believes that changing lifestyles, improving literacy rates and increasing awareness about health has led to consumer shifting from illness to wellness. These opportunities may help organizations evaluate and identify new therapeutic areas for new product launches.

Marketing & Medical Initiatives

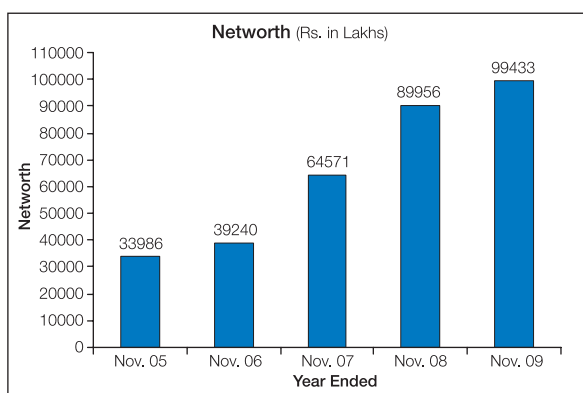
Your Company's commitment to develop and consolidate strong relationships with customers has continued during 2009 with the launch of several initiatives. One such initiative was the World Heart Day campaign, which aimed to increase awareness about cardiovascular disease and liaise with KOLs in awareness initiatives to enhance advocacy of your Company's CV brand portfolio. Another innovative initiative was rolled out in the area of smoking cessation. Pharmacotherapy for smoking cessation as a therapeutic entity has largely been overlooked by the medical community as well as smokers. This unmet medical need was addressed by your Company by rolling out a simplified algorithm for smoking cessation, which a primary care practitioner can implement in their day to day practice. An expert body of over 50 clinicians involved in tobacco cessation, named as Tobacco Cessation Clinicians Council (TCCC) was constituted. Several advisory board meetings were conducted across the country and the standard recommendations, expert opinions etc. were synthesized into simple, easy to implement management algorithm for smoking cessation. This initiative will equip physicians across the country to effectively approach and manage smoking cessation in their routine practice thereby helping smokers quit and ward off the menace of tobacco.

The Retail Project was initiated as a pilot in mid 2008 with the aim of improving the coverage of retail pharmacies was scaled up in beginning of 2009, and has resulted in increasing the coverage of retail pharmacies by 25%. In addition, an initiative to identify opportunities and chalk out strategies to aggressively enter the institutional segment and increase your Company's presence in this ever growing segment is currently underway.

Another initiative that had a significant impact was your Company's efforts in the OTC space. In today's fast growing OTC market it is very challenging to sustain business and preempt competition. As an organization we need to design our marketing plans differently in order to register ourselves in the minds of our customers. Chemist Awareness Programme (CAP) activity is one such innovative marketing strategy meant to engage retailers by imparting education and knowledge to the retailers on common ailments and making them understand our brand's salient features. This continuous engagement with retailers helps us in building excellent relationships with our retailers. In addition, several innovative customer centric activities like cash counter displays, multi level trade programs in clinic activities, direct to consumer activities, etc., were carried out to increase penetration and consumer awareness.

Earlier this year, your Company was conferred the MNC Pharmaceutical Company of the Year award by Frost and Sullivan. This award recognizes companies that demonstrate best practices in the industry and exemplify diligence, commitment and innovative business strategies.

Exemplary performance on revenue growth, market share in specific category, growth in market share, breadth of services, demonstration of leadership in new services and innovation, major customer acquisitions, geographical expansion and partnership, business and marketing strategies and more crucial factors like leadership, integration and development got us the award. Our purpose of 'working together for healthier world' led us to address the medical needs of the country and the Frost and Sullivan award recognizes the success of this philosophy and leadership approach. Having received the most respected Pharmaceutical MNC in India award and the most trusted brand award for 'Becosules', the recent MNC Pharmaceutical Company of the Year award is another feather in Pfizer India's cap.



BUSINESS SEGMENT: ANIMAL HEALTH DIVISION

India has one of the largest livestock population in the world, contributing 4% to GDP and 27% to agriculture GDP. Indian animal health market is estimated to be growing at 6% per annum with Dairy, Poultry and Companion animal being the major business segments accounting for 95% of the animal health industry. India continues to maintain its position as the largest producer of milk in the world, 4th largest producer of eggs and 5th largest broiler producer.

There is a direct co-relation between agriculture growth and animal health industry. Milk is the largest contributor to agriculture GDP providing stable stream of income to millions of small farmers. The government focus on improving the rural economy coupled with the implementation of National dairy plan augurs well for us. Though we are witnessing the consolidation of

the dairy industry, the speed of change has been slow and still majority of the milk is supplied by backyard farms.

Per capita poultry meat consumption has also seen an increase in the last decade from less than 500 gms in 1991 to almost two kgs in 2006 with a CAGR of 10%.

With the economic growth, companion animal business has grown rapidly over the last decade and has emerged as the fastest growing segment in animal health business.

Pfizer Animal Health division has continued its strong performance in 2009, growing faster than the market and driven by new products, double digit growth of key brands and improved operational efficiencies leading to a strong financial performance. A favorable external environment coupled with internal preparedness to take advantage of the opportunity gives us the confidence for future.

Dairy Business

Indian dairy population and milk production continues to be the highest in the world. It is envisaged that the milk production will continue to grow at the rate of 4% per annum over the next decade. Major issues facing the dairy industry are per animal productivity, dependence on agrarian economy, unorganized nature of the customer base limiting the "reach" and high price sensitivity.

The shift towards organized dairy farms with increased holding per farm has been gradual but is an important directional change which will lead to better management practices and productivity. Our Dairy business is well positioned to take advantage of the opportunity with a well trained field force, increased reach and presence in all major product segments viz. paraciticide, anti-infectives, nutritionals and reproductives.

Poultry Business

Large segment of Indian poultry industry is in the organized sector with a couple of national players vertically integrated across value chain. Poultry industry was adversely affected by the Avian influenza in the early part of the year followed by higher input cost but the long term future looks promising as indicated by an high rate of growth in poultry meat consumption in India.

Pfizer poultry team's conscious effort to focus on bio security has paid rich dividends and we plan to consolidate the same in future.

Companion Animal Business

Companion animal (CA) business has witnessed a positive impact of GDP growth and has grown by 20% per annum. The growth is fuelled by higher disposable

income and increasing awareness led by high decibel campaigns by pet food companies.

Pfizer CA team has maintained its leading position in the market and has consolidated position in the polyvalent bios segment. We are well positioned to seize the opportunity in CA business by expanding our product portfolio and maintaining our position in polyvalent bios segment.

Focus by species coupled with innovative marketing strategies with emphasis on demand generation is the performance driver leading to recognition in the Asia Pacific region for an outstanding performance in 2009.

BUSINESS SEGMENT: SERVICES – CLINICAL OPERATIONS

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 three organizational segments:

Study Management; India Regional Monitoring Group; and Support Services. About four-fifths of the clinical research portfolio relates to phase II and phase III studies executed for Pfizer Global Research and Development (PGRD) worldwide development teams while the rest are phase IIb, phase IV comparative, post-marketing surveillance and other studies to support local registration, launch and marketing. 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 (at Nizam's Institute of Medical Sciences and Amrita Institute of Medical Sciences) are key to Pfizer's commitment to develop research capacity.

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. Recently, Pfizer India got the Special Award for "Notable Initiative to shape Clinical Research environment in India" from India Society for Clinical Research.

ISCR works to develop science and ethics standards, and represent the interest of clinical research stakeholders. The society gives this award annually for notable contributions to the field of clinical research. Exemplary efforts of your Company for this cause include:

- Having several Phases II, III and IV drug development programs across therapeutic areas in India since 1995;

- 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 three major multi-speciality health centers in India; and
- Leading the creation of the "Academy for Clinical Excellence" – a training institute for clinical research professionals.

Launching the Indian versions of a "Speaking Book for clinical trial participation" to increase awareness about participation in clinical research. The book explains the rights and responsibilities of participants involved in clinical trials and uses audio components in local languages and simple illustrations to explain the working of a clinical trial.

MEDICAL RESEARCH DIVISION:

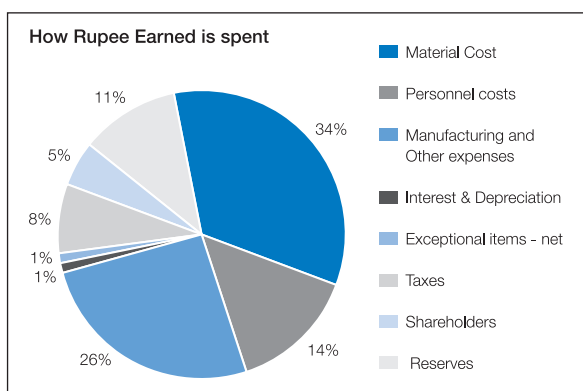
The Medical & Research Division is responsible for all scientific support for the Pfizer portfolio of products. This division is responsible for regulatory and medical support to Pfizer's operations in India. The group is organized under the following four departments: Medical Affairs & Research, Regulatory Affairs, and Quality Standards Process and Implementation.

Medical Affairs & Research

Medical Affairs & Research (MAR) Team of 14 Medical doctors represent the medical conscience of your Company. The team consists of product physicians and medical research specialists and is responsible for scientific communications with various stakeholders including internal (Marketing & Sales) and external (physicians, medical institutes, professional medical associations). These communications range from product training of sales force, new product evaluations, scientific presentations to medical community, scientific support for investigator-initiated research, medical information, design of local clinical programs and scientific engagements with physicians. The medical team is responsible for ensuring compliance of promotional practices to international and local industry as well as regulatory requirements. The MAR team also provides medical support to regulatory registration as well as safety review and labeling activities.

Notable contributions have been the medical support to differentiation of branded value offerings and medical development plans (including local clinical trials) for in-lines (Daxid, Dolonex, Trulimax), pipelines, and line extensions (Magnex Forte), facilitation of an algorithm on tobacco cessation by the Tobacco

Cessation Clinicians Council, setting up of the Medical Information website and the Partnerships for Health initiative comprising 37 workshops conducted as part of the Pfizer Education And Research League (PEARL) at Key Institutes, Earning Trust (investigator capacity building in clinical research at institutes in tier 2 to 4 cities), Experience to Evidence (harvesting rich clinical experience of healthcare practitioners), and Medical Partnerships Initiative focused on healthcare leadership in shaping healthcare policy.



HUMAN RESOURCES DIVISION:

Globally, Pfizer is involved in redesigning its HR structures and processes to make the HR function agile and adaptable to deliver strategic HR solutions to the business and will increase the effectiveness of the workforce. This initiative involves standardizing, automating and consolidating the foundational work for global business and will lower the cost of the HR function and delivery on its budgetary commitments.

Colleague Engagement:

This is a global initiative in its third year. This year, we have shown significant progress on various measures of engagement, inclusiveness, culture and follow through. The results indicate that colleagues are more confident about Pfizer's future. Studies show a strong association between engagement and company performance. Team leaders review the results and act on the opportunities identified to improve engagement. Improving engagement is not a one-time event — it's an enduring priority. Year round activities are implemented by the Colleague Engagement Team to keep the enthusiasm and interest of colleagues going.

Diversity:

Pfizer Global Women's Strategy (GWS) – a Pfizer global effort in line with the enduring priorities of Our Path Forward that aims to increase the number of women

colleagues through recruitment and retention initiatives while providing opportunities to nurture and groom women colleagues for leadership roles. In line with the global initiative, last year in India your Company launched the **DIWA** (Diversity through Women Allies) initiative. Subsequently, workshops on a wide range of topics have been conducted on a regular basis for women colleagues, such as investment planning, personal grooming and skill building (enhancing computer skills).

The Company consciously undertook to increase women colleagues in the field. Through focused initiatives, women colleagues in the field increased from 44 to 109 in the past one year. Talent acquisition of women was done through multiple sourcing strategies predominantly driven by a task force. Additionally, the teams have retention and developmental initiatives planned for the coming year along with a focused group research initiative.

Performance Management System:

The Performance Management process has been used as a strong lever to change the performance culture in the organization. Key activities such as objective setting process, review mechanisms, rating distribution, coaching and counselling processes and the final appraisal rating and payout, were revisited and reviewed extensively by HR and the leadership team. A new simplified performance management process will be implemented in 2010.

Talent Planning Process:

The Leadership Team spent considerable time in reviewing profiles of colleagues in the organization and identified talent in three pipelines viz. strategic, functional and execution. Colleagues from the talent pool are involved in the high level projects identified by the organization. Great emphasis was placed on formulating Individual Developmental Plans. Management development programs by premier institutions such as the Indian Institute of Management, Ahmedabad and Narsee Monjee Institute of Management Studies, Mumbai, were conducted to hone our colleagues' skills and knowledge.

Colleagues in the talent pool i.e. key performers and high potential across the organization enjoy differential compensation and enhanced performance bonus.

This year we inducted the third batch of 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.

Reward and Recognition:

The “Reward and Recognition” program was first developed four years ago and is rolled out annually. Extraordinary contributions by colleagues should be recognized and rewarded in a very distinct manner. These contributions are linked to predetermined organizational goals and their impact on business performance. In the beginning of 2009, we had the ‘R & R Nite’ where we felicitated 44 such colleagues. All colleagues were involved in making it an engaging and fun-filled evening.

The Reward and Recognition program has had a very positive impact on colleagues and continues to be a strong motivational input.

Field Force:

Expansions in two phases were planned for the pharmaceutical business as a part of the ‘Asia Strategy’. In the past one year, approximately 500 colleagues were added in the field organization. The expansion also provided growth opportunities for field colleagues in the first line and second line positions. Management colleagues were also sourced from the industry. Field talent was hired as per plan and currently a program is being rolled out to make the new hires productive quickly. The attrition rate was managed at the same rate as the previous year and is much lower than the industry average.

Employee Relations:

The overall Employee Relations environment was healthy and worked well towards aligning colleagues across the organization, with the Company's business goals and mission.

Your Company's present employee strength is 2542.

CORPORATE AFFAIRS:

This year, Corporate Affairs (CAF) focused on achieving three key objectives for the Company:

1. Redefining the image of Pfizer as a healthcare provider.
2. Shaping the regulatory and policy environment in India.
3. Contributing to business development and revenue generation.

CAF has reached out to over 100 influential stakeholders across India including the National Rural Health Mission, World Bank, Asian Development Bank, International Finance Corporation, World Health Organization, Ministry of Health, USAID, United Nations, European Union, leading scientists and healthcare professionals among others. Each one plays a critical

role in shaping the healthcare and policy environment in India. Increasing their understanding and support for our work is critical to shaping a favourable regulatory and policy environment for Pfizer.

CAF has taken the IPR debate to a higher level among key decision makers within the Department of Industrial Policy, Commerce Ministry and Health Ministry. The Department articulated how India's currently weak IPR enforcement is losing its credibility and status as a champion of developing countries today.

CAF participated in a series of meetings with the Consultative Law Group and PHRMA to engage with parliamentarians. The objective of the meetings were to (i) to promote dialogue with MPs on Industry matters, (ii) increase understanding of our efforts to build healthcare infrastructure, (iii) identify areas for public-private partnerships and (iv) convey key industry concerns. CAF also led advocacy efforts to promote a liberal pricing regime for patented products in India and met with several policy makers including the Department of Pharmaceuticals, NPPA and Health Ministry to promote a liberal regulatory environment. The Department participated in OPPI and PHRMA meetings and industry representations made to the government. We drafted a paper articulating the need for differential pricing policies that factor in industry efforts to build healthcare infrastructure and increase access to medicines through various discounted and access programs.

Pfizer has initiated a number of training and capacity building projects in India. These include supporting grass roots NGOs, nurturing young scientists, establishing smoking cessation clinics, building clinical research capabilities and promoting ethical practices in research. CAF developed a literature titled “Partnerships for Life” which showcases all these projects to demonstrate Pfizer's long standing commitment to building India's healthcare infrastructure.

The launch of the Arpana project in Karnal involved a partnership between three different entities all coming together for one cause – strengthening healthcare from the grassroots. Arpana and Pfizer have jointly evolved a holistic approach towards building the rural infrastructure – it includes strengthening health services, providing job related skills training, and offering real employment to the entire community from women to the youth. The goal is to curb rural urban migration through rejuvenating the rural economy. Pfizer's investments in Arpana have built sufficient capacity and expertise over the years, for the NGO to offer world class training and capacity building services to local communities and government health workers in other states.

Going forward, your Company plans to support state and national level healthcare programs that ensure greater access to healthcare. We have begun to partner with international development agencies such as USAID as it brings us closer towards aligning with the UN Millennium Developments Goals.

Pfizer India participated in a United Nations and World Health Organization high level regional ministerial conference on "Financing Strategies for Healthcare" in March, 2009. The conference provided an opportunity for key stakeholders in South Asia's health sector to contribute towards the Annual Ministerial Review of global health financing and outcomes. CAF prepared a presentation on Pfizer's innovative healthcare initiatives that span the world from Africa to India. The case study was cited as a private sector best practice in the final report that was presented at the UN General Assembly held in Geneva.

Pfizer has launched a bold initiative to establish 600 smoking cessation clinics across the country, of which 150 have already been set up and 75 smoking cessation programs have been organised in association with hospitals. CAF has been actively developing the smoking cessation market in the country and engaging key stakeholders to:-

1. Initiate a War on Tobacco in alliance with multiple stakeholders,
2. Develop key stakeholders to highlight the need for clinical interventions to quit smoking,
3. Engage physicians driving prescription to initiate smoking cessation as an add on practice.

The communications team developed a robust communications strategy to promote the launch of new products and services. This includes the launch of new BVOs, smoking cessation clinics, speaking book and clinical research. Notable achievements include the Telugu media launch of the speaking book which generated several articles in the electronic and print media. The positive coverage has had a significant impact on business by reducing negative perceptions of clinical trials, improving patient awareness of their rights and strengthening ties between Pfizer and leading CROs in the country. This is one of many ways in which CAF used the media to increase public awareness of Pfizer's commitment towards building India's healthcare infrastructure.

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.

With regard to the observations made by the Statutory Auditors under para (ix) (a) and (xxi), to the Annexure to Auditors' Report dated March 19, 2010, your Directors wish to state that the comments appearing in the respective paras are self explanatory and has no material impact on the operations or the overall control frame work of the Company.

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.

MANUFACTURING OPERATIONS:

The pharmaceutical manufacturing industry has produced a variety of medicinal and other health-related products undreamt of by even the most imaginative apothecaries of the past. These drugs save lives of millions of people from various diseases and permit many affected people to recover and lead normal lives. Pioneering innovative breakthroughs and maintaining world-class quality standards is Pfizer-India whose manufacturing philosophy is Quality, Innovation and Safety that have now become an integral part of Pfizer culture.

Pfizer complies and follows its pharma quality standards which are in addition to the local statutory requirements. These proactive specifications are

our forte. The 'Quality' value is a standard against which we measure ourselves and thus our emphasis on quality is very stringent and implementation rigorous. Air, water and all materials are subjected to multi-layered tests for compliances and scrutiny that only the best goes into the making of the drug product.

Pfizer, inspired by a single goal: the patient's health, strategies, its operations to maintain its leadership position as an entity which is recognized for quality as a value. A system of vigilant quality assurance involving multiple tests operates through the entire gamut of production to ensure safety, efficacy and dependability of a Pfizer product. All the pharmaceutical developments are geared to cater to the health needs of our people.

We go beyond mere pharmaceutical formulations. Rather, we endeavour consistently to give the best quality drug to the patients as good health is a vital component of an individual's life-cycle.

Since Pfizer is synonymous with trust and reliability, it is crucial that genuine cardiovascular and other drugs are consumed by the patient, as every life is indeed very vital. Hence, for example one of our innovative products Minipress XL is a bi-layered tablet where one portion acts as an osmotic pump and the medicine in the other layer is systematically released over a 24 hours cycle into the patient's bloodstream through the orifice in the tablet, which has been so designed and structured that counterfeiting it would be an expensive proposition.

The par excellent Environment, Health and Safety standards have earned Pfizer India recognition, certified in the form of ISO 14001:2004 and OHSAS 18001:2007. An ISO 14001 certification is acquired with respect to Environmental Management Systems and OHSAS 18001 certification to ensure the adherence to the Health and Safety standards.

Thane facility successfully achieved the recertification of integrated ISO 14001 and OHSAS 18001 surveillance audit conducted by M/s DNV in April, 2009. Based on Site's consistent performance, M/s DNV have reduced the surveillance audit frequency from twice a year to once a year due to our sustenance and adherence to good EHS management systems.

Pfizer Global EHS Operations division has instituted the Green Chemistry Award. Manufacturing received Global recognition by acquiring runners up position for all the three Green Chemistry Projects implemented in Quality Operations and Product Development in 2008.

Your Company's strength lies in its capacity in Line Extension development where formulations are

developed and improvised significantly to meet the dynamic facets of the drug in step with the emerging disease and the need to combat it. Drug development is a long, expensive, and failure-prone process. It requires cutting-edge scientific skills and collaboration across multiple disciplines within the pharmaceutical industry and among educational institutions, research laboratories, government regulators and healthcare professionals.

The core to the superlative standards of your Company is its qualified, trained and skilled colleagues who are sensitized to the Pfizer heritage of protection of environment, health and safety. To encourage staff involvement in the growth and progress of Pfizer, we have the "Right First Time" initiative (RFT), where the ultimate endeavour is to be error-free and near perfect at the maiden attempt – a Pfizer Global Manufacturing (PGM) initiative that has tremendously benefited the organization in improving products and processes. Four Black Belt, Twelve Green Belt projects are completed and a number of projects are in progress. There are total of 267 Yellow Belt (Method I) trained staff. This RFT initiative has resulted in many tangible and intangible benefits to the organization.

The list of awards and scrolls of honour are many but the most worthwhile reward is the confidence and faith reposed by the patients in support of Pfizer Quality products. We have a leading portfolio of medicines that prevent, treat and cure diseases across a broad range of therapeutic areas.

AMALGAMATION OF WHOLLY-OWNED SUBSIDIARY DUCHEM LABORATORIES LIMITED

The Hon'ble High Court of Judicature at Bombay vide its Order dated February 26, 2010 sanctioned the Scheme of Amalgamation of Duchem Laboratories Limited, ("Duchem") the wholly-owned subsidiary with Pfizer Limited. As per the Scheme of Amalgamation, the Appointed Date is December 1, 2008. The Amalgamation has been effectuated by filing a copy of the said Order with the Registrar of Companies, Maharashtra, Mumbai on March 15, 2010. Thus, with effect from December 1, 2008, Duchem stands merged with the Company and the legal entity of Duchem stands dissolved without winding-up. Further, effective December 1, 2008, the entire business and undertaking of Duchem gets transferred and vested in the Company.

DIRECTORS:

In accordance with the Articles of Association of the Company, Dr. Bomi Gagrati retires by rotation as Director at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors at their meeting held on February 25, 2010 re-appointed Mr. Kewal Handa as the Managing Director of the Company for a further period of 5 years or till the date of his retirement, whichever is earlier. Mr. Handa's appointment and remuneration are being placed before the shareholders for their approval at the ensuing Annual General Meeting. The information required to be furnished under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the 59th Annual General Meeting.

The Board of Directors at their meeting held on February 25, 2010 appointed Dr. Gagrat as a Whole-time Director designated as Executive Director – Technical Operation for a further period of 3 years or till the date of his retirement, whichever is earlier. Dr. Gagrat's appointment and remuneration are being placed before the shareholders for their approval at the ensuing Annual General Meeting. The information required to be furnished under Clause 49 IV (G) of the Listing Agreement is given in the Notice of the 59th Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 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 year ended November 30, 2009 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 applications have been submitted to the Department of Company 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 November 30, 2010.

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., U.S.A.

For and on behalf of the Board of Directors

R. A. SHAH
Chairman

Mumbai, March 19, 2010

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:

			1.12.2008 to 30.11.2009	1.12.2007 to 30.11.2008
1)	Electricity:			
	Purchased Unit	(Kwh)	5233867	6155940
	Total Amount	(Rs.)	28686530	28502000
	Rate/Unit	(Rs.)	5.48	4.63
2)	Own Generation:			
	Through Diesel Generators	(Kwh)	8280	59600
	Units/Litre of H.S.D.		1.12	2.58
	Marginal cost/unit (considering only H.S.D. price)	(Rs./Kwh)	34.47	15.02
3)	Bagasse:			
	Quantity	(MT)	3035	2602
	Total Amount	(Rs.)	12774970	8976300
	Avg. Rate/MT	(Rs.)	4209.5	3450
4)	Furnace Oil:			
	Quantity	(KL)	99.377	356
	Total Amount	(Rs.)	2504800	13752280
	Avg. Rate/KL	(Rs.)	25200	38630

Consumption per Unit of production:

Electricity (Units)
Furnace Oil (Litres)

Standard

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

I. ENERGY CONSERVATION MEASURES TAKEN

1. Rationalization of HVAC Systems
2. Optimization of House vacuum System
3. Installation of FRP fan blades for Cooling Towers

II. ADDITIONAL PROPOSALS BEING IMPLEMENTED FOR REDUCTION OF ENERGY CONSUMPTION

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

Impact of measures taken

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

B. TECHNOLOGY ABSORPTION :

FORM B

DISCLOSURE OF PARTICULARS WITH REGARD TO ABSORPTION:

Research and Development (R & D):

1. Specific areas in which R&D is carried out by the Company.
R&D is carried out in Pharmaceutical, Clinical and Formulation Development areas.
2. Benefits derived as a result of the above R&D.
 - (a) Product improvements, process development, import substitution, standardization of quality control of formulations.
 - (b) New application for drugs researched abroad, better dosage recommendations and improvements.
3. Future plan of action:
 - (a) Import substitution and resolving process problems encountered in formulation manufacturing for quality and productivity.
 - (b) Optimization of process parameters with emphasis on cost control and rationalization.
 - (c) Studying feasibility of using new manufacturing technology in existing dosage forms.
 - (d) Development of new dosage formulations, pharmaceutical and animal health.
4. Expenditure on R&D Rs. in Lakhs
 - (i) Capital 9.06
 - (ii) Revenue 2917.51
 - (iii) Total 2926.57
 - (iv) Total R&D expenditure
as percentage of total turnover 3.79%

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 find 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 various formulations from Active Pharmaceutical Ingredients	2003-2004	Being absorbed
Manufacture of formulation – BronCorex	2004-2005	Being absorbed

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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 Rs.2558.81 lakhs.
 - b) the foreign exchange expenditure (which includes import of raw materials, spares and remittance of dividends etc.) was Rs.9827.01 lakhs.

For and on behalf of the Board of Directors

R. A. SHAH
Chairman

Mumbai, March 19, 2010



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 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. The Board at Pfizer represents an optimum mix of professionalism, knowledge and experience. The Board comprises of 3 Non-Executive Directors out of the total strength of 5 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 30-11-2009	No. of other Committees of which Member as on 30-11-2009	No. of other Committees of which Chairman as on 30-11-2009
Mr. R. A. Shah (Chairman)	NED (I)	14	5	4
Mr. Kewal Handa (Managing Director)	WTD	2	3	Nil
Dr. Bomi M. Gagrat	WTD	1	Nil	Nil
Mr. Pradip Shah	NED (I)	13	4	2
Mr. Richard Gane	NED	Nil	Nil	Nil

* 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.

(b) Board Meetings

The Board of Directors ("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 did not exceed four months. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in Annexure-1A of Clause 49 of the Listing Agreement. The Chairman of the Board, the Managing Director and the Company Secretary discuss the items to be included in the Agenda and the Agenda is sent in advance to the Directors along with the draft of the relevant documents and explanatory notes wherever required, to enable the Board to discharge its responsibilities effectively and take informed decisions. Six Board Meetings were held during the period December 1, 2008 to November 30, 2009. These were held on December 31, 2008, January 30, 2009, March 28, 2009, April 15, 2009, June 27, 2009 and September 26, 2009. 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	6	6	Yes
Mr. Kewal Handa	6	6	Yes
Mr. Pradip Shah	6	6	Yes
Dr. Bomi M. Gagrat	6	6	Yes
Mr. Richard Gane	6	Nil*	No

* Leave of absence was granted to Mr. Gane

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. Pradip Shah is a Chartered Accountant by profession. Mr. R. A. Shah is a Solicitor 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. 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 Director's 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. 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.

Five Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed four months. These were held on December 31, 2008, January 30, 2009, March 28, 2009, June 27, 2009 and September 26, 2009. The following table gives attendance of the Members in the Audit Committee Meeting:

Name	Number of Meetings held	Number of Meetings attended
Mr. R. A. Shah	5	5
Mr. Pradip Shah	5	5
Dr. Bomi M. Gagrath	5	5

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present at the 58th Annual General Meeting held on April 15, 2009.

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.

One Shareholders' Grievance Committee Meeting was held on September 26, 2009

The details of complaints received, cleared/pending during the financial year 2008-09 are given below:

Nature of Complaints	No. of Complaints at the beginning of the year	Received during the year	Cleared/attended during the year	Pending at the end of the year
Non-receipt of dividend	Nil	11	11	Nil
Non-receipt of share certificates after transfer/consolidation/transmission/exchange/split/merger	Nil	8	8	Nil
Non-receipt of Annual Report	Nil	3	3	Nil
Letters from SEBI/Stock Exchanges and Department of Corporate Affairs	Nil	5	5	Nil
Total	Nil	27	27	Nil

27 complaints were received during the financial year 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 during the financial year 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 year ended November 30, 2009 that may have a potential conflict in the interest of the Company at large.

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

The following table gives details of remuneration paid to all Directors during the financial year 2008-09:

(a) Executive Directors

Rs. in lakhs

Name	Remuneration			Total
	Salary	Benefits and Perquisites	Performance Linked Incentives	
Mr. Kewal Handa	151.07	65.25	43.25	259.57
Dr. Bomi M. Gagrath	57.43	17.45	11.60	86.48
Total	208.50	82.70	54.85	346.05

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, 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.

(3) Performance Linked Incentive criteria

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

(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 are as under:

Rs. in lakhs

Name	Sitting Fees	Commission	Total	Number of shares held
Mr. R. A. Shah	1.10	7.00	8.10	3400
Mr. Pradip Shah	1.20	7.00	8.20	Nil
Mr. Richard Gane	–	–	–	Nil
Total	2.30	14.00	16.30	

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 April 15, 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 Rs.12.21 Lakhs that was paid to them during the year 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 enclosed to this Report.

V. GENERAL BODY MEETINGS

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

AGM	Financial Year	Date and Time	Venue of the AGM
58 th	2007-2008	April 15, 2009 at 3.00 p.m.	Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021
57 th	2006-2007	April 15, 2008 at 3.00 p.m.	
56 th	2005-2006	March 22, 2007 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 58th 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 interests of the Company at large.

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

Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 15 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 and found them to be not materially significant.

(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 year ended November 30, 2009.

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 including the Audit Committee.

(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 and has also adopted certain non-mandatory requirement under Clause 49 of the Listing Agreement, details of which are given at the end of this Report.

VII. MEANS OF COMMUNICATION

Financial Results

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

Presentation to Institutional Investors/Analysts

Four Tele-conferences were held with Institutional Investors/Analysts on February 10, 2009, April 6, 2009, July 2, 2009 and October 6, 2009. The transcript of the same were put on the Company's website 'www.pfizerindia.com'.

EDIFAR Filing

As per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern etc. are electronically filed on the EDIFAR website 'www.sebiedifar.nic.in' within the timeframe prescribed in this regard.

VIII. GENERAL SHAREHOLDER INFORMATION

Date, time and venue of the Annual General Meeting:

Date : April 26, 2010
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

April 17, 2010 to April 26, 2010 (both days inclusive).

Dividend Payment Date

The dividend recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, shall be deposited in a separate bank account within 5 days of its declaration and shall be paid/credited on May 12, 2010 to the account mandated by the shareholders.

Dividend will be paid to those members whose names appear in the Register of Members of the Company on April 26, 2010 after giving effect to all valid share transfers in physical form lodged with the Company before April 17, 2010. In respect of shares held in demat mode, the Dividend will be payable to those beneficial owners as on the close of business hours on April 16, 2010, 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 Exchanges, as on date.

Stock Code

Bombay Stock Exchange Ltd. - 500680

The National Stock Exchange of India Ltd. - PFIZER EQ

Financial Year

The Company observes 1st December to 30th November as its financial year.

Financial Calendar (tentative)

First Quarter Results

Fourth week of March, 2010

Second Quarter Results

Fourth week of June, 2010

Third Quarter Results

Fourth week of September, 2010

Fourth Quarter and Annual Results

Fourth week of January, 2011

Address for Correspondence

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

Karvy Computershare Pvt. Ltd.

UNIT : Pfizer Limited

Plot No. 17 – 24, Vittalrao Nagar, Near Image Hospital,
Madhapur, Hyderabad – 500 081.

Tel.: 040 23420815 - 28, Fax: 040 2342 0814

Email: einward.ris@karvy.com

TOLL FREE NO. 1-800-3454001

Pfizer Limited

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

Tel.: 022 6693 2000

Fax: 022 6693 2377, 2678 5412

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, 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 scrips form part of the SEBI's Compulsory demat segment bearing ISIN No. **INE182A01018**.

Corporate Identity Number (CIN)

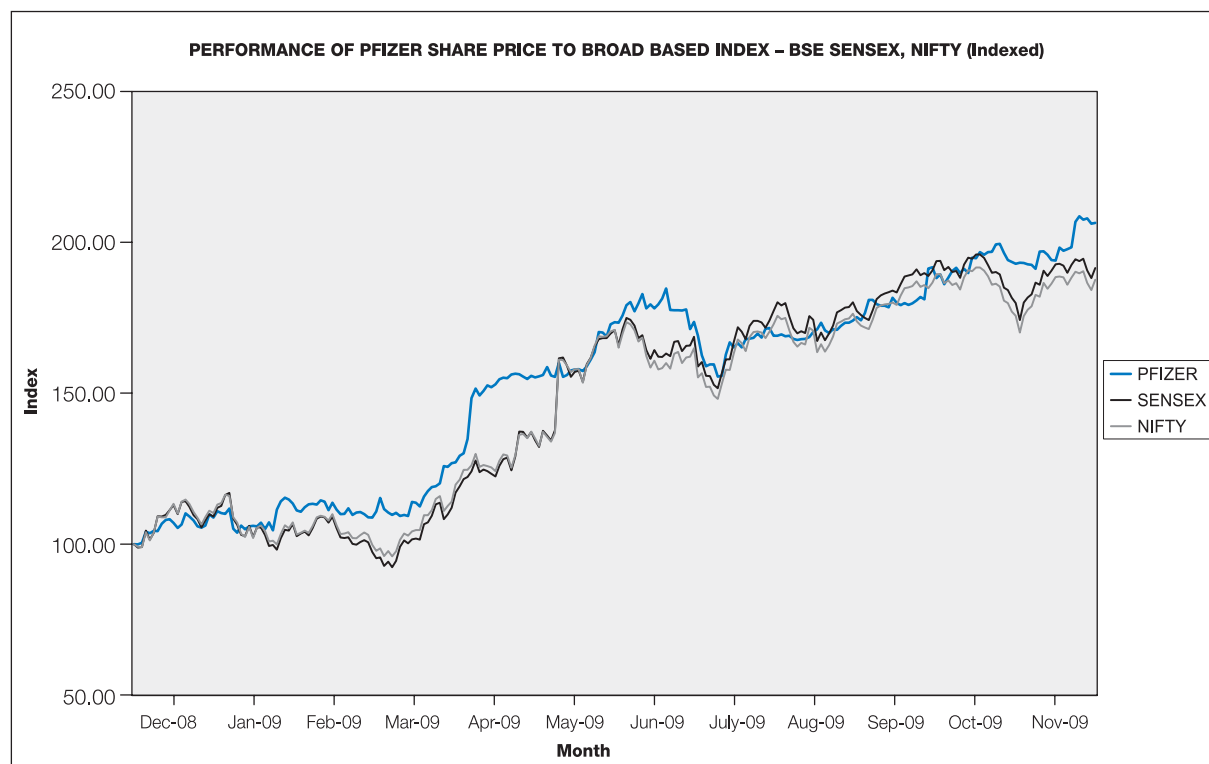
The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India, is **L24231MH1950PLC008311**. The Company is registered at Mumbai in the State of Maharashtra, India.

MARKET PRICE DATA*

The High and Low prices of the Company's share (of the face value of Rs.10/- each) from December, 2008 till November, 2009 are as below:

Month	Bombay Stock Exchange Ltd.		The National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Dec 2008	519.90	448.00	550.00	437.00
Jan 2009	544.00	450.15	549.00	461.00
Feb 2009	532.00	480.15	549.90	492.10
Mar 2009	661.00	491.65	599.00	493.00
Apr 2009	750.00	571.00	769.00	567.00
May 2009	764.00	701.20	780.00	700.00
Jun 2009	864.00	759.00	835.15	779.75
July 2009	822.00	711.05	821.90	710.00
Aug 2009	815.00	762.00	815.00	760.00
Sep 2009	915.00	792.00	916.00	770.05
Oct 2009	926.00	844.00	926.00	850.00
Nov 2009	995.00	872.10	1000.00	880.05

* Source: BSE and NSE Website.



DISTRIBUTION OF SHAREHOLDING

(a) Class-wise Distribution of Equity Shares as on November 30, 2009:

Number of Equity Shareholding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 50	40996	62.40	928781	3.11
51 – 100	11441	17.41	928778	3.11
101 – 500	11794	17.95	2393791	8.02
501 – 1000	966	1.47	686637	2.30
1001 – 5000	436	0.66	814787	2.73
5001 – 10000	20	0.03	141690	0.47
10001 & ABOVE	49	0.07	23946976	80.25
Total	65702	100.00	29841440	100.00

(b) Shareholding Pattern as on November 30, 2009:

Category	No. of Shares	Percentage
Promoters		
Pfizer Corporation, Panama	9376100	31.42
Warner-Lambert Company, LLC, USA	1187163	3.98
Parke, Davis & Company, LLC, USA	955733	3.20
Pharmacia Corporation, USA	783941	2.63
Pfizer Investments Netherlands B.V.*	8810234	29.52
Sub-Total	21113171	70.75
Non-Promoters		
Banks	14870	0.05
Financial Institutions	1756386	5.89
Foreign Institutional Investors	220051	0.74
Mutual Funds	519289	1.74
Domestic Companies	460498	1.54
Non-Domestic Companies	Nil	Nil
Non-Residents	142714	0.48
Others (Resident Individuals)	5614461	18.81
Sub-Total	8728269	29.25
Total	29841440	100.00

* 87,82,252 shares are currently held in Escrow Account.

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, Karvy Computershare Pvt. Ltd. As on November 30, 2009, 56.44% [representing 96.20% of the widely held shares] of the paid-up share capital of the Company representing 16845120 shares has been dematerialized.

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

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

Plant Location

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

Bank details for dividend payment

Shareholders desirous of receiving their dividend directly in their bank account through Electronic Clearing System (ECS) are requested to inform their ECS mandate to the Registrars and Transfer Agent of the Company, Karvy Computershare Pvt. Ltd. along with blank cancelled cheque. Beneficiaries holding the scrip of the Company in the dematerialized form should intimate the 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.

IX. NON-MANDATORY REQUIREMENTS

Chairman's Office

The Chairman, Mr. R.A. Shah, Solicitor is a Senior Partner of M/s. Crawford Bayley & Co. His office is located in Mumbai and, therefore, he has not sought maintenance of the Chairman's Office at the Registered Office premises of the Company.

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

Mumbai, March 19, 2010

R. A. Shah
Chairman

Certificate of Compliance with the Corporate Governance requirements under Clause 49 of Listing Agreement

To the Members of Pfizer Limited

We have examined the compliance of conditions of Corporate Governance by Pfizer Limited ("the Company") for the year ended 30 November 2009 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

Bhavesh Dhupelia
Partner

Membership No.: 04207

Mumbai, March 19, 2010



Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 49 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 year ended November 30, 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that there are no
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year 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)

Mumbai, March 19, 2010

S. Sridhar
Finance Director
(Chief Financial Officer)

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

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended November 30, 2009.

For PFIZER LIMITED

Kewal Handa
Managing Director

Mumbai, March 19, 2010



Auditors' Report

To the Members of Pfizer Limited

We have audited the attached balance sheet of Pfizer Limited ('the Company') as at 30 November 2009 and also the related profit and loss account and cash flow statement of the Company for the year ended on that date, including the accounts of erstwhile Duchem Laboratories Limited for the year ended 30 November 2009 consequent to its amalgamation with the Company with effect from 1 December 2008, 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 more fully explained in note 23 and 24 to schedule 19 of the financial statements, the Honourable High Court of Judicature at Bombay vide its order dated 26 February 2010 sanctioned a scheme of amalgamation and arrangement ('the Scheme') between the Company, Duchem Laboratories Limited and the respective shareholders and creditors. The Company has, at the meeting of the board of directors dated 19 March 2010, pursuant to the approval of the scheme by the Honourable High Court and filings with the registrar of companies, revised the financial statements approved at the meeting of the board of directors dated 25 February 2010 to give effect to the scheme. Accordingly, the auditors' report dated 25 February 2010 on the financial statements of the Company stands superceded.

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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the balance sheet, profit and loss account and 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 30 November 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30 November 2009 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 30 November 2009;
 - ii) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For B S R & Co.
Chartered Accountants

Mumbai
19 March 2010

Bhavesh Dhupelia
Partner
Membership No.: 042070



Annexure to the Auditors' Report – 30 November 2009

- (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 year. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. All stocks lying with third parties at the year-end have been confirmed.
- (b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.
- (iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialised requirements and similarly certain goods sold and 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 for determining whether they are accurate or complete.
- (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, undisputed statutory dues including Provident fund, Investor Education and Protection fund, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues have been regularly deposited with the appropriate authorities though there have been delays in a few cases in respect of Service tax and Sales tax. 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.

Annexure to the Auditors' Report – 30 November 2009 (Continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Sales tax, Service tax, Wealth tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 30 November 2009 for a period of more than six months from the date they became payable except undisputed dues of Service tax on royalties having various due dates of payment aggregating Rs 79.37 lakhs for the period beginning 1 April 2008 to 31 May 2009. This amount was in arrears as at 30 November 2009 for a period of more than six months from the date they became payable and were deposited with the appropriate authorities on 25 February 2010.

- (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 at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding debentures or any outstanding loans from financial institution during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except an instance of fraud on the Company during the year in the nature of fictitious sales and collections recorded by one of its distribution agents. The Company has discontinued all business transactions with the distribution agent and has initiated criminal proceedings for recovery of dues. Management estimates that the financial impact will not exceed Rs 126.16 lakhs.

For B S R & Co.
Chartered Accountants

Mumbai
19 March 2010

Bhavesh Dhupelia
Partner
Membership No.: 042070



Annexure to the Auditors' Report – 30 November 2009 (Continued)

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)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty and penalty on classification/ valuation and other disputes	68.54	1996-2003	Customs, Excise, Service tax Appellate Tribunal
		76.09	1998-2000	
		22.32	1998-2003	
		40.49	1998-2001	
		14.49	1999-2000	
		75.00	1999-2003	
		36.83	2001-2003	
		90.97	2002-2003	
		3.17	2005-2006	
		6.06	1990-1992	
The Central Excise Act, 1944	Duty and Penalty	1.04	1994	Commissioner of Appeals
		12.86	2000-2001	
		3.66	2005-06	
		8.70	2005-2007	
The Central Excise Act, 1944	Duty and Penalty	12.62	1985-1988	Assistant Commissioner
		6.93	2000-2001	
The Central Excise Act, 1944	Duty and Penalty	14.55	1998	Supreme Court
Customs Act, 1962	Duty and penalty on imports and other disputes	41.92	1996-1997	Supreme Court
Customs Act, 1962	Duty and penalty on imports and other disputes	1.06	1995	Commissioner of Appeals
		0.96	1991	
Service Tax	Duty & Penalty	193.11	1997-2001	Bombay High Court
The Income Tax Act, 1961	Tax and penalty on expenditure disallowed	60.94	1994-1995	ITAT Commissioner of Appeals
		313.90	1996-1997	
		34.76	1997-1998	
		34.34	1998-1999	
		50.41	1999-2000	
		36.28	2002-2003	
		1045.61	2003-2004	
		4424.81	2005-2006	
		480.75	2007-2008	
The Income Tax Act, 1961	Tax and penalty on expenditure disallowed	66.47	2002-2003	High court ITAT Commissioner of Appeals
		349.63	2000-2002	
		15.01	2004-2005	
		15.02	2005-2006	
		6.39	2006-2007	
		1.09	2007-2008	

Annexure to the Auditors' Report – 30 November 2009 (Continued)

Name of the Statute	Nature of Dues	Amount (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	
		0.89	2002-2003	
		1.39	2003-2004	
		0.49	2004-2005	
		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	
		124.08	2001-2002	
		20.16	2002-2003	
		123.61	2003-2004	
		24.7	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	1994-1996	Tribunal
		1.63	1996-1997	
		8.80	1998-1999	
		3.57	2002-2003	
		3.05	1993-1994	
		1.46	1998-1999	Deputy Commissioner (Appeal)
		54.76	2001-2002	Joint Commissioner
		11.80	2002-2003	
		14.31	2002-2003	
		1.54	1998-1999	Assistant Commissioner of sales tax (Appeals)
		1.92	1986-1987	

Balance Sheet as at 30 November, 2009

	Schedule Ref.	Rupees in Lakhs As at 30 Nov 2009	Rupees in Lakhs As at 30 Nov 2008
Sources of Funds			
Shareholders' funds			
Share capital	1	2984.32	2984.32
Reserves and surplus	2	96448.94	86972.16
		<u>99433.26</u>	<u>89956.48</u>
TOTAL		<u>99433.26</u>	<u>89956.48</u>
Application of Funds			
Fixed assets	3		
Gross block		18780.82	13989.94
Less: Accumulated depreciation/amortisation		<u>(9532.20)</u>	<u>(8913.82)</u>
Net block		9248.62	5076.12
Capital work-in-progress at cost, including advances		<u>79.87</u>	<u>3229.82</u>
		9328.49	8305.94
Investments	4	50.25	50.25
Deferred tax asset (Net)	5	2750.20	2267.15
Current assets, loans and advances			
Inventories	6	11337.11	12468.32
Sundry debtors	7	6439.18	5972.65
Cash and bank balances	8	52740.45	54306.08
Other current assets	9	482.06	1449.41
Loans and advances	10	<u>37209.16</u>	<u>24795.18</u>
		108207.96	98991.64
Current liabilities and provisions			
Current liabilities	11	(13289.37)	(12214.08)
Provisions	12	<u>(7614.27)</u>	<u>(7444.42)</u>
		<u>(20903.64)</u>	<u>(19658.50)</u>
Net current assets		87304.32	79333.14
TOTAL		<u>99433.26</u>	<u>89956.48</u>
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

BHAVESH DHUPELIA
Partner
Membership No.: 042070

Mumbai, 19 March, 2010

For and on behalf of the Board of Directors

R A SHAH Chairman
KEWAL HANDA Managing Director
P SHAH } Directors
B M GAGRAT (Dr) }
PRAJEET NAIR Company Secretary

Mumbai, 19 March, 2010

Profit and Loss Account for the year ended 30 November, 2009

	Schedule Ref.	Rupees in Lakhs Year ended 30 Nov 2009	Rupees in Lakhs Year ended 30 Nov 2008
Income			
Gross sales		84846.07	76482.09
Less: Excise duty		3955.92	5408.79
Less: Sales tax		3662.98	3302.69
Net sales		77227.17	67770.61
Operating and other income	13	9542.31	9342.15
		86769.48	77112.76
Expenditure			
Material cost	14	28770.93	23758.82
Personnel cost	15	12388.21	10209.66
Manufacturing and other expenses	16	22688.80	20966.34
Depreciation and amortisation	3	828.76	1112.19
		64676.70	56047.01
Profit Before Taxation and Exceptional Items		22092.78	21065.75
Exceptional items – Net	17	(1091.77)	20790.68
Profit Before Taxation		21001.01	41856.43
Less: Taxation			
Current tax		7705.24	12450.99
Fringe benefits tax		90.50	228.00
Deferred tax charge/(credit)		(483.06)	(734.58)
Profit After Taxation		13688.33	29912.02
Balance brought forward		67545.19	44988.68
Less: On account of amalgamation of erstwhile Duchem Laboratories Limited ('Duchem') (Refer Note 23 of the Notes to the accounts, Schedule 19)		(171.24)	–
Total Profit Available for Appropriation		81062.28	74900.70
Transfer to general reserve		1368.83	2991.20
Proposed dividend		3730.18	3730.18
Tax on dividend		634.13	634.13
		5733.14	7355.51
Balance Carried To Balance Sheet		75329.14	67545.19
Earnings Per Share (Basic And Diluted)		Rs. 45.87	Rs. 100.24
(Refer Note 10 in the Notes to the accounts, Schedule 19)			
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

BHAVESH DHUPELIA

Partner

Membership No.: 042070

Mumbai, 19 March, 2010

For and on behalf of the Board of Directors

R A SHAH

Chairman

KEWAL HANDA

Managing Director

P SHAH

B M GAGRAT (Dr)

Directors

PRAJEET NAIR

Company Secretary

Mumbai, 19 March, 2010



Cash Flow Statement for the year ended 30 November, 2009

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
A Cash Flow from Operating Activities : -		
Net profit before taxation and exceptional items	22092.78	21065.75
Adjustments for :		
Depreciation	828.76	1112.19
Unrealised foreign exchange (gain) / loss (Net)	4.30	(0.71)
Interest income	(5188.44)	(5989.36)
Profit on fixed assets sold / discarded	(53.36)	(16.84)
Provision for doubtful debts and advances	172.46	330.89
Provisions no longer required written back	(264.93)	(430.37)
Operating profit before working capital changes	17591.57	16071.55
Adjustments for :		
Trade and other receivables	(1816.43)	(672.74)
Inventories	1161.66	(2962.06)
Trade and other payables	1267.34	2062.80
Provisions (excluding proposed dividend, tax on distributed profits, income tax provision)	686.66	819.40
Cash generated from operations	18890.80	15318.95
Direct taxes paid (Net)	(10331.72)	(12673.03)
Net cash from operating activities before exceptional items	8559.08	2645.92
Exceptional Items :		
VRS paid	(1091.77)	(11.55)
Proceeds from sale of brands (Net)	—	21095.23
Net cash from operating activities after exceptional items (A)	7467.31	23729.61
B Cash Flow from Investing Activities : -		
Purchase of fixed assets	(1871.48)	(2667.80)
Proceeds from sale of fixed assets	60.57	173.39
Purchase of investments / Inter corporate deposits (Net)	(9100.00)	(10750.00)
Interest received	6155.79	5357.06
Net cash from / (used) in investing activities (B)	(4755.12)	(7887.35)
C Cash Flow from Financing Activities : -		
Dividend paid (including tax on distributed profits)	(4332.33)	(9519.58)
Net cash used in financing activities (C)	(4332.33)	(9519.58)
Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(1620.14)	6322.67
Opening cash and cash equivalents (Note 1)	54301.84	47979.17
Cash and cash equivalents as at 1 December, 2008 taken over on amalgamation of Duchem (Refer Note 23 of the Notes to the accounts, Schedule 19)	58.75	—
Closing cash and cash equivalents (Note 1)	52740.45	54301.84
	(1620.14)	6322.67

Cash Flow Statement for the year ended 30 November, 2009

Rupees in Lakhs
30 Nov 2009

Rupees in Lakhs
30 Nov 2008

Notes :

- 1 Cash and cash equivalents include :

Cash on hand	3.59	5.03
With scheduled banks		
On current accounts (including accounts with overdraft facility)	4729.24	2158.89
On margin money accounts	—	3.48
On time deposit accounts	48006.88	52003.40
Cheques on hand / in transit	0.76	135.28
Unrealised translation gain on foreign currency cash & cash equivalents	(0.02)	(4.24)
	52740.45	54301.84
- 2 Interest income on delayed payments from customers 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 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

BHAVESH DHUPELIA

Partner

Membership No.: 042070

Mumbai, 19 March, 2010

For and on behalf of the Board of Directors

R A SHAH

Chairman

KEWAL HANDA

Managing Director

P SHAH

B M GAGRAT (Dr)

Directors

PRAJEET NAIR

Company Secretary

Mumbai, 19 March, 2010

Schedules to the Financial Statements

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
Schedule 1: Share capital		
Authorised		
2,98,44,080 (Nov 2008: 2,98,44,080) Equity shares of Rs. 10 each	2984.41	2984.41
1,01,55,920 (Nov 2008: 1,01,55,920) Unclassified shares of Rs. 10 each	1015.59	1015.59
	4000.00	4000.00
Issued		
2,98,44,080 (Nov 2008: 2,98,44,080) Equity shares of Rs. 10 each	2984.41	2984.41
Subscribed and paid up		
2,98,41,440 (Nov 2008: 2,98,41,440) Equity shares of Rs. 10 each fully paid-up	2984.14	2984.14
Of the above		
– 1,91,08,636 (Nov 2008: 1,91,08,636) Equity shares of Rs.10 each were allotted as fully paid-up bonus shares by capitalisation of general reserve Rs. 1776.92 lakhs and share premium account Rs. 133.94 lakhs.		
– 93,76,100 (Nov 2008: 93,76,100) Equity shares of Rs. 10 each fully paid-up are held by Pfizer Corporation, Panama.		
– 21,42,896 (Nov 2008: 21,42,896) Equity shares of Rs. 10 each in aggregate are held by Warner-Lambert Company LLC, USA and Parke-Davis & Company LLC, USA.		
– 53,57,244 (Nov 2008: 53,57,244) Equity shares of Rs. 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 2008: 10,43,900) Equity shares of Rs. 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 2008: Nil) Equity shares of Rs. 10 each were acquired by Pfizer Investments Netherlands B.V. pursuant to the open offer.*		
– The shares held by Pfizer Corporation and its affiliates for November 2009 were 2,11,13,171, representing 70.75% (Nov 2008: 1,23,02,937 representing 41.23%) of the paid-up equity share capital.		
Add: Forfeited share capital		
Amount paid-up on 2,640 (Nov 2008: 2,640) Equity shares of Rs. 10 each forfeited	0.18	0.18
TOTAL	2984.32	2984.32

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

Schedule 2: Reserves and surplus

Share premium	2277.70	2277.70
General reserve		
Opening Balance	17149.27	14613.76
Add: Transfer from profit and loss account	1368.83	2991.20
Add: Reversal of provision of diminution in value of investments on account of amalgamation of erstwhile Duchem*	324.00	–
Less: Adjustment on account of adoption of AS 15 (Revised)**	–	(455.69)
	18842.10	17149.27
Balance as per profit and loss account	75329.14	67545.19
TOTAL	96448.94	86972.16

* Refer Note 23 of the Notes to the accounts, Schedule 19

** Refer Note 22 of the Notes to the accounts, Schedule 19

Schedule 3: Fixed Assets

* Buildings include investment in share application money of Rs. 500 (Nov 2008: Rs. 500) in a co-operative housing society, representing ownership of two residential flats.

Schedules to the Financial Statements

Rupees in Lakhs
30 Nov 2009

Rupees in Lakhs
30 Nov 2008

Schedule 4: Investments

(At cost except where otherwise stated)

Long Term Investments

Non-Trade (unquoted)

Government securities	0.11	0.11
Rural Electrification Corporation of India 500 (Nov 2008: 500) Bonds of Rs. 10,000 each fully paid-up	50.00	50.00
Gold Sovereign (Actual cost Rs. 61)	—	—
The Shamrao Vithal Co-operative Bank Limited 1,000 (Nov 2008: 1,000) shares of Rs. 25 each, fully paid-up	0.25	0.25
Other securities		
Bharuch Eco-Aqua Infrastructure Limited 72,935 (Nov 2008: 72,935) Equity Shares of Rs. 10 each, fully paid-up	7.29	7.29
Bharuch Enviro Infrastructure Limited 175 (Nov 2008: 175) Equity Shares of Rs. 10 each fully paid-up	0.02	0.02
Shares in the subsidiary company		
Duchem Laboratories Limited (100% holding)*	—	324.00
Nil (Nov 2008: 3,24,000) Equity Shares of Rs. 100 each, fully paid-up	—	—
Provision for diminution other than temporary in value of investments	(7.42)	(331.42)

TOTAL

50.25

50.25

* Refer Note 23 of the Notes to the accounts, Schedule 19

Schedule 5: Deferred tax asset (Net)

Deferred tax asset

Arising on account of timing differences in:

Provision for doubtful debts and advances	645.26	775.59
Provision for leave encashment	464.58	458.85
Provision for excise duty, custom duty and sales tax	123.21	130.52
Amortisation of voluntary retirement costs	393.70	142.72
Others	1510.57	1060.67

3137.32

2568.35

Deferred tax liability

Arising on account of timing difference in:

Depreciation	387.12	301.20
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TOTAL

2750.20

2267.15

Schedule 6: Inventories

Stores and maintenance spares	125.81	204.27
Packing materials	514.36	610.15
Stock-in-trade		
Raw materials	3224.53	3220.24
Work-in-process	553.82	574.14
Finished goods	6918.59	7859.52
TOTAL	11337.11	12468.32

Schedules to the Financial Statements

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
<u>Schedule 7: Sundry debtors (unsecured)</u>		
Debts outstanding		
– Over six months	1680.95	2143.00
– Other debts	6311.83	5777.77
	<u>7992.78</u>	<u>7920.77</u>
of which		
– Considered good	6439.18	5972.65
– Considered doubtful	1553.60	1948.12
	<u>7992.78</u>	<u>7920.77</u>
Provision for doubtful debts	(1553.60)	(1948.12)
TOTAL	<u><u>6439.18</u></u>	<u><u>5972.65</u></u>

Bad debts written off Rs. 824.13 lakhs (Nov 2008:
Rs. 20.81 lakhs) out of the provision for doubtful debts.

Schedule 8: Cash and bank balances

Cash on hand	3.59	5.03
With scheduled banks		
In current accounts	4729.22	2158.89
In margin money accounts (under lien)	–	3.48
In time deposit accounts	48006.88	52003.40
Cheques on hand / in transit	0.76	135.28
TOTAL	<u><u>52740.45</u></u>	<u><u>54306.08</u></u>

Schedule 9: Other current assets

Interest accrued but not due on bank deposits	432.44	1399.79
Fixed assets held for sale**	49.62	49.62
(at book value or estimated net realisable value / salvage value, whichever is lower)*		
TOTAL	<u><u>482.06</u></u>	<u><u>1449.41</u></u>

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

** Refer Note 12 of the Notes to the accounts, Schedule 19

Schedules to the Financial Statements

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
Schedule 10: Loans and advances (unsecured)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	2917.20	2510.54
Considered doubtful	344.23	333.04
	3261.43	2843.58
Provision for doubtful advances	(344.23)	(333.04)
	2917.20	2510.54
Income tax payments	2076.94	—
[Net of taxes provided Rs. 84113.52 lakhs]		
Amounts recoverable from Pfizer Pharmaceutical India Private Limited*	441.19	106.43
ICD's placed with Pfizer Pharmaceutical India Private Limited*	25200.00	15100.00
Amounts recoverable from Pfizer Products India Private Limited*	697.52	553.05
ICD's placed with Pfizer Products India Private Limited*	1300.00	2300.00
Deposits	4331.87	4015.30
Balances with Customs, Port Trust and Excise on current accounts	244.44	209.86
TOTAL	37209.16	24795.18
* Refer Note 3 of the Notes to the accounts, Schedule 19		

Schedule 11: Current liabilities

Sundry creditors		
Due to Micro, Small and Medium Enterprises*	178.86	172.76
Others	11445.77	10554.08
Security deposits	647.77	363.35
Dividends – unclaimed**	374.51	342.54
Amount payable to Duchem Laboratories Limited***	—	36.81
Other liabilities	642.46	744.54
TOTAL	13289.37	12214.08

* Refer Note 14 of the Notes to the accounts, Schedule 19

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

*** Refer Note 23 of the Notes to the accounts, Schedule 19

Schedules to the Financial Statements

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
<u>Schedule 12: Provisions</u>		
Proposed dividend	3730.18	3730.18
Tax on distributed profits	634.13	634.13
Gratuity	620.17	411.52
Leave encashment	1366.42	1349.52
Provident fund	1120.48	638.16
Provision for contingencies (Net)	82.37	103.87
Income tax provisions	—	427.31
(Nov 2008: Net of taxes paid Rs. 71785.63 lakhs)		
Fringe benefits tax provisions	3.64	93.14
[Net of taxes paid Rs. 1065.00 lakhs (Nov 2008: Rs. 885.00 lakhs)]		
Wealth tax provisions (Net)	56.88	56.59
TOTAL	7614.27	7444.42

Schedule 13: Operating and other income

Service income	2214.24	2191.41
Interest (Gross)		
On staff loans	37.54	19.91
On deposits with banks	3094.71	4733.92
[Tax deducted at source – Rs. 790.80 lakhs (Nov 2008: Rs. 949.40 lakhs)]		
On others	2093.73	1256.06
[Tax deducted at source – Rs. 388.56 lakhs (Nov 2008: Rs. 264.04 lakhs)]		
Rental income (Gross)	1636.24	633.30
[Tax deducted at source – Rs. 365.74 lakhs (Nov 2008: Rs. 148.16 lakhs)]		
Profit on fixed assets sold (Net)	53.36	16.84
Other insurance claims	49.88	43.57
Exchange gain (Net)	16.06	—
Provision / liability no longer required written back	264.93	430.37
Others	81.62	16.77
TOTAL	9542.31	9342.15

Schedules to the Financial Statements

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
Schedule 14: Material cost		
(Increase) / decrease in stock of finished goods and work-in-process		
Stock at commencement		
Finished goods	7859.52	5928.20
Work-in-process	574.14	546.49
	8433.66	6474.69
Add: On account of amalgamation of erstwhile Duchem*	30.45	—
Less: Stocks Transferred to Johnson & Johnson**	—	(337.58)
Stock at close		
Finished goods	6918.59	7859.52
Work-in-process	553.82	574.14
	7472.41	8433.66
	991.70	(2296.55)
Raw materials		
Stock at commencement	3220.24	2458.82
Purchases (Net)	14446.81	14745.44
	17667.05	17204.26
Stock at close	(3224.53)	(3220.24)
	14442.52	13984.02
Packing materials consumed	5424.90	4781.70
Purchase of traded goods	7911.81	7289.65
TOTAL	28770.93	23758.82
* Refer Note 23 of the Notes to the accounts, Schedule 19		
** Refer Note 19 of the Notes to the accounts, Schedule 19		

Schedule 15: Personnel cost

Salaries, wages and bonus	9856.80	8553.23
Company's contribution to gratuity fund	514.67	357.43
Company's contribution to provident and other funds	1139.15	427.23
Staff welfare expenses	877.59	871.77
TOTAL	12388.21	10209.66

Schedules to the Financial Statements

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
<u>Schedule 16: Manufacturing and other expenses</u>		
Consumption of stores and maintenance spares	182.93	151.64
Processing charges	2385.45	2197.75
Power and fuel	815.79	667.96
Water	34.96	49.34
Repairs : Buildings	1.82	38.66
Machinery	147.54	156.49
Rent	1418.07	1043.51
Rates and taxes	217.67	249.33
Insurance	170.40	244.56
Clinical trials	1283.91	1143.10
Legal and professional charges	1173.46	1018.67
Equipment rentals, service charges, low cost assets written off	1314.38	906.49
Freight, forwarding and transport	2151.13	2075.73
Travelling (including boarding, lodging, conveyance and other expenses)	1649.19	1453.27
Communication expenses	571.42	461.56
Advertising and promotion	4034.79	3413.19
Commission	1167.34	1150.18
Provision for doubtful debts and advances (Net)	172.46	330.89
Exchange loss (Net)	—	118.86
Royalty	775.49	744.66
Excise duty	—	362.81
Miscellaneous expenses	3020.60	2987.69
TOTAL	22688.80	20966.34

Schedule 17: Exceptional items - Net

Exceptional expense

Compensation paid to employees under Voluntary retirement scheme	(1091.77)	(304.55)
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Exceptional income

Profit on sale of brands*	—	21095.23
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TOTAL	(1091.77)	20790.68
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* Refer Note 19 of the Notes to the accounts, Schedule 19

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 (Indian GAAP) 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

Tangible Assets

(i) All fixed assets are stated at cost of acquisition less accumulated depreciation 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 upto Rs. 5000 are written off and those costing more than Rs. 5000 but upto US\$ 1000 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.

With effect from 1 July, 2009 the Company has changed the policy whereby all assets costing individually more than Rs. 5000 but upto US\$ 5000 (instead of US\$ 1000) are fully depreciated in the year of purchase. Consequent to this change, depreciation is overstated by Rs. 21.05 lakhs and net block and profits are understated by same amount.

(iii) Depreciation 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 other than on low cost assets is provided at the following rates per annum:

Assets	Rate
Land : Leasehold	Amortised 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 Amortised 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) Cost of application software not exceeding US\$ 1 million 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.

The premium or discount on forward exchange contracts is amortized on a straight line method over the period of the contracts.

(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 recognised 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 recognised 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 under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, 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 at the Balance Sheet date. 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 are 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. Compensation paid in the earlier years is charged to the Profit and Loss Account over a period of five years. Compensation paid during the current year and previous year under the VRS 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 year ended 30 November, 2009, in accordance with the provisions of the Income Tax Act, 1961. The final tax liability will be determined on the basis of the operations for the year 1 April, 2009 to 31 March, 2010, being the tax year of the Company.

The deferred tax charge or credit is recognized using substantially enacted rates. In the case of unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation 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.

Provision for fringe benefits tax is made on the basis of applicable rates on the taxable value of eligible expenses of the Company as prescribed under the Income Tax Act, 1961.

(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 Contingencies

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

Schedule 19 : Notes to the Accounts

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
1 Estimated amount of contracts on capital account to be executed and not provided for	119.35	4177.68
2 Contingent Liability		
(a) In respect of the guarantees given to banks on behalf of:		
(i) Its subsidiary company	—	2400.00
(ii) Other guarantees	114.27	107.14
(b) In respect of:		
(i) Excise duty	409.55	420.78
(ii) Customs duty	41.50	40.54
(iii) Sales tax	638.97	627.24
(iv) Service tax	193.11	193.11
(v) Income tax	8085.87	743.62
(vi) Pending labour matters contested in various courts	109.66	122.66
(vii) Claims against the Company not acknowledged as debts	Amount Unascertainable	Amount Unascertainable
(c) DPEA claims (Refer Note 8)		
3 Loans and advances include amounts due from:		
Pfizer Pharmaceutical India Private Limited, a company under the same management [Maximum aggregate amount due during the year Rs. 27091.01 lakhs (Nov 2008 : Rs. 15206.43 lakhs)]	25641.19	15206.43
Pfizer Products India Private Limited, a company under the same management [Maximum aggregate amount due during the year Rs. 2983.80 lakhs (Nov 2008 : Rs. 2853.83 lakhs)]	1997.52	2853.05
4 Advertising and promotion includes cost of samples distributed.	700.33	490.52
5 Auditors' remuneration (including service tax, as applicable):		
For audit	35.08	31.46
For other attestation services	23.44	26.11
Out of pocket expenses	2.33	0.51
TOTAL	60.85	58.08

6 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

Class of Goods	Unit of Measure	Stocks at commencement		Production		Sales		Stocks at close	
		Quantity	Rupees in Lakhs	Quantity	Quantity	Quantity	Rupees in Lakhs	Quantity	Rupees in Lakhs
Bulk (A)	Tonnes	–	–	11.80	11.80	11.80	223.25	–	–
		(–)	(–)	(5.00)	(5.00)	(5.00)	(63.36)	(–)	(–)
Formulations (B)									
Injectables :									
Liquid parentals	Litres	16307.07	85.01	318097.30	264984.27	1822.10	53752.67	281.40	281.40
		(19429.09)	(102.79)	(269499.00)	(265231.00)	(1677.82)	(16307.07)	(85.01)	(85.01)
Tablets and capsules	No. in Millions	384.85	3098.59	2347.21	2314.01	28566.76	318.88	2854.53	2854.53
		(307.78)	(1900.75)	(2138.91)	(2033.27)	(25755.56)	(384.85)	(3098.59)	(3098.59)
Liquids	Litres	1027626.80	1722.24	8190599.26	7704118.12	22148.46	1149124.13	1790.89	1790.89
		(882165.06)	(1336.35)	(7598632.01)	(7304632.51)	(19811.17)	(1027626.80)	(1722.24)	(1722.24)
Solids	Kgs.	26086.35	202.30	96542.27	105157.46	1195.25	15452.21	60.05	60.05
		(18270.44)	(142.14)	(110531.73)	(101220.01)	(1106.80)	(26086.35)	(202.30)	(202.30)
Ointments	Kgs.	–	–	–	–	–	–	–	–
		(2.16)	(0.01)	(–)	(14.83)	(0.21)	(–)	(–)	(–)
Food products	Tonnes	–	–	–	–	–	(0.50)	–	–
		(0.04)	(0.10)	(–)	(0.01)	(0.03)	(–)	(–)	(–)
Feed supplements	Tonnes	88.65	303.72	494.01	498.14	1341.60	80.26	93.86	93.86
		(65.70)	(106.50)	(340.75)	(301.71)	(1073.43)	(88.65)	(303.72)	(303.72)
Total (B)			5411.86			55073.67		5080.73	5080.73
			(3588.64)			(49424.54)		(5411.86)	(5411.86)

Trading activities										
Class of Goods	Unit of Measure	Stocks at commencement			Purchases			Sales		
		Quantity	Rupees in Lakhs		Quantity	Rupees in Lakhs		Quantity	Rupees in Lakhs	
Formulations (C)										
Injectables :										
Liquid parentals	Litres	8880.06 (12389.30)	323.48 (417.94)		19475.31 (35857.04)	1335.70 (1039.70)		20472.93 (37899.28)	3843.24 (3274.35)	4143.87 (8880.06)
Powder parentals *	Kgs.	630.20 (338.73)	274.83 (226.27)		3894.79 (3142.15)	1422.26 (1604.23)		3329.59 (2946.04)	7033.93 (6080.27)	665.47 (451.34)
Tablets and capsules *										
	No. in Millions	22.05 (11.53)	926.21 (509.28)		434.00 (53.98)	1450.16 (1544.38)		84.75 (43.04)	2857.13 (2244.05)	223.03 (18.92)
Liquids	Litres	166162.68 (383234.19)	489.12 (763.16)		1375499.67 (962810.81)	2225.02 (1904.03)		1052051.90 (947107.03)	4763.39 (4189.19)	271732.84 (166162.68)
Solids *	Kgs.	17598.67 (14586.11)	111.28 (99.54)		157962.62 (26506.74)	310.70 (186.47)		44541.74 (23638.70)	630.68 (352.09)	111829.75 (17558.62)
Ointments	Kgs.	4653.93 (5297.67)	22.59 (22.21)		29473.38 (24860.27)	110.88 (100.39)		26309.48 (25011.35)	534.60 (487.98)	7496.35 (4653.93)
Feed supplements	Tonnes	102.27 (133.79)	133.35 (219.90)		528.38 (351.25)	441.40 (137.63)		515.26 (366.72)	783.05 (370.66)	101.52 (102.27)
Feed supplements	Litres	175890.82 (143798.00)	69.12 (43.30)		1339544.00 (1246839.34)	479.76 (460.93)		1332766.50 (1182460.34)	975.49 (811.98)	148226.00 (175890.82)
Miscellaneous	No. in Millions	1.67 (0.65)	128.13 (37.96)		2.01 (4.37)	135.93 (311.89)		0.66 (3.15)	508.74 (472.14)	0.19 (1.67)
Total (C)			2478.11 (2339.56)			7911.81 (7289.65)			21930.25 (18282.71)	1837.86 (2447.66)
Total (A+B+C)			7889.97 (5928.20)			7911.81 (7289.65)			77227.17 (67770.61)	6918.59 (7859.52)
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.										
* Opening stock of inventories includes inventories of Duchem as at 1 December, 2008, aggregating Rs. 30.45 lakhs, pursuant to scheme of amalgamation (Refer Note 23 of the Notes to the accounts, Schedule 19)										

Notes:

- Figures of production are inclusive of production for captive consumption and quantities produced in the factories of third parties on loan licenses.
 - Figures for Production, Purchases and Closing Stock exclude Physicians' Sample packs.
 - Stocks are after adjustments of write-offs.
 - Figures in brackets are in respect of the previous year.
- * Opening stock of inventories includes inventories of Duchem as at 1 December, 2008, aggregating Rs. 30.45 lakhs, pursuant to scheme of amalgamation (Refer Note 23 of the Notes to the accounts, Schedule 19)

6 (b) Raw Materials Consumed

Class of Goods	Unit of Measure	30 Nov 2009		30 Nov 2008	
		Quantity	Rupees in Lakhs	Quantity	Rupees in Lakhs
Vitamins	Tonnes	503.15	3741.71	468.05	4773.79
Codeine Phosphate	Kgs.	7230.21	2406.64	6780.82	2339.47
Minipress Bulk Tablets	Thousands	71796.91	2095.10	69137.53	1715.44
Others			6199.07		5155.32
TOTAL			14442.52		13984.02
Whereof:	Percentage			Percentage	
Imported		41	5873.70	31	4400.76
Indigenous		59	8568.82	69	9583.26
TOTAL		100	14442.52	100	13984.02

Note: 'Components and 'Spare Parts' referred to in para 4 D(C) of Part II of Schedules 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.

6 (c) Licensed and Installed Capacities

			30 Nov 2009	30 Nov 2008
Class of Goods	Unit of Measure	Installed Capacity		
Formulations				
Tablets & Capsules (Three shift basis)	Mn. 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.

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
(d) Value of imports calculated on CIF basis		
Raw materials	5863.65	3972.64
Capital goods	3.50	31.27
Finished goods	1593.48	1433.64
(e) Expenditure in Foreign Currency		
Travel	65.30	87.60
Royalty	514.66	499.92
Service charges	185.21	138.52
Professional charges	19.54	13.03
Others	43.80	97.03

Rupees in Lakhs
30 Nov 2009

Rupees in Lakhs
30 Nov 2008

(f) Remittance made on account of dividends in foreign currency

Number of shareholders	4	4
Number of shares held	12,302,937	12,302,937
Net amount of dividends remitted in foreign currency		
Dividend in respect of the year ended 30 November, 2008	1537.87	—
Dividend in respect of the year ended 30 November, 2007	—	3383.31

(g) Earnings in foreign currency

Exports (on FOB basis)	349.27	141.77
Service income (Gross)	2209.54	2156.46

7 (a) Managerial remuneration under Section 198 of the Companies Act, 1956

Salaries and bonus	265.30	284.75
Contribution to provident fund and other funds	40.99	39.62
Perquisites	39.76	30.52
Sitting fees	2.30	2.00
Commission to non-whole time Directors	14.00	10.00
TOTAL	362.35	366.89

Excludes gratuity, leave encashment and provident fund benefits as the same are based on actuarial valuation.

7 (b) Computation of net profits for commission payable to the Directors

Net Profit as per Profit and Loss Account	13688.33	29912.02
Income-tax	7312.68	11944.41
Remuneration to Directors	362.35	366.89
Depreciation charged in the accounts	828.76	1112.19
Net Profit / (Loss) on sale of fixed assets per Section 349 of the Companies Act, 1956	53.36	16.84
Provision for doubtful debts / advances	156.70	330.89
	22402.18	43683.24
Net (Profit) / Loss on sale of fixed assets per accounts	(53.36)	(16.84)
Depreciation as computed under Section 350 of the Act (see note below)	(828.76)	(1112.19)
Bad debts and doubtful advances written off against provision	(824.13)	(20.81)
Profit on sale of brands	—	(21095.23)
TOTAL	20695.93	21438.17

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, as approved by the members at the 58th AGM held on 15 April, 2009 (Nov 2008 : 53rd AGM held on 29 April, 2004).

50.00 10.00

Commission approved by the Board of Directors at meeting held on 25 February, 2010 (Nov 2008 : Meeting held on 30 January, 2009).

14.00 10.00

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 Act. Thus, the depreciation charged in the books is higher than that prescribed as the minimum by the Act. Hence, this higher value has been considered as a deduction for the computation of managerial remuneration above.

8 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 Rs. 87.61 lakhs, less Rs. 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 Rs. 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 Rs. 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 Rs. 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 Honourable 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 Rs. 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 Rs. 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 Rs. 178.56 lakhs for the earlier period of February 1984 to March 1986 over and above the revised claim of Rs. 33.87 lakhs for the period April 1986 to August 1987. Thus, the total demand raised now stands revised to Rs. 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 Rs. 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 Rs. 145 lakhs and Rs. 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 Honourable 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 an 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 Rs. 113 lakhs was raised against the Company. Against this demand an excise duty set off of Rs. 7 lakhs was allowed to the Company and a final demand of Rs. 106 lakhs was raised in 1987.

The Company had deposited an amount of Rs. 30 lakhs in February 1987 and Rs. 25 lakhs in May 1990 totaling to an aggregate of Rs. 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 Rs. 117 lakhs towards interest on principal demand. (i.e. interest of Rs. 43 lakhs for Pyridium for the period 1982 to August 1995 and Rs. 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 Rs. 51 lakhs (which amount was deposited in November 1997).

(g) Multivitamin Formulations:

The Government has arbitrarily raised a demand of Rs. 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 Rs. 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.

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

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

9 Expenditure on Research and Development during the year

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
Capital expenditure	9.06	26.91
Revenue expenditure charged to the Profit and Loss Account	2917.51	2808.29
TOTAL	2926.57	2835.20

Note: Research and development expenditure includes those incurred while rendering services to group companies.

10 Earnings per Share

30 Nov 2009 30 Nov 2008

Earnings per share has been computed as under:

(a) Profit after Taxation (Rs. Lakhs) (Net profit attributable to Equity Shareholders)	13688.33	29912.02
(b) Number of Equity Shares outstanding at the end of the year	29,841,440	29,841,440
(c) Earnings per share (Face value Rs. 10/- per share) (a) / (b) (Basic and diluted)	Rs. 45.87	Rs. 100.24

11 Disclosure for operating leases under Accounting Standard 19 – “Leases”

(a) Where the Company is a Lessee:

- The Company has taken various residential / godowns / office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.
- Lease payments are recognized in the Profit and Loss Account under “Rent” in Schedule 16.

(b) Where the Company is a Lessor:

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

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
Gross book value	5305.87	744.63
Accumulated depreciation	196.74	140.81
Depreciation for the lease period	55.93	12.14
Rental income	1134.58	92.29

- Lease Income recognised in the Profit and Loss Account for the year in respect of sub-let property is Rs. 501.66 lakhs (Nov 2008 : Rs. 541.01 lakhs).

12 Assets held for disposal

The Company has identified the assets situated at Ankleshwar as retired from active use consequent to its ceasing manufacturing operations at this location. 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).

Rupees in Lakhs

Asset Head	Original Cost		Accumulated Depreciation		Written Down Value	
	30 Nov 2009	30 Nov 2008	30 Nov 2009	30 Nov 2008	30 Nov 2009	30 Nov 2008
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

- Stock of Physicians’ samples is included under ‘Loans and advances’ (Schedule 10) Rs. 210.86 lakhs (Nov 2008 : Rs. 228.86 lakhs).

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

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
Principal amount payable to suppliers at the year end	178.86	172.76
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 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 year	92.03	32.17

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.

15 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 year)

Pfizer Animal Health SA, Belgium	Pfizer Pharmaceuticals Korea Limited, Korea
Pfizer Asia Manufacturing Pte Limited, Singapore	Pfizer Singapore Trading Pte Limited, Singapore
Pfizer Corporation Hong Kong Limited, Hong Kong	Pfizer Private Limited, Singapore
Pfizer Enterprises SARL, Luxembourg	Pfizer Products India Private Limited, India
Pfizer Export Company, Ireland	Pfizer International LLC, USA
Pfizer Global Trading, Ireland	Pfizer Products Inc., USA
Pfizer Limited, United Kingdom	Pfizer Agricare Sdn Bhd, Malaysia
Pfizer Laboratories (Proprietary) Limited, South Africa	Pfizer Limited, China
Pfizer Overseas LLC, USA	Pfizer Animal Health RSA, Durban, South Africa
Pfizer Pharmaceutical India Private Limited, India	

B Executive Committee Members

Mr. Kewal Handa*	Mr. Partha Ghosh
Dr. B.M. Gagrath*	Mr. Anjan Sen
Mr. S. Madhok	Ms. Hiroo Mirchandani
Ms. Dipali Talwar	Mr. Uday Mohan
Mr. S. Venkatesh	Dr. Yash Goyal
Dr. Chandrashekhar Potkar	Mr. Venkat Iyer (resigned w.e.f. 30 November, 2009)
Mr. S. Sridhar	Mr. Yugesh Goutam* (resigned w.e.f. 31 May, 2008)

* Executive Directors on the Board

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

Rupees in Lakhs

Nature of Transactions	30 Nov 2009			30 Nov 2008			
	Ultimate Holding Company	Companies exercising significant influence	Fellow Subsidiaries	Ultimate Holding Company	Companies exercising significant influence	Subsidiary Company	Fellow Subsidiaries
1 Sale of finished goods (net of returns)	—	—	49.73	—	—	—	95.99
2 Sale of bulk materials	—	—	238.50	—	—	—	71.56
3 Service income	—	—	2195.74	323.44	—	—	1738.83
4 Recovery of expenses	55.76	—	889.38	47.26	—	0.44	1843.69
5 Purchase of finished goods	—	—	1548.65	—	—	—	1434.43
6 Purchase of raw / bulk materials	—	—	2098.02	—	—	—	1411.27
7 Royalty expense	27.28	110.12	377.26	25.83	104.79	—	369.30
8 Expenses reimbursed	—	—	210.82	—	—	—	216.26
9 Dividend in respect of the year ended 30 November, 2008 / 30 November, 2007	—	1537.87	—	—	3383.31	—	—
10 Reimbursement of civil work	—	—	—	—	—	—	20.55
11 Rental income	—	—	103.62	—	—	—	74.88
12 Loans given	—	—	37600.00	—	—	—	28150.00
13 Loans repaid	—	—	28500.00	—	—	—	17400.00
14 Interest received on loans given	—	—	2091.77	—	—	—	1255.44
15 Short term advances given	—	—	—	—	—	280.54	—
16 Short term advances repaid / given	—	—	—	—	—	362.02	—
17 Outstanding as at the year end – Due from	—	—	28454.69	—	—	—	19159.51
18 Outstanding as at the year end – Due to	117.95	144.89	1399.57	72.49	108.54	36.81	1743.97
19 Guarantees given to banks on behalf of Subsidiary Company, outstanding as at the year end	—	—	—	—	—	2400.00	—

Executive Committee members

Rupees in Lakhs

Nature of Transactions	30 Nov 2009	30 Nov 2008
	Key Management Personnel	Key Management Personnel
1 Remuneration	860.19	677.00
2 Rent paid for residential flats	43.16	44.06
3 Deposits outstanding as at the year end	1396.16	1308.75

III Others

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

IV Details of material transactions during the year

	Rupees in Lakhs 30 Nov 2009	Rupees in Lakhs 30 Nov 2008
a) Sale of finished goods (Net of returns)		
Pfizer Laboratories (Proprietary) Limited, South Africa	—	36.00
Pfizer Pharmaceutical India Private Limited, India	19.63	59.99
Pfizer Animal Health RSA, Durban, South Africa	30.10	—
b) Sale of bulk materials		
Pfizer Global Trading, Ireland	238.50	71.56
c) Service income		
Pfizer Limited, United Kingdom	1334.78	1298.84
Pfizer International LLC, USA	679.79	431.89
Pfizer Inc., USA	—	323.44
Pfizer Pharmaceutical India Private Limited, India	181.17	—
d) Recovery of expenses		
Pfizer Inc., USA	55.76	—
Pfizer Pharmaceutical India Private Limited, India	80.97	—
Pfizer Products India Private Limited, India	789.96	1723.07
e) Purchase of finished goods		
Pfizer Export Company, Ireland	425.52	387.88
Pfizer Overseas LLC., USA	322.44	195.20
Pfizer Global Trading, Ireland	14.58	230.70
Pfizer Singapore Trading Pte Limited, Singapore	458.91	428.67
Pfizer Enterprises SARL, Luxembourg	272.37	160.08
f) Purchase of raw / bulk materials		
Pfizer Export Company, Ireland	2098.02	1411.27
g) Royalty expense		
Parke-Davis & Company LLC, USA	103.56	87.99
Pfizer Products Inc, USA	377.26	369.30
h) Expenses reimbursed		
Pfizer Private Limited, Singapore	185.21	138.52
Pfizer Corporation Hong Kong Limited, Hong Kong	2.32	21.68
Pfizer Agricare Sdn Bhd, Malaysia	—	27.60
Pfizer Products India Private Limited, India	23.28	—
i) Dividend paid		
Pfizer Corporation, Panama	1172.01	2578.43
j) Loans given		
Pfizer Pharmaceutical India Private Limited, India	35300.00	24500.00
Pfizer Products India Private Limited, India	2300.00	3650.00
k) Loans repaid		
Pfizer Pharmaceutical India Private Limited, India	25200.00	15100.00
Pfizer Products India Private Limited, India	3300.00	2300.00
l) Interest received on loans given		
Pfizer Pharmaceutical India Private Limited, India	1933.23	1116.66
Pfizer Products India Private Limited, India	158.54	138.78
m) Reimbursement of civil work		
Pfizer Pharmaceutical India Private Limited, India	—	20.55
n) Reimbursement to Key Management Personnel		
Kewal Handa	259.57	217.87
Dr. B. M. Gagrath	86.48	79.30
Yugesh Goutam	—	57.72

16 Disclosures as required by the Accounting Standard 17 on “Segment Reporting” are given below:

Business Segments (Refer Note 1 below)

Rupees in Lakhs

	30 Nov 2009				30 Nov 2008			
	Pharma- ceuticals	Animal Health	Services	Total	Pharma- ceuticals	Animal Health	Services	Total
Segment revenue								
External sales and services	66611.17	10620.86	2209.53	79441.56	59478.31	8320.03	2163.68	69962.02
Total Segment revenue	66611.17	10620.86	2209.53	79441.56	59478.31	8320.03	2163.68	69962.02
Segment results	17500.93	2069.08	203.44	19773.45	16417.43	1776.30	195.00	18388.73
Unallocated corporate (expenses) / income (net)				(2672.35)				(3096.08)
Operating profit				17101.10				15292.65
Interest expense and bank charges				(234.30)				(236.79)
Interest income				5225.98				6009.89
Income tax				(7312.68)				(11944.41)
Exceptional Items – net	(1091.77)			(1091.77)	20790.68			20790.68
Net profit				13688.33				29912.02
Other information								
Segment assets	20690.19	3550.89	838.39	25079.47	22052.84	3808.31	1147.31	27008.46
Unallocated corporate assets				95257.43				82606.52
Total assets				120336.90				109614.98
Segment liabilities	10879.22	1040.13	296.20	12215.55	9938.61	695.73	183.84	10818.18
Unallocated corporate liabilities				8688.09				8840.32
Total liabilities				20903.64				19658.50
Business Segments (Refer Note 1 below)								
Capital expenditure	450.78	5.50	4.00	460.28	109.05	3.89	2236.72	2349.66
Depreciation / Amortisation	759.92	11.54	43.79	815.25	543.01	10.92	24.08	578.01

Geographical Segments (Refer Note 2 below)

	30 Nov 2009			30 Nov 2008		
	India	Other Countries	Total	India	Other Countries	Total
Segment Revenue – external sales & services	76882.75	2558.81	79441.56	67663.79	2298.23	69962.02
Carrying amount of segment assets	119550.87	786.03	120336.90	108572.31	1042.67	109614.98
Capital expenditure	1871.48	–	1871.48	2533.96	–	2533.96

Notes:

- Business Segments: The business operations of the Company comprise Pharmaceuticals, Animal Health and Services. The business segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and the internal financial reporting systems.
The Pharmaceuticals business comprises of manufacturing of bulk drugs and formulations, trading of formulations and also includes rendering of marketing services.
The Animal Health business has a presence primarily in the large animal health and poultry market segments and also includes rendering of marketing services.
Services – Clinical Development Operations primarily include conducting clinical trials, new product development and undertaking comprehensive data management for new drug development.
- Geographical Segments: For the purpose of geographical segments the consolidated sales are divided into two segments – India and other countries.
- The accounting policies of the segment are the same as those described in the summary of significant accounting policies as referred to in Schedule 18 to the Financial Statements.

17 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:

Rupees in Lakhs

	30 Nov 2009		30 Nov 2008	
	Contingency	Personnel	Contingency	Personnel
Opening balance	103.87	—	66.60	201.68
Additions	—	—	37.43	—
Utilisation / Transfers	—	—	0.16	201.68
Reversals	21.50	—	—	—
Closing balance	82.37	—	103.87	—

- 18 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, 2009. Management believes that the Company's international transactions with related parties post 31 March, 2009 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements.
- 19 The Company's promoters announced the global divestiture of the Consumer Healthcare Business in June 2006 to Johnson & Johnson. Consequently, the global closure was fixed on 20 December, 2006. Pursuant to the approval of the Board of Directors at their meeting held on 31 December, 2007 the Company has transferred its right to use the trademark / license pertaining to Benadryl, Caladryl, Benylin and Listerine and certain assets related thereto, for a total consideration of Rs. 21485.10 lakhs to Johnson & Johnson Limited. All the remaining products under the Consumer Healthcare Portfolio continues to be with the Company. Accordingly, profit on this transfer amounting to Rs. 21095.23 lakhs has been recognized in the previous year and accounted under the head "Exceptional items – Net".
- 20 Pfizer Investments Netherlands B.V. announced an Open Offer to acquire up to 10,078,143 shares of the Company on 10 June, 2009. Of the total of 88,10,234 shares acquired, 87,82,252 are currently held in the Escrow account for the benefit of Pfizer Investments Netherlands B.V. The same shall be transferred to Pfizer Investments Netherlands B.V. on completion of all formalities.
- 21 The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations having underlying transaction and relating to firm commitments or highly probable forecast transactions. 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\$ 5.51 (in lakhs) (Nov 2008 : US\$ 5.80 (in lakhs)) equivalent to Rs. 256.55 lakhs (Nov 2008 : Rs. 291.28 lakhs). The break-up of these exposures is tabulated below:

	30 Nov 2009		30 Nov 2008	
Nature of exposure	Foreign Currency (US\$ in lakhs)	Rs. in lakhs	Foreign Currency (US\$ in lakhs)	Rs. in lakhs
Accounts receivable	18.95	882.25	21.30	1067.15
Accounts payable	24.46	1138.80	27.10	1358.43
Net	5.51	256.55	5.80	291.28

- 22 The Company has with effect from 1 December, 2007, adopted Accounting Standard 15, Employee Benefits (revised 2005). Consequently an additional liability for employee benefits based on actuarial valuation as at 1 December, 2007 amounting to Rs. 455.69 lakhs (net of deferred tax credit of Rs. 234.65 lakhs), has been adjusted against General reserve as at 1 December, 2007.

Defined Benefit Plans:

Rupees in Lakhs

	As at 30 Nov 2009			As at 30 Nov 2008		
	Gratuity	Compen- sated Absences	Provident Fund	Gratuity	Compen- sated Absences	Provident Fund
Changes in present value of obligations						
Projected benefit obligation, at beginning of the year	3299.39	2232.61	8834.26	2863.59	1719.84	9084.11
Current service cost	214.96	243.92	—	186.85	191.65	—
Interest cost	235.59	161.70	—	223.43	132.93	—
Benefits paid / expected settlements	(264.22)	(166.89)	(992.36)	(319.86)	(232.42)	(1228.78)
Actuarial (gain) / loss on obligation / increase in account balance	341.45	(93.44)	1094.38	345.37	420.61	33.68
Employer's contributions	—	—	493.82	—	—	415.66
Plan participants' contributions	—	—	629.57	—	—	529.59
Projected benefit obligation, at the end of the year	3827.17	2377.90	10059.67	3299.38	2232.61	8834.26
Changes in fair value of plan assets						
Fair value of plan assets at beginning of the year	2887.87	1559.19	8196.10	2489.64	1434.46	8210.58
Expected return on plan assets	218.78	124.74	660.93	229.17	122.76	645.50
Contributions	306.02	—	—	—	—	—
Benefits paid / expected settlements	(264.22)	—	(992.36)	—	—	(1228.78)
Actuarial gain / (loss) on plan assets	58.55	14.57	24.02	169.06	1.97	(376.45)
Employer's contributions	—	—	493.82	—	—	415.66
Plan participants' contributions	—	—	629.57	—	—	529.59
Fair value of plan assets at end of the year	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 year	(3827.17)	(2377.90)	(10059.67)	(3299.39)	(2232.61)	(8834.26)
Fair value of plan assets at end of the year	3207.00	1698.50	9012.08	2887.87	1559.19	8196.10
Net asset / (liability) recognized in the Balance Sheet	(620.17)	(679.40)	(1047.59)	(411.52)	(673.42)	(638.16)
Expense recognized in the Profit and Loss Account						
Current service cost	214.96	243.92	586.71	186.85	191.65	—
Interest cost	235.59	161.70	42.16	223.43	132.93	61.08
Expected return on plan assets	(218.78)	(124.74)	—	(229.17)	(122.76)	—
Net actuarial (gain) / loss recognized	282.90	(108.01)	(147.76)	176.32	418.63	(178.29)
Expense recognized in the Profit and Loss Account	514.67	172.87	481.11	357.43	620.45	(117.21)
Balance Sheet reconciliation						
Opening net liability	411.52	673.42	638.16	451.76	273.79	117.97
Transition liability – adjusted in General Reserve at the beginning of the year	—	—	—	(77.81)	11.59	755.56
Expense as above	514.67	172.87	481.11	357.43	620.46	(117.21)
Benefits paid	(306.02)	(166.89)	(71.68)	(319.86)	(232.42)	(118.16)
Amount recognized in the Balance Sheet	620.17	679.40	1047.59	411.52	673.42	638.16
Actuarial assumptions						
Discount rate	7.30%	7.30%	7.30%	7.50%	7.50%	7.50%
Annual increase in compensation	5% to 8%	5% to 8%	5% to 8%	5% to 9.25%	5% to 9.25%	5% to 9.25%
Expected rate of return on plan assets	8.00%	8.00%	—	8.00%	8.00%	—

The estimates of annual increase in compensation take account of inflation and supply and demand condition in the employment market.

Defined Contribution Plan:

During the year, the Company has contributed Rs. 22.77 lakhs (Nov 2008 : Rs. 22.01 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 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 days 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.

- 23** 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 Honourable 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:

Rupees in Lakhs

	30 Nov 2009
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 Rs. 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 Rs. 324.00 lakhs created by the Company in the earlier years is reversed and passed through General Reserves.

In view of the aforesaid amalgamation with effect from 1 December, 2008, the figures for the current year are strictly not comparable to those of the prior year.

- 24** 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 23 above, and in order to give effect to the Honourable Bombay High Court's Order dated 26 February, 2010, the Board of Directors at its meeting held on 19 March, 2010 taken on record the audited financial results of the Company including the figures of erstwhile Duchem for the year ended 30 November, 2009.
- 25** Prior year figures have been regrouped wherever necessary to conform to current year's presentation.

For and on behalf of the Board of Directors

R A SHAH	<i>Chairman</i>
KEWAL HANDA	<i>Managing Director</i>
P SHAH	<i>Directors</i>
B M GAGRAT (Dr)	
PRAJEET NAIR	<i>Company Secretary</i>

Mumbai, 19 March, 2010



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 30 11 2009

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

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

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

Total liabilities		Total assets	
9943326		9943326	

Source of funds

Share Capital		Reserves and surplus	
298432		9644894	
Secured loans		Unsecured loans	
Nil		Nil	

Application of funds

Net fixed assets		Investments	
932849		5025	
Deferred tax asset (net)		Net current assets	
275020		8730432	
Miscellaneous expenditure		Accumulated losses	
Nil		Nil	

IV Performance of the Company (Amount in Rupees thousand)

Turnover (including other income)		Total expenditure	
8676948		6467670	
Profit before tax and exceptional items +			
2209278			
Profit before tax +		Profit after tax +	
2100101		1368833	
Earnings per share (Rupees)		Dividend rate	
45.87		125%	

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

R A SHAH *Chairman*
KEWAL HANDA *Managing Director*
P SHAH } *Directors*
B M GAGRAT (Dr) }
PRAJEET NAIR *Company Secretary*

Mumbai, 19 March, 2010



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