



Pfizer Limited

The Capital, 1802 / 1901,
Plot No. C - 70, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.
Tel : +91 22 6693 2000 Fax : +91 22 2654 0274

July 6, 2016

The Corporate Relationship Dept.
BSE Limited
1st Floor, P.J.Towers
Dalal Street, Fort
Mumbai - 400 001

The Manager
Listing Dept.
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Dear Sirs,

Sub: Pfizer Limited – Annual Report for the financial year ended March 31, 2016

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith is the copy of the Annual Report of the Company for the financial year ended March 31, 2016.

We request you to kindly take the same on record.

Thanking you,

Yours truly,
For PFIZER LIMITED

Prajeet Nair
Company Secretary

Encl: A/a



ANNUAL REPORT 2015-16

Dr. Naresh

Pride in every stride

An exemplary team of professionals, Pfizer Field Colleagues lead from the front to steer our Company towards success. Here, they talk about their beliefs, values and ambition to make a difference every day.

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FY 15-16 Highlights

Net Sales (₹ Lakhs)



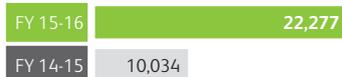
^9% Y-O-Y

Profit Before Tax and Exceptional Items (₹ Lakhs)



^23% Y-O-Y

Profit After Tax (₹ Lakhs)



^122% Y-O-Y

21%
EBITDA Margin

Our performance is the outcome of a robust strategy, focus on rigorous implementation and relentless pursuit of excellence. We recognize that our reputation is hard-earned; our work and products speak for themselves; and our performance creates value for stakeholders giving us a deep sense of satisfaction, achievement and pride.

With this sense of purpose and pride, our Field Colleagues showcase the value of our science and our products to healthcare professionals across the country. Pride results from a personal belief that each of our 2361 Field Colleagues carry, as they step out every day in the remotest corners of the country – a belief that every day, they make a difference. They make a difference in the lives of our patients. They make a difference to the success of our physicians by keeping them abreast of new information and new therapies at their disposal. Through their efforts, our Field Colleagues make a difference to all our stakeholders. Investing in our Field Colleagues' talent, equipping them with the very latest tools to help them succeed remains a key priority at Pfizer.

To encourage and recognize our Field Colleagues' contributions, we have designated 2016 as the Year of the field force. **PRIDE IN EVERY STRIDE - The theme of this year's Annual Report celebrates these remarkable colleagues.**

At a glance

Pfizer Inc.

Pfizer Inc., the parent company of Pfizer Limited, was founded in New York in 1849. Today, it is the world's premiere biopharmaceutical corporation with annual revenues of \$48.9 billion in 2015. It produces and markets its medicines, vaccines and other consumer healthcare products across 175 markets globally. Pfizer's purpose is to innovate to bring therapies to patients that significantly improve their lives. With more than 200 new R&D collaborations and 64 manufacturing sites, over 97,000 colleagues across the world at Pfizer Inc. are committed to working with patients, healthcare providers and governments to help improve the health of people.

Pfizer Inc. manages its commercial operations through three businesses: Global Established Pharma, Global Innovative Pharma and the Global Vaccines, Oncology and Consumer Healthcare business.

Global Established Pharma (GEP)

Global Established Pharma (GEP) aims to be a World Leader in Established Brands, Sterile Injectables and Biosimilars. GEP, a large and diverse business, has unique opportunities across portfolios and geographies. It markets legacy established products in developed countries that have lost marketing exclusivity. In emerging markets, it brings quality legacy brands that provide significant value to patients and health care professionals. With the acquisition of Hospira, Pfizer Inc. is now the number one sterile injectables company globally and number two in biosimilars. GEP pursues growth opportunities including organic and inorganic initiatives, such as partnerships, product enhancements and innovative delivery technologies.

Global Innovative Pharma (GIP)

Global Innovative Pharma (GIP) is focused on developing, registering and commercializing novel medicines in areas where Pfizer can lead by delivering medicines that significantly impact patients' lives. The business is focused on the therapeutic areas of Cardiovascular Metabolic, Inflammation & Immunology, Neuroscience & Pain and Rare Disease. Key brands include the blood thinner Eliquis® (apixaban), the first-in-class oral JAK-inhibitor for rheumatoid arthritis, Xeljanz® (tofacitinib citrate), and the leading treatment for certain neuropathic pain, Lyrica® (pregabalin) (U.S. and Japan) among others.

Global Vaccines, Oncology and Consumer Healthcare (VOC)

Global Vaccines, Oncology and Consumer Healthcare (VOC) are three global businesses that are unique and have distinct specializations, go-to-market strategies, R&D priorities and operating models. Poised to have strong organic growth over time, this structure, in 2015, provided each business with the focus, growth culture and dedicated resources required to further strengthen and position them as global market leaders.

\$48.9 Billion

Pfizer Inc. annual revenue
for 2015



Pfizer Limited

Pfizer Limited began operations in India in the 1950s and today, has an annual total income of Rs. 2103 crores. Pfizer Limited is the 3rd largest Multinational Pharmaceutical Company in India with a portfolio of 142 products across 15 therapeutic areas. Majority of Pfizer Limited's revenue is derived from Global Established Pharma products. Its top brands include a number of household names like Becosules, Gelusil and Folvite among others. It has the distinction of being the first pharmaceutical company in India to start clinical research. Employing 2889 colleagues across commercial operations, manufacturing and other functions, the Company is committed to providing therapies to prevent, treat and cure many of the diseases that impact India today.

Highlights*

3rd Largest

MNC Pharma in India

Maintained the position of the 3rd largest multinational pharmaceuticals company

Large brands

On an average, our per brand revenue is 3 times higher than that of our peers in the Indian market

#2

In Indian Vaccines market

Pfizer Limited is positioned as the 2nd largest in the Indian Vaccines market

₹1995 Crores

Total Revenue

#1

In nine represented product markets

Nine of our top ten brands are in the No. 1 position in their respective represented product markets

62%

Value Market Share

No. 1 position held by its flagship brand Prevenar 13 in the Indian Pneumococcal Vaccines market

₹2103 Crores

Total income

142

Products

Pfizer has a portfolio of 142 products across 15 therapeutic areas

2361*

Field Colleagues

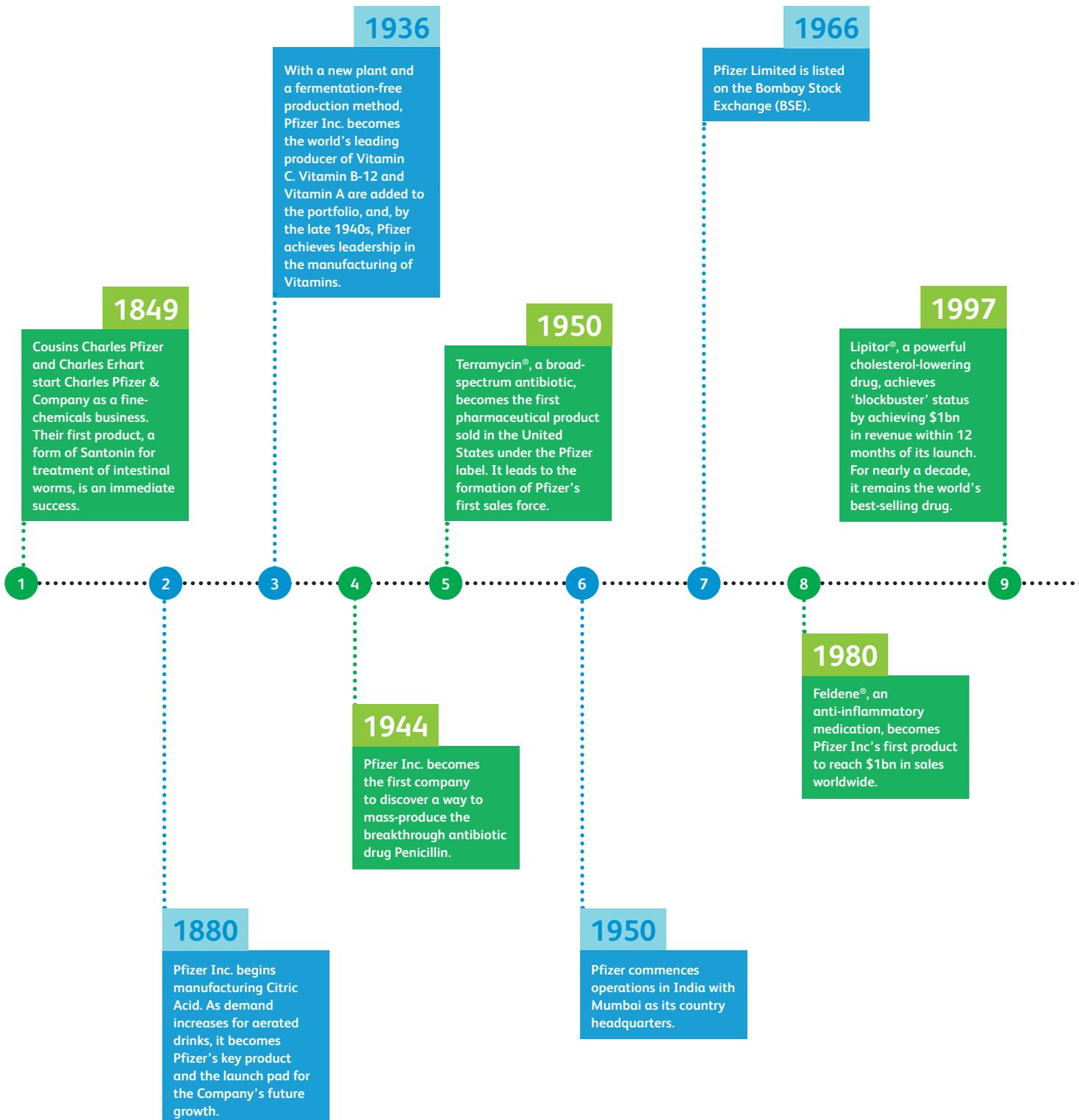
* As on March 31, 2016

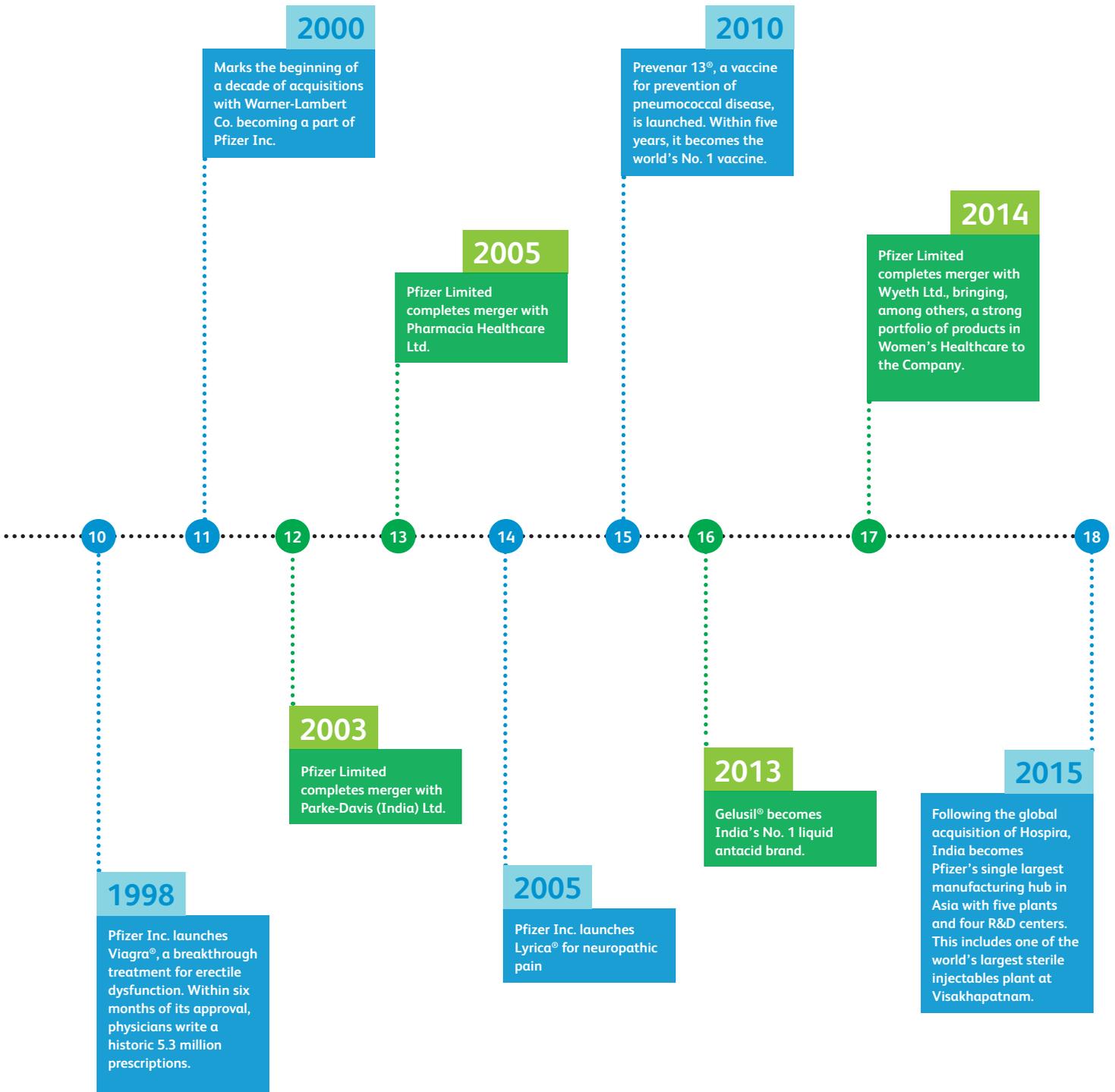
1st

Pharmaceutical company to start clinical research

Distinction of being the 1st pharmaceutical company to start clinical research in India

Pfizer history





Letter from the Managing Director

*We have had a good year,
on the back of a strong
performance of our
top brands.*



Dear Shareholders,

This is my first communication to you after taking up the position of Managing Director of your Company. The management has always enjoyed your confidence, as we have steered Pfizer Limited on a path of consistent growth. I hope to continue receiving your support as we take new initiatives and sustain the momentum that has been built over the past years.

We have had a good year on the back of a strong performance of our top brands. Our broad product portfolio allows us to serve as many as 15 therapy areas, with a number of household names amongst them that continue to be preferred by physicians, patients and customers.

Our strategy has been to focus on these 'Power Brands' and their strategic extensions. We achieved this through impactful and innovative ways of reaching new prescribers and sustaining the preference of those who prescribe our products today. I would like to call out our multi-channel marketing strategy as an example of these efforts. Deployed during the year, this approach utilizes new age digital tools to better engage with physicians – building differentiation in a competitive and cluttered environment. As a result of these and other measures, your Company was successful in placing nine of its top ten brands in leadership positions in their respective represented product markets.

This year has not been without challenges. In particular, the revision of the National List of Essential Medicines (NLEM), and ensuing price controls, have impacted the Industry and your Company. We expect the full impact of these expanded price controls to be visible during the next year. On the positive side, however, the revised NLEM brings in greater clarity than before on the criteria for inclusion and the specific dosage and delivery forms of drugs to be included. The order of the Ministry of Health against certain fixed dose combinations has also posed significant challenges. While your Company supports the intent of the Government to weed out irrational combinations, the approach of not segregating products that have due central and state approvals and the lack of opportunity for manufacturers to present their case has been challenged. This matter remains sub-judice and we await the ruling of the Hon'ble Court.

Within the Company, our greatest emphasis during the year has been on our field force. Your Company has earmarked the year starting January 2016 as one dedicated to its Field Colleagues. This initiative has seen an unprecedented effort by the leadership team to connect with, motivate and equip the field force with the right tools to win.

I am proud to state that your Company pursued an active Corporate Responsibility agenda during the year. Having identified shared objectives with the Government, this year we launched our flagship CSR initiative – the Pfizer IIT-Delhi Innovation and IP Program. In doing so, your Company has made its contribution to the Prime Minister's agenda of Startup India, Stand up India – an initiative that encourages and supports the pursuit of healthcare innovations within the country. Our Swachh Vidyalaya program too was scaled up this year. Pfizer colleagues worked together to build sanitation facilities in schools across Maharashtra – an effort that we believe has changed young lives in a fundamental way.

In summary, our strategy has remained consistent from the year before – a focus on our strong brands, an emphasis on engaging innovatively with our physicians and being an advocate for positive external policies while being reasonably resilient to challenges. The results of 2015-16 demonstrate the effectiveness of this strategy.

Your Company's strengths are its product portfolio, the quality and commitment of its people, its relationships with external stakeholders and most importantly, the ethical and compliant manner in which it operates. We intend to leverage these fundamentals to deliver consistent growth and performance.

I thank you for your continued encouragement as always and look forward to your constant support in our journey of charting success.

Yours sincerely,
S. Sridhar
Managing Director

Pride in purpose



"At Pfizer, integrity is a declaration of our core beliefs. It reflects the values and principles with which we engage with our healthcare practitioners. These are high standards that we are proud to keep."

Nitin Arora,
Field Colleague, GEP
– WHC Team



"I am proud to have participated in the Pfizer Swachh Vidyalaya campaign. By building these sanitation units for girl students in the school, I hope we have made a real difference in their lives. It feels great to contribute to the society we operate in."

Jay Rajavat
Field Colleague, GEP
– Ophthalmology Team



"For me, collaboration means being able to depend on each other to get results that are better than before. It's the best way to deal with complex tasks that need experts to work together."

Joytilak Roy,
District Manager, GEP
– Respiratory Team



"Pfizer is a company that respects its people and works for their and the society's benefit. This respect for people is a deeply ingrained quality you will see in our attitude, both within and outside the organization."

Laxman Parab,
Field Colleague, GEP
– Anti Infectives Team



"It is a performance culture at Pfizer. Performance is a clear result of focus. The focus we bring to achieve results that I know will impact so many people, and make me better at what I do."

Tarun Dey,
Field Colleague, GEP
– Trade Rx Team



"Bringing new and innovative therapies that our patients really need is customer focus. Understanding our physicians and their expectations from us is customer focus too. We always want to ensure that our customers can rely on us."

S. Vaithianathan,
Field Colleague, GEP
– Cardiovascular Team



"Leadership and accountability go together. We are trained to demonstrate both. My job is to make sure that I place my team in the path of success, while owning the commitment to grow the business in my region. Challenge and be challenged is a great way to work."

Madhusoodanan Vayala,
Business Manager, GEP
– CNS Team



"Pfizer is built around innovation. We do this by inventing new drugs. We also do this by creating new ways to engage with our physicians. We were among the first companies to switch from paper-based detailing to smart e-detailing using iPads."

Noble Chawla,
Field Colleague, GEP
– Pain Team



"The way I see it, there is nothing more important than the faith that physicians and patients have in our quality. Lives depend on us doing what we promise to do. I see this respect for Pfizer Quality every day and it makes me really proud!"

Sai Srawan Kumar,
Business Manager, GIP
– Lyrica Team

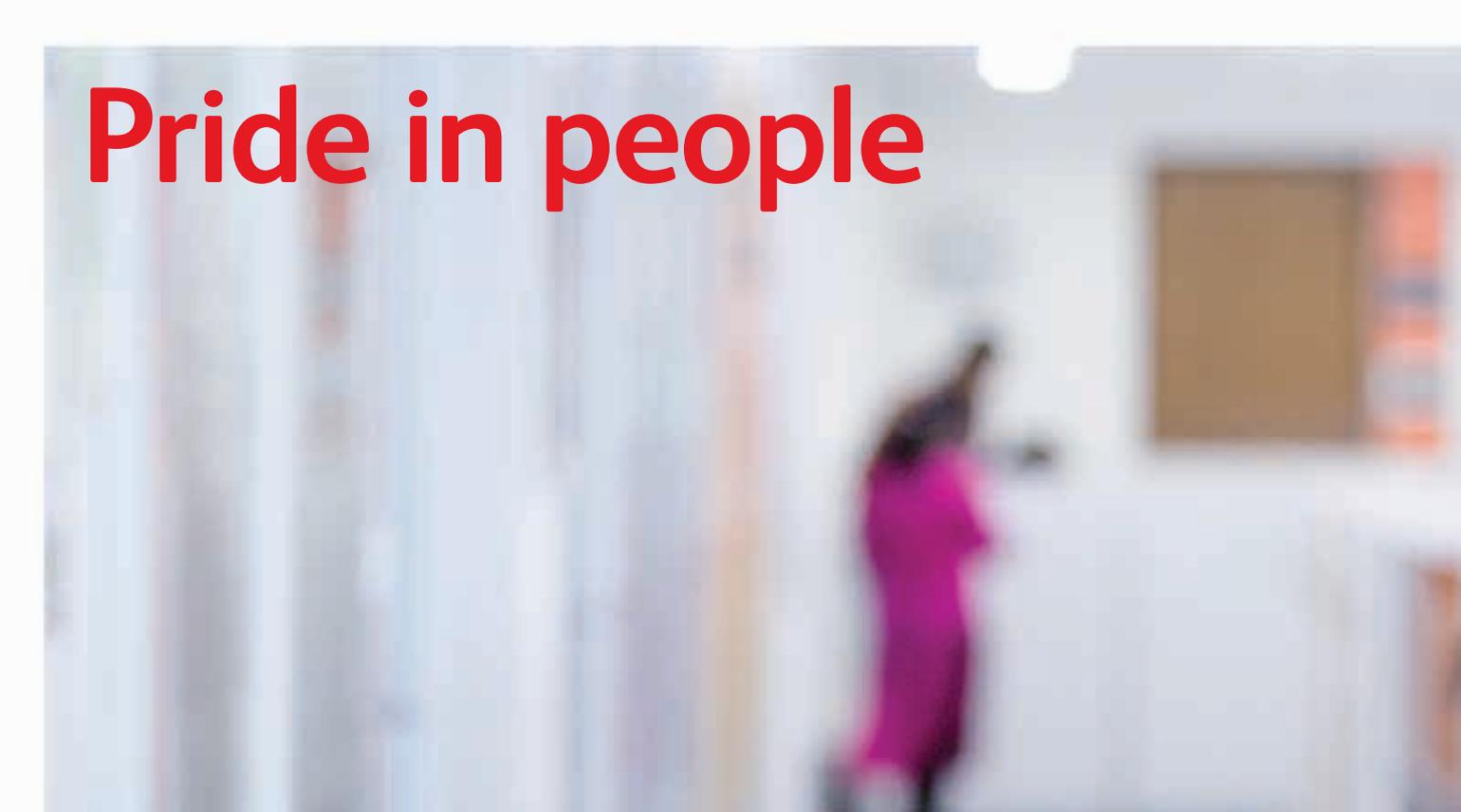


“At Pfizer,
we live our purpose of
bringing innovative therapies
to improve patients’ lives.”

Avinash Singh

Field Colleague, GEP - Respiratory Team

Pride in people



“It is a great feeling to be recognized as a key contributor.”

I know that my success is not just about what I do. It has a lot to do with the organization that stands behind me and equips me to succeed. I see Pfizer making these investments – training us on new scientific material for our conversations with physicians and training us on new technologies to use for these conversations. With all the support that I get, I can tell you that I quite feel like the hero here!”

Kirti Chalwadi

Field Colleague, GEP – Pain Team

Pfizer’s growth in India is fueled by an enthusiastic team of 2,361 Field Colleagues who communicate Pfizer’s value proposition to healthcare professionals. Pfizer invests heavily in training and development initiatives. Your Company on boarded close to 400 Field Colleagues in the year under review. The program received a rating of 4.4 on a scale of 5 from the participants.

To ensure continuous engagement and training for the widely spread field force, Pfizer also initiates differentiated technology enablers including virtual classroom training and mobile apps to drive anytime, anywhere learning.

In 2015, Pfizer Limited’s Global Commercial Operations unit (GCO) launched ROKET, an innovative mobile learning application that enables our field force to enhance their sales proficiency on the go.



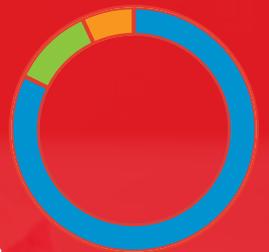
Cornerstones of Management

152

Man Days of training for 38 new managers

Training program to induct new managers into Pfizer managerial philosophy. This training program incorporates Hay Group's methodology and effect of managerial styles on organizational climate.

Total Headcount - 2889



Plant 208
Head Office 320
Field Colleague 2361
As on March 31, 2016

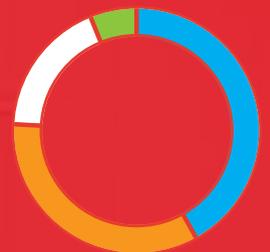
FTM Coaching

70

Man Days of training

Training program to induct new Field Training Managers into Pfizer training methodology. Soft skills, technical skill upgradation, speaking to doctors and rapport building with pharmacists

Age demographics (%)



<= 30 years 43
30-40 years 33
40-50 years 18
50 years + 6

Pride in performance

Digital Enhancements

With ever mounting patient inflows and the imperative to keep up with the advances in medical science, the doctor today is pressed for time. Seen together with the increasingly competitive landscape, with larger number of medical representatives calling upon their physicians, our success depends on our ability to efficiently and effectively utilise the time we get in the doctor's chambers.

Doctors themselves are adopting new age tools and channels to access information and expect us to keep pace. We are adopting new tools and technology to share information, detail our products and create digital opportunities for physicians to engage with their peers. This makes us better at establishing Pfizer as a company that understands and responds to the needs of the physician.

We engage with healthcare practitioners through e-mails and web based solutions to share relevant information and enhance the recall for Pfizer Limited products across our therapy areas. We go further by creating new platforms and tools that physicians can register themselves on and use to access information. An example of this is Inquimed - a web-enabled portal that has been specifically designed for healthcare practitioners, enabling them to search, browse and download medical information and other scientific content of interest. The portal can be accessed on both personal computers and mobile devices. It is popularized through in-clinic promotions, marketing events and inclusion on all marketing collaterals used currently. Through the portal, the Company conducts 'meet-the-expert' webinars that are also archived for subsequent viewing,

maintains a repository of medical information and provides links to other global Pfizer scientific web resources.

Through these initiatives, we have been able to transition our engagement with our physicians to a more customized dialogue, provide better value for their time, improve our own outreach efficiency and gain a more nuanced understanding of our customers.

12000+

Healthcare Professionals
across 26 specialties
at over 500 locations
registered

Lyrica: Know your pain to No pain!

Lyrica - Pregabalin is one of Pfizer's breakthrough research products marking its 10 years of presence in India. Lyrica led and continues to lead the marketplace. We maintained this leadership by communicating the science behind the Pfizer innovation and enhancing our engagement with super specialists. The story of Lyrica in India is one of exceptional performance - sustaining the momentum of double digit growth in a competitive market.

KNOW PAIN... to NO PAIN is an innovative initiative where pain specialists (physicians for whom pain management is a priority) interact with other physicians. A case based approach, supported by relevant data and clinical experience, helps in highlighting and differentiating Lyrica's value proposition. This coupled with international speaker programs where global experts engage with HCPs in India and Key Opinion Leader (KOL) led programs, further strengthen our engagement with doctors.

50

meetings in 12 months
covering over 500 doctors

A professional portrait of Rachana Chinchalkar, a woman with dark hair pulled back, wearing a dark blue blazer over a light-colored top. She is smiling and looking towards the camera. The background is a bright green wall on the left and a light-colored wall on the right.

“I am proud to say
that at Pfizer, we are ahead
of the technology curve.

In addition to the physical outreach, we are able to utilize the best-in-class technology tools to enable value-added information dissemination and continued engagement with HCPs. The wealth of information and the customised solutions we provide through our portals and our digital connect is something that sets me and our organization apart from our peers.”

Rachana Chinchalkar

Field Colleague, GEP – Respiratory Team

Pride in products

Our portfolio in India has been built on a combination of scientific advancements and decades of proven efficacy and trust. It comprises brands that have become household names, much as it includes the latest therapies for complex diseases. In each of our therapy areas, your Company's products are among the most widely prescribed.

Therapy Areas

Respiratory Anti-infectives

Vitamins/Minerals/Nutrients Vaccines

Gastro Intestinal Neuroscience/Central Nervous System

Pain/Analgesics Cardiovascular Gynaecology

Hormones Blood Related Dermatology

Urology Anti-Parasitic

Ophthalmology

Ready For Life

Pneumococcal disease is one of the leading causes of vaccine-preventable deaths worldwide in children. In India, approximately 105,000 child lives are lost each year as a result of this illness*.

Our product, Prevenar 13, is the leading pneumococcal conjugate vaccine worldwide and is part of the National Immunization Program of over 100 countries. It is also the largest selling vaccine in the Indian Vaccines market with 18% market share.

The Vaccines field force engages with pediatricians across the country, with the Pfizer approach that emphasizes science, proof of efficacy and transparency. The team also works with trade partners to raise awareness and impart training on preserving the cold chain continuity for the vaccine. During the year, the Company implemented a 'TEMP CHECK' program that covered over 350 channel partners. We also collaborated with Trained Nurses Association of India and with the Indian Academy

of Pediatrics (IAP) to train over 12,400 nurses on optimal administration techniques.

In partnership with the IAP, we also implemented the Immunize India initiative – an SMS based vaccination reminder service that is available free of cost to parents anywhere in India.

* Source: <http://data.un.org/Data.aspx?d=POP&f=tableCode%3A22>



“I work for India’s children

It is such a thrill to be able to describe my work like this. Our team is about passion, achievement and setting new records. Our product is on the cutting edge of technology and science. I come back home each day with a tremendous sense of satisfaction, accomplishment and pride.”

Sachin Karamchandani
Field Colleague – Vaccines Team

Product portfolio

Key Brands

Pain



Above5-D



Equiflex 1000 mg
1000 mg
Life - back on track

Central Nervous System



Women's Healthcare



FOLVITE

Autrin (Haematinic Capsules)

Premarin

Vaccines



Brands and their rank in RPM (represented product market*)

Corex	Becosules	Gelusil	Minipress XL	Dolonex
#1	#1	#1	#1	#3

* RPM as defined by internal teams based on the Indications of Pfizer brand. Market value of brands included in the RPM is basis IMS India TSA March MAT 2016.

* Disclaimer – The Annual Report and its entire contents are for the information of the Company's shareholders and are not intended to recommend, advertise or suggest the use of any products.

Respiratory



Cardiovascular



Anti Infectives



Trade Rx



Global Innovative Pharma Products



Consumer Healthcare



Magnex

Wysolone

Mucaine

Ovral L

Folvite

#1

#1

#1

#1

#1

Key performance indicators

At Pfizer Limited, our commitment to value creation is reflected in our performance. Our brands serve as the pivot around which our financial success is built.

In 2015-16, we reported a 9% growth, driven by the strong performance of our top brands.

Net Revenue (₹ Lakhs)

FY 15-16	199,486
FY 14-15*	182,774
FY 13-14	100,427
FY 12-13	94,798
FY 11-12	101,730

▲ 9% Y-O-Y

Profit Before Taxation (₹ Lakhs)

FY 15-16	40,221
FY 14-15**	23,801
FY 13-14	33,959
FY 12-13 [§]	69,377
FY 11-12	27,753

▲ 69% Y-O-Y

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

Profit After Taxation (₹ Lakhs)

FY 15-16	22,277
FY 14-15**	10,034
FY 13-14	22,086
FY 12-13 [§]	50,320
FY 11-12	18,461

▲ 122% Y-O-Y

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

FY 14-15* * includes results of erstwhile Wyeth Limited on its amalgamation with the Company

FY 12-13[§] § includes gain on sale of the animal health business and sale of investments in the subsidiary

EBITDA Margin (%)



Shareholders' Funds (₹ Lakhs)

FY 15-16	2,11,799
FY 14-15*	1,97,301
FY 13-14	65,841
FY 12-13 [§]	1,69,442
FY 11-12	1,30,470

Dividend Per Share (₹)

FY	Dividend Per Share (₹)	Type
FY 15-16	15.00	Normal
FY 14-15*	12.50	Normal
FY 13-14	360.00	Special
FY 12-13 [§]	12.50	Normal
FY 11-12	12.50	Normal

▲ 20% Y-O-Y

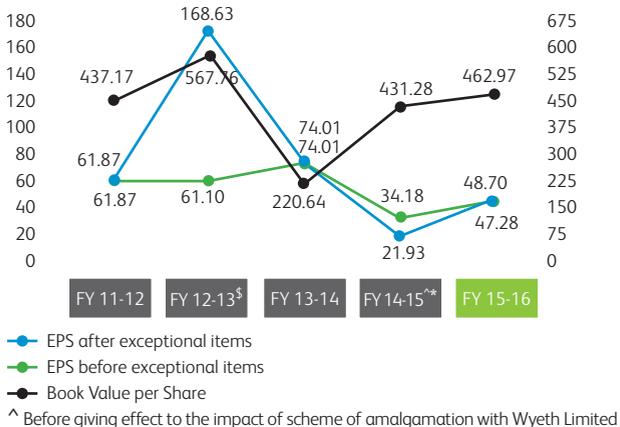
Market Capitalization (₹ Lakhs)[#]

FY 15-16	817,306
FY 14-15*	1,020,335
FY 13-14	377,270
FY 12-13	316,349
FY 11-12	358,575

▲ 23% CAGR

[#] As on March 31

EPS & Book Value (₹)



Net Worth (₹ Lakhs) & Return on Net Worth (%)



▲ 7% Y-O-Y

[^] Before giving effect to the impact of scheme of amalgamation with Wyeth Limited

FY 14-15* * includes results of erstwhile Wyeth Limited on its amalgamation with the Company

FY 12-13[§] § includes gain on sale of the animal health business and sale of investments in the subsidiary

Corporate Social Responsibility

Our Purpose

Promote access to quality healthcare in the country by nurturing innovations, encouraging community involvement of our employees and synergizing efforts in partnerships with government and other stakeholders for collective impact.

CSR Programs

Corporate Social Responsibility is embedded in our culture. While providing safe, effective and quality medicines, we undertake multiple outreach programs, that align with our global imperative of earning greater respect from society. The impact we create through these programs instill pride and purpose beyond the conduct of our everyday business.

₹ **6.44 Crores**
Total CSR Spend



Funding support of
₹ **50** Lakhs

Impact of Air Pollution in Delhi – a partnership with AIIMS

Pfizer Limited has provided funding support to the All India Institute of Medical Sciences (AIIMS), towards a multi-objective program at Schools and Colleges at Delhi. The program seeks to generate data, that for the first time evaluates the linkage between poor ambient air quality and health indicators among students. It will also raise awareness among students on air pollution – ways to curb it and how to protect oneself from its harmful effects.

Swachh Vidyalaya Campaign



Pfizer Limited continued its efforts towards the Swachh Vidyalaya Campaign – a part of the Government’s National Swachh Bharat Abhiyaan. In association with Habitat for Humanity Foundation, we undertook the responsibility to build and refurbish 84 sanitation facilities in 18 schools across Thane and Raigad districts of Maharashtra in the year 2015-16. This initiative impacted lives of 5,000 students.

Grants have already been awarded to extend this program further, to build and refurbish 150 sanitation facilities in 11 schools across Delhi, Mewat (Haryana) and Lucknow (UP) for the year 2016.



84

Sanitation facilities built / refurbished

5000

Children benefited



Funding support of

₹ **1.03** Crores

Pfizer IIT Delhi Innovation and IP Program



We partnered with the Foundation for Innovation and Technology Transfer (FITT) at the Indian Institute of Technology, Delhi to launch an incubation accelerator initiative - Pfizer IIT Delhi Innovation and IP Program. The overarching objective of this Program is to nurture, support, celebrate and reward healthcare innovations that are Made in India, for the benefit of patients, healthcare professionals and other targeted beneficiaries in the country.

The Pfizer IIT Delhi Innovation and IP Program is open to Indian nationals - individuals and startup companies – and comprises of two components. For innovators seeking comprehensive support to translate their healthcare ideas into patents, the program provides two years of residential incubation at IIT Delhi, funding of upto Rs. 50 lacs for each innovator, mentoring support from IIT Delhi's faculty, access to infrastructure and prototyping laboratories, IP search and filing services, guidance from Pfizer's global experts, and access to venture capitalists and other industry linkages. For innovators who already have a ready proof of concept and are seeking to obtain a patent, the Program provides access to IP attorneys and services, besides covering the patent fee.

Call for proposals for the first round was opened from December 2, 2015 until January 15, 2016. An independent panel of subject matter experts established by FITT together with representatives from Pfizer Limited reviewed and shortlisted the awardees. The Technology Business Incubator Unit Board at IIT Delhi made the final selection of individuals and start-ups to be supported through the program.

"Pfizer promotes a culture of innovation and encourages this creative endeavour globally. Our Innovation and IP Program with IIT Delhi will promote, celebrate and reward innovations and advancements in healthcare that are born and brought up in India for the benefit of our people."

S. Sridhar
Managing Director, Pfizer Limited

"Through this partnership with Pfizer, we will provide access to resources and knowledge that would significantly increase the innovators' chances of creating novel healthcare solutions and successful commercial enterprises."

Dr. Anil Wall
Managing Director, Foundation of Innovation and Technology Transfer, IIT Delhi



"I congratulate Pfizer and IIT Delhi on forging this partnership that will fuel indigenous innovations in the country. The Government is taking decisive steps to further enhance the innovation ecosystem in India and we welcome the participation of all stakeholders in this effort."

Amitabh Kant

Secretary, Department of Industrial Policy and Promotion (DIPP)

Funding support of

₹ **4.61** Crores

2

Projects selected for resident incubation in Phase I

3

Projects selected for IP Filings support in Phase I

WE WILL BRING YOUR IDEAS TO LIFE

'Startup India, Stand Up India' is the call to the nation, and we are stepping forward to answer it. **The Pfizer IIT-Delhi Innovation and IP Program** will support, celebrate and reward healthcare innovations that are made in India. Send us your proposals and we will propel your innovations from idea to IP. We will bring your healthcare ideas to life!



Projects selected for resident incubation

Early diagnosis of typhoid:

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

Endonasal air purification device:

Endonasal air purification device: A novel wearable device, with unique air-purification technology for minimizing the inhalation of air-pollutants. Through its design, the device will ensure effectiveness, comfort and pleasing aesthetics to motivate users for regular usage.

Projects selected for IP Filing support

Bioactive nanofiber:

To regenerate bone tissue engineering using osteo-inductive and conductive scaffolds for use in orthopedic and craniofacial clinical practice.

Multiboard - an upper extremity workstation for rural India:

Designed for facilitating return of functionality and increased participation in stroke subjects.

Green Manufacturing of Pharmaceutical Intermediates:

To convert the existing chemical process used in the manufacture of antibiotics into an enzymatic process which is cost-effective, greener and safer.

2500

People benefited:

50,000+ units of medicines worth
₹24.98 lakhs donated through 14
medical camps

Medicine donation

During the year, heavy rains in Tamil Nadu resulted in floods impacting the lives of millions. Pfizer Limited joined hands with AmeriCares India to help set up emergency health assistance camps. We donated 50,000 units of medicines for use at medical relief camps. The camps were set up in the villages of Sathamai, IKKT, Pudhupattu, Allencherry and others in the district of Kanchipuram which was one of the worst affected.

Funding support of

₹5.95 Lakhs

Maternal and new-born health program

We participated in the Standard Chartered Mumbai Marathon to support SNEHA, an NGO that works for the welfare of women and children. In partnership with SNEHA, we directly work with communities and municipal health facilities to improve the state of maternal and neonatal health services. Our outreach activities with local communities are aimed at creating awareness and generating demand for quality healthcare services.

SNEHA has worked with two municipal corporations with the maximum number of health committees – Municipal Corporation of Greater Mumbai with 30 health committees and Thane Municipal Corporation with 15 health committees. Regular training programs and follow up meetings were held for the committee members to improve their knowledge on various health related issues.

~400

Hours of outreach efforts

100+

Employees participated

'Doing Good' – Employee Volunteering



Sharing our intent of 'Doing Good' and demonstrating the 'One Pfizer' spirit, our colleagues participated in various volunteering activities during the year to contribute to the social well-being of marginalized sections of the society.

As part of 'Doing Good' initiatives, field and head office colleagues together helped build school sanitation facilities and impart basic healthcare awareness among the students of all-girls' schools.

Awards and recognitions

Project supported by Pfizer Vaccines wins ET Telecom Award 2016

Your Company, through an education fund, supported IAP-ImmunizeIndia - a vaccination reminder service available free of cost to parents anywhere in India and on mobile telephones of every telecom operator in India (2015).

Best in Sales Force

Recognized for its Outstanding Sales Force Excellence Project – i-connect by the Organization of Pharmaceutical Producers of India (OPPI) (2015).

Best in Manufacturing

From 2010-15, Pfizer Limited received the Platinum Award at the Indian Manufacturing Excellence Awards (IMEA) for its Goa plant (2015).

Best Brand

Honored with the consumer validated award – ‘India’s Most Trusted Brand’ in the medical company category instituted by IBC Informedia Ltd. (2015).

Best Mobile Learning Solution

Awarded by Tata Institute of Social Sciences (TISS) at the Chief Learning Officers summit in Mumbai (2015).

Best in Technology & Learning

Awarded by Deloitte & People Matters magazine at annual L&D league conference in Bengaluru (2015).

Best Internal Magazine

Your Company’s internal magazine – Crucible was awarded as one of the best internal communication tool by Association of Business Communicators of India (2015).

Board of Directors



Mr. Sunil Lalbhai

Independent Director

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

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



Mr. Uday Khanna

Independent Director

Mr. Uday Khanna is a Chartered Accountant by profession, with a distinguished career spanning close to four decades with Hindustan Lever / Unilever and Lafarge India and had handled a variety of roles in finance, commercial and general management.

Mr. Khanna is currently the Chairman of Bata India Limited. He was the Chairman of Lafarge India Private Limited. He is also on the Board of several reputed companies.

Mr. Khanna was the President of the Indo - French Chamber of Commerce & Industry in 2008 and 2009. He was the President of the Bombay Chamber of Commerce & Industry in 2012 and 2013.



Mr. S. Sridhar

Managing Director

Mr. S. Sridhar is a Chartered Accountant by profession with over 20 years of experience. Prior to being appointed as the Managing Director, Mr. Sridhar held the position of Business Unit & Distribution Head. He joined the Company as the Chief Financial Officer in 2008. He was also on the Board of erstwhile Wyeth Limited. Prior to joining the Company, Mr. Sridhar held the position of Finance Director of Diageo India Private Limited.

Mr. Sridhar has led a number of strategic initiatives that have significantly expanded the Company's business footprint in the country.



Mr. R. A. Shah

Chairman

Mr. R. A. Shah is a leading Solicitor and a Senior Partner of M/s. Crawford Bayley & Co., a firm of Advocates & Solicitors.

Mr. Shah specializes in a broad spectrum of corporate laws in general, with special focus on Foreign Investments, Joint Ventures, Technology and License Agreement, Intellectual Property Rights, Mergers and Acquisitions, Industrial Licensing, and Anti-Trust Laws, Company Law and Taxation.

Mr. Shah is the Chairman/ Director of various public limited companies and Chairman/Member of various Board Committees.



Mr. Pradip P. Shah

Independent Director

Mr. Pradip Shah is the ex-Managing Director of CRISIL, India's first and the largest credit rating agency. Prior to founding CRISIL, Mr. Shah assisted in founding the Housing Development Finance Corporation (HDFC) in 1977. He has also served as a consultant to USAID, the World Bank and the Asian Development Bank.

Mr. Shah is on the Board of several reputed companies and is also a member of various prestigious committees/commissions. He is presently the Chairman of IndAsia Fund Advisors Pvt. Ltd.

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

Ms. Lu Hong

Non-executive Director

Ms. Lu Hong, holds a Bachelor's Degree in International Economy and Trade from Northeast University of Finance & Economy and a Master's Degree in Business Administration from Beijing University.

Ms. Lu Hong is a senior HR Professional with over 18 years of experience. She is currently the Vice President, HR BOS (Business and Operations Solutions) for Pfizer Asia Pacific.

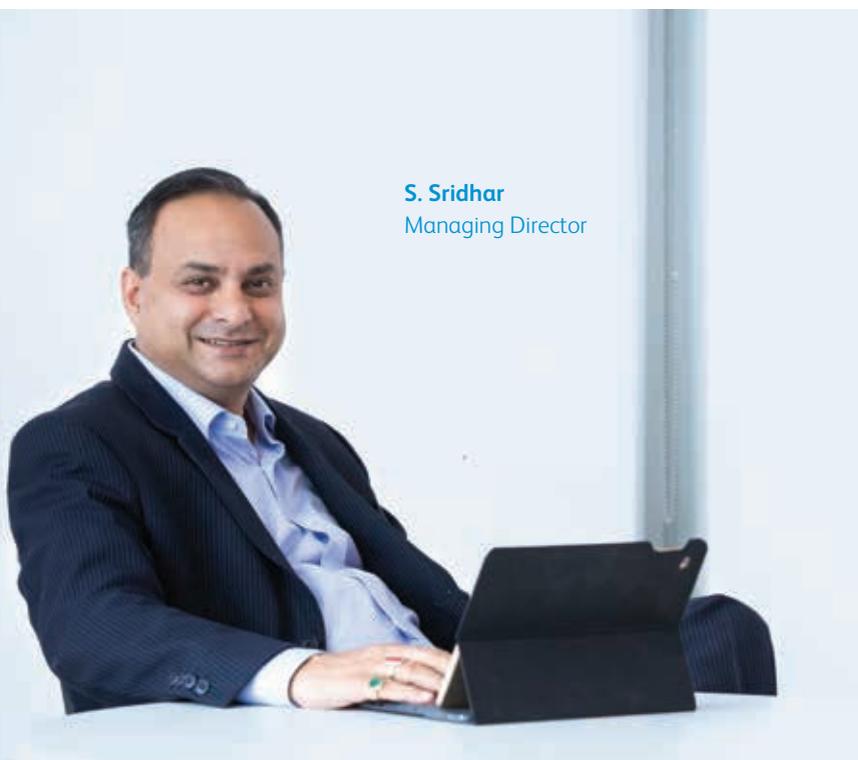
Mr. Vivek Dhariwal

Executive Director

Mr. Vivek Dhariwal heads the Manufacturing Operations of the Company. Mr. Dhariwal holds a Bachelors Degree in Chemical Engineering from the Indian Institute of Technology, Mumbai and a Masters Degree in Chemical Engineering from the University of Kentucky, Lexington, USA.

Mr. Dhariwal has substantial expertise and experience in manufacturing and supply chain management and has a wide range of Industrial experience in Pharmaceuticals, Agrochemicals, Specialty Chemicals and Bulk and Heavy Chemicals. Prior to joining Pfizer Limited, he held the position of Director, Manufacturing at Baxter (India) Private Limited and was responsible for India and Philippine markets.

Leadership team



S. Sridhar
Managing Director



Samir Kazi
Director - Legal Affairs



Ravi Prakash Bhagavathula
Chief Financial Officer



Masood Alam
Business Unit Head -
Vaccines



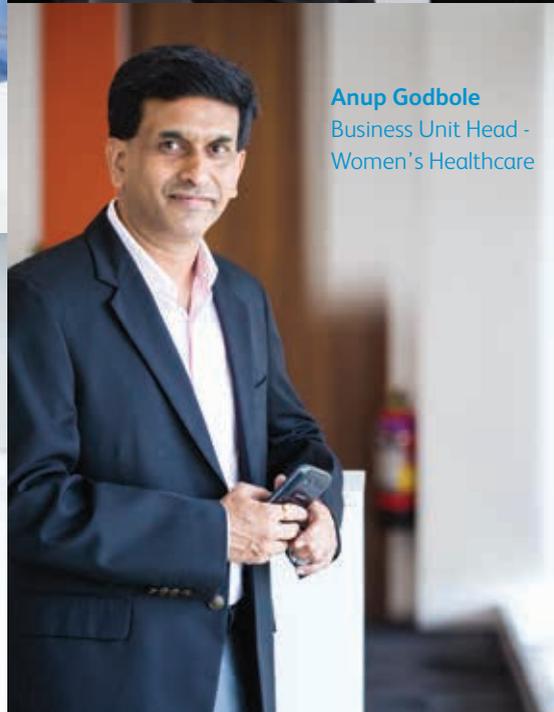
Ashish Venkataramani
Director - Strategy & Business Operations



Vivek Dhariwal
Executive Director -
Technical Operations



Partha Ghosh
Business Unit Head - Trade Rx



Anup Godbole
Business Unit Head -
Women's Healthcare



Manoj Irap
Business Unit Head - GIP

Leadership team



Deepak Rakheja
Country Lead -
Global Commercial
Operations



Alind Sharma
Director - Human Resources



Sharad Goswami
Director - Public Affairs



Suresh Subramanian
Business Unit Head -
CNS, Pain and
Respiratory



Sandeep Seth
Director - Compliance



Shiva Nair
Director - Business Technology



Dr. Anurita Majumdar
Director - Medical Affairs



Gul Raj Bhatia
Business Unit Head -
Consumer Healthcare

Financial performance

10 Year Record

	Nov 2006	Nov 2007	Nov 2008	Nov 2009	Mar 2011	Mar 2012	Mar 2013	Mar 2014	Mar 2015	Mar 2016
Statement of Profit and Loss		#	**	^	16 months		@		\$	
Net Sales	66,235	67,266	67,771	77,227	1,16,956	1,01,732	94,798	1,00,427	1,82,774	1,99,486
Other Income	5,953	34,270	9,342	10,074	17,579	16,870	20,733	21,692	9,292	10,790
Total expenditure	53,650	54,788	56,047	65,208	99,771	90,812	87,124	88,160	1,60,220	1,71,043
Profit Before tax and exceptional items	18,538	46,748	21,066	22,093	34,764	27,790	27,965	33,959	31,846	39,233
Profit Before Taxation	16,201	45,013	41,856	21,001	34,462	27,753	69,377	33,959	23,801	40,221
Profit After Taxation ^^	10,573	33,893	29,912	13,688	22,634	18,461	50,320	22,086	10,034	22,277
Total dividend amount	6,714	8,206	3,730	3,730	4,924	3,730	9,699	1,07,429	5,718	6,862
Balance Sheet										
Fixed Assets	6,675	7,040	8,306	9,329	8,621	3,186	2,594	2,318	95,690	86,219
Cash and Bank balances	30,651	47,979	54,306	52,740	57,701	86,627	1,43,294	30,779	60,929	1,02,465
Net Deferred Tax (Net)	1,436	1,298	2,267	2,750	3,554	3,708	3,988	3,419	6,714	7,551
Net Other Assets	1,811	8,547	25,077	34,614	46,468	36,949	19,566	29,325	34,218	15,815
Share Capital	2,984	2,984	2,984	2,984	2,984	2,984	2,984	2,984	4,575	4,575
Reserves and Surplus	37,589	61,880	86,972	96,449	1,13,360	1,27,486	1,66,458	62,857	1,92,726	2,07,224
Loan Funds	-	-	-	-	-	-	-	-	250	250
Key Ratios										
Profit before tax margin ###	22%	44%	54%	24%	26%	23%	60%	28%	12%	19%
Book value per share	135.95	217.37	301.46	333.22	389.84	437.17	567.76	220.64	431.28	462.97
Return on Net Worth (%)	26%	52%	33%	14%	19%	14%	30%	34%	5%	11%
Earnings Per Share of ₹ 10	35.43	113.58	100.24	45.87	75.85	61.87	168.63	74.01	15.26	48.70
Equity Dividend Per Share of ₹ 10	22.50	27.50	12.50	12.50	16.50	12.50	32.50	360.00	12.50	15.00

Includes profit on sale of Chandigarh property.

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

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

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

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

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

Profit before tax margin is calculated on Total Income.

Corporate Information

Registered Office

Pfizer Limited

The Capital, 1802 / 1901, 18th Floor, Plot No. C-70, G Block,
 Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
 Tel: +91 22 66932000 | Fax: +91 22 26540274
 Website: www.pfizerindia.com | Email ID: contactus.india@pfizer.com
 CIN: L24231MH1950PLC008311

Registrar & Share Transfer Agent

Karvy Computershare Private Limited

UNIT: PFIZER LIMITED

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
 Nanakramguda, Serilingampally, Hyderabad, Telangana – 500032.
 Tel: +91 40 67162222 | Fax: +91 40 23001153
 Toll Free No: 1-800-3454-001 | Email ID: einward.ris@karvy.com

Solicitors & Advocates

Crawford Bayley & Co.
 Veritas Legal

Bankers

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

Company Secretary

Prajeet Nair

Statutory Auditor

B S R & Co. LLP

Cost Auditor

RA & Co.

Board's Report

Including Management Discussion and Analysis

TO THE MEMBERS

Your Directors take pleasure in presenting this 65th Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2016. The Company operates only in one business segment viz., "Pharmaceuticals" and this Report covers its Pharmaceutical business performance.

DIVIDEND

Your Directors recommended a dividend of ₹15.00 (150%) per equity share for the period under review. The dividend payout will be ₹6,862 Lakhs and the dividend distribution tax payable by the Company would amount to ₹1,397 Lakhs. This aggregates to ₹8,259 Lakhs.

FINANCIAL HIGHLIGHTS

Particulars	₹ in lakhs	
	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations (net)	199,486	182,774
Operating and other Income	10,790	9,292
Profit Before Tax and Exceptional Items	39,232	31,846
Exceptional Items (Expenses)/Income	989	(8,045)
Profit Before Tax	40,221	23,801
Less: Taxation		
Current Tax	18,781	15,100
Deferred Tax (Credit)/Debit	(837)	(1,332)
Profit before impact of Scheme of Amalgamation	22,277	10,034
Impact of Scheme of Amalgamation	-	(3,052)
Profit for the year after impact of Scheme of Amalgamation	22,277	6,982
Balance of Profit from Prior Years	30,468	30,387
Surplus available for Appropriation	52,745	37,369
Appropriations:		
Adjustment on account of Depreciation	-	19
Proposed Dividend	6,862	5,718
Tax on Dividend	1,397	1,164
Surplus as per Balance Sheet	44,485	30,467

Your Company's net sales for the year ended March 31, 2016 was ₹199,486 Lakhs as compared to ₹182,774 Lakhs in the previous year, registering a growth of 9%.

Profit before tax and exceptional items for the financial year ended March 31, 2016, increased by 23% to ₹39,232 Lakhs from ₹31,846 Lakhs.

Your Company achieved a Net Profit of ₹22,277 Lakhs for the Financial year ended March 31, 2016 as compared to ₹6,982 Lakhs in the previous year after giving effect to the scheme of amalgamation of Wyeth Limited with Pfizer Limited.

Indian Economic Overview

Amid global uncertainty, the Indian economy continued to restore its macroeconomic stability. India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. Inflation remained under control and fiscal and current account deficits continued to remain moderate. The Government of India's strong commitment to fiscal targets, focus on infrastructure creation and attracting investments bolstered the confidence of entrepreneurs and investors.

Indian Economy Being Shaped by Four “Mega Trends” – with Associated Policy Responses

“Mega Trend”	Description	Policy Response (Centre)	Policy Response (State)														
Demographic Dividend	<ul style="list-style-type: none"> ■ Addition of -200M to working age by 2030 ■ ~12.5x higher than next 10 major economies combined 	<ul style="list-style-type: none"> Make in India (~100M new jobs) Skill India 	<ul style="list-style-type: none"> Competitive Federalism Tax Reform & Devolution Innovation in public service delivery 														
Evolving Income Pattern	<table border="1"> <thead> <tr> <th>HH Income (PPP)</th> <th># of HH in M, 2010</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>>\$45K</td> <td>9</td> <td>32</td> </tr> <tr> <td>\$15K-45K</td> <td>63</td> <td>117</td> </tr> <tr> <td><\$15K</td> <td>75</td> <td>110</td> </tr> </tbody> </table>	HH Income (PPP)		# of HH in M, 2010	2020	>\$45K	9	32	\$15K-45K	63	117	<\$15K	75	110	<ul style="list-style-type: none"> Financial Inclusion (Jan Dhan Yojana, Adhaar) 		
HH Income (PPP)	# of HH in M, 2010	2020															
>\$45K	9	32															
\$15K-45K	63	117															
<\$15K	75	110															
Urbanisation	<table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2030</th> </tr> </thead> <tbody> <tr> <td>Urban Pop. (M)</td> <td>373</td> <td>583</td> </tr> <tr> <td>Urban Pop. % of Total</td> <td>31%</td> <td>40%</td> </tr> <tr> <td>Urban Economy % of GDP</td> <td>63%</td> <td>75%</td> </tr> <tr> <td>Cities with 1 M+ pop</td> <td>50</td> <td>87</td> </tr> </tbody> </table>		2010	2030	Urban Pop. (M)	373	583	Urban Pop. % of Total	31%	40%	Urban Economy % of GDP	63%	75%	Cities with 1 M+ pop	50	87	<ul style="list-style-type: none"> Smart Cities Swachh Bharat (Clean India)
	2010	2030															
Urban Pop. (M)	373	583															
Urban Pop. % of Total	31%	40%															
Urban Economy % of GDP	63%	75%															
Cities with 1 M+ pop	50	87															
Digitisation	<ul style="list-style-type: none"> ■ -462M internet users (#2 in the world), out of which -80% access on mobile devices ■ Rural internet users -134M ■ Leading adoption of ecommerce, social media 	<ul style="list-style-type: none"> Digital India Startup India / Standup India 															

Note: All income categories when adjusted for PPP in 2005 constant dollar terms.
Source: Euromonitor, Bain, BCG, PwC.

Government initiatives like Make in India, Smart Cities campaign, Pradhan Mantri Jan Dhan Yojana augur well for the country's overall development. Besides, the Swachh Bharat Abhiyan has brought hygiene, sanitation and their linkage to health onto the forefront. The Department of Industrial Policy and Promotion (DIPP) announced the Startup India Stand up India initiative to celebrate India's entrepreneurial spirit and to encourage an ecosystem for fostering innovation and entrepreneurship in the country.

While these programmes act on distinct levers of socio-economic growth, the Government's underlying focus has been on enhancing the ease and attractiveness of doing business in India. In the World Bank's rankings on ease of doing business, India moved up 12 ranks to 130.

Going forward, India's economic growth is projected to remain robust, at around 7.25%, as reported by Organization of Economic Co-operation and Development in November 2015. Three key trends are expected to play a major role in the growth of both GDP and demand:

1. A favourable demographic – with an approximate addition of 200 million to the working age group by 2030
2. Rapid expansion in the number of high-income households – from 9 million in 2010 to 32 million by 2020. Fast emergence of middle-income families – from 63 million to 117 million by 2020
3. Increased pace of urbanisation: 40% of India's population will be urban by 2030, compared to 31% in 2010 resulting in the urban economy constituting as much as 75% of the national GDP. (Source: Euromonitor, Bain, BCG, PwC).

Indian Pharma Industry

Indian pharmaceutical market is the third-largest in terms of volume and 13th largest in terms of value (Source: UBM India) in the world.

According to IMS MAT (March 2016), the Indian Pharmaceutical Market (IPM) touched ₹1,04,633 crores, registering 14.4% growth in 2015-16. The volume of existing products, new products and price increase made 5.0%, 3.6% and 3.6% contributions to this growth respectively. The growth of the IPM improved to 14.4% in 2015-16 from 13.4% in 2014-15.

These “Mega Trends” Shape the Environment for Healthcare and Pharma in India

“Mega Trend”	Description	Pharma Market Characteristics	Regulatory Philosophy	
Demographic Dividend	+200M additions to working age by 2030	<ul style="list-style-type: none"> ■ Sustained, and broad-based market growth of ~12–14% ■ Accelerated growth for Chronic therapies (middle class), and pediatric (birth cohort) ■ Fragmentation (~5K competitors, ~35K brands) targeting all income levels ■ Very few brands >\$20M in size ■ Low price realization, with generics accounting for majority of the market ■ ~64% of population without health insurance 	<ul style="list-style-type: none"> ■ Access to life saving drugs via price controls ■ IP / manufacturing policies favor Indian Co.'s ■ Preventive, primary care focus – for low income ■ State-specific health insurance schemes ■ Government channels, i.e., “Jan Aushadhi” 	
Evolving Income Pattern	+77M households added to Middle / Upper income, with ~110M still in low income			
Urbanisation	+10% increase in urban population and urban contribution to GDP		<ul style="list-style-type: none"> ■ Secular growth across all urban town classes, accelerated growth in rural ■ Institutions gaining share 	<ul style="list-style-type: none"> ■ Private investment in healthcare infrastructure
Digitisation	2nd largest internet user base in the world		<ul style="list-style-type: none"> ■ Large field forces covering ~600K doctors and ~700K pharmacies; however Digital adoption by doctors shows early promise ■ Emerging environment for ePharmacies 	<ul style="list-style-type: none"> ■ Focus on cost-effective Med-tech / Diagnostics

Note: All income categories when adjusted for PPP in 2005 constant dollar terms.
Source: IMS, Euromonitor, Bain, BCG, PwC.

Generic drugs form the largest segment of the Indian pharmaceutical sector. The branded generic segment itself comprises over 40,000 brands. The McKinsey India Pharma 2020 report suggests that while the mix of therapies will continue to gradually move in favour of speciality and super-speciality therapies, mass therapies will still command half of the total market share in 2020.

Domestic growth drivers

The growth in the healthcare market has been buoyant on account of several advantages:

- 1. Strong demand** - Rising incomes, greater health awareness, demand for treatment of lifestyle diseases and increasing access to insurance
- 2. Attractive opportunities** - Investment in healthcare infrastructure is set to rise. From the creation and upgradation of primary, secondary and tertiary healthcare facilities to investments in research and development capabilities. Medical tourism remains a strong demand creator for the sector.
- 3. Quality & expanding access** - Expansion of healthcare institutional services, deeper penetration of the market by pharmaceutical companies and growing demand for quality therapies.
- 4. Policy support** - Through ongoing programs such as the National Rural Health Mission (NRHM), expansion of the Universal Immunisation Program, Government and state funded health insurance schemes like “Arogyasri” and the expansion of the Jan Aushadhi scheme to increase access to affordable generic drugs.

While the long term outlook continues to be positive driven by these mega trends, in the short run, recent policy decisions are adversely impacting the industry. Over the last few years, price control has dented the revenues of the industry. Further the manner in which the latest NLEM price changes have been implemented as well as the process followed for the notification banning certain Fixed Dose Combinations have not been in the Government’s spirit of “ease of doing business”. Your Company recommends that the Government ensure a greater balance between the needs of patients with that of the pharmaceutical industry in future policy initiatives and implementations.

Industry challenges

Policy Implementation challenges: The Government framed the Draft National Health Policy 2015 to provide universal access to public health facilities. However, its implementation has been challenging. Several provisions, including the proposal to provide free essential drugs have been deprioritised.

Fund allocations: Budgetary allocation to healthcare has remained stagnant. At 1.3% of GDP, India’s allocation continues to remain among the lowest globally. The 12th five year plan as well as the draft National Health Policy committed to increase this to 2.5% of GDP. By comparison, the other BRICS countries allocate between 3.5 to 8.5% of their GDP towards healthcare priorities.

Drug price control: Expanding scope of price controls will remain the single most significant challenge for the industry. Through policy measures, such as the Drug Price Control Order, the Government continues to actively regulate prices of an expanding number of pharmaceutical products. This was evident during the year with the expansion of the National List of Essential Medicines. The recent amendment to the DPCO 2013 has seen the number of drug formulations under price control increasing.

The expansion of the National List of Essential Medicines (NLEM) has added 106 drugs and deleted 70 drugs as on December 2015. This brings the total number of listed drugs to 376. In line with provisions under DPCO 2013, the prices of 530 formulations are subject to price control. The ceiling price of these formulations has been further revised downwards by 2.71% in April 2016 following a reduction in the annual wholesale price index.

While the Government's objective is to improve access through price control, your Company believes and recommends that a tiered pricing model that allows for differential pricing between public and private markets is a more effective tool to achieve the said objective.

Ban on fixed dosage combination (FDC) drugs: In March 2016, the DCGI announced a ban on approximately 350 FDCs, after review of 6000 FDCs. While the intent of the Government in taking action against unsafe or irrational pharmaceutical products that have not received due approvals by the central drug regulator is well appreciated, concerns have been raised on including products that have received all requisite approvals, as also on the process followed to arrive at the list.

Industry outlook

The government's priorities include providing healthcare infrastructure, expanding universal insurance and enhancing access to medicines. Through the National IPR Policy, the Government has also indicated its priority to improve the innovation eco-system in India. The policy proposes initiatives ranging from increasing awareness around IP to strengthening the legislative frameworks and encouraging industry-academia collaborations. These measures and priorities provide an opportunity for continued growth for the industry.

Going forward, the expanding medical infrastructure, increasing awareness and detection of chronic diseases and a fast expanding health insurance cover will drive the pharma sector's growth. McKinsey suggests a health insurance penetration of 45% by 2020. The government sponsored schemes, particularly the Rashtriya Swasthya Bima Yojana is expected to contribute 22% of the overall health insurance coverage.

Although the growth may slowdown slightly in the remaining part of 2016, it is expected to remain steady throughout the forecast period. India's consistent economic growth and rapid increase in chronic diseases will contribute to steady market growth. The market will continue to be regulated to ensure promulgation of most effective medicines.

REVIEW OF OPERATIONS:

Your Company maintained its position as the 3rd largest MNC and 10th largest company in the Indian pharma market. In nine of its 15 therapy areas, Pfizer Limited is positioned among the top 10 in the market. Eight products of your Company feature in the list of top 100 pharmaceutical brands in India. Three of your Company's key brands Prevenar-13 (pneumococcal vaccine), Becosules (Multivitamin) and Corex (Cough Formulation) ranked among the top 20 pharmaceutical brands in India.¹ Your Company is focused on growing and strengthening the power brands with an active promotion of new and innovative products in its therapy areas and expansion of these power brands with line extensions. Your Company has nine teams promoting various products of the Company.

Vaccines:

Prevenar13 is a pneumococcal conjugate vaccine, approved for the prevention of pneumococcal pneumonia and invasive pneumococcal disease caused by 13 streptococcus pneumonia strains. Prevenar13 has consistently been one of Pfizer's strongest performing brands with a growth momentum in mid double digits year on year with a market share of 18% in the Indian Vaccine market².

Aligning with the Government of India's priority of reducing child mortality due to vaccine preventable diseases, your Company is working closely with the Government to arrive at solutions that will have a major impact on the health of millions of children in India and will help lower the global burden of pneumococcal disease. The introduction of a new presentation of multi-dose vial globally reflects the Company's commitment to creating an affordable and sustainable program in the world's more vulnerable communities including India.

Your Company has implemented a number of initiatives to educate and create awareness amongst healthcare professionals to emphasize the need of Pneumococcal vaccine in saving lives of children and adults. Some of these include Continued Medical Educational Programs, Speaker Development Programs, Nurses & Paramedic Educational Programs on best practices in immunization.

¹ IMS India TSA data, March MAT 2016

² IMS India TSA data, March MAT 2016

Trade Rx:

The Trade Rx team manages the flagship brands like **Gelusil, Becosules and Corex** through pioneering customer centric marketing programs aimed at making the brand relevant to the current stakeholders.

The portfolio with the blockbuster brand **Corex** enjoys 50% market share³ in its category; new line extensions have been introduced to further strengthen the portfolio - Tricorex and Corex Nasal Spray caters to conditions arising out of wet cough and to soothe nasal congestion respectively.

The Government of India recently passed a prohibitory order for the manufacture for sale, sale and distribution of fixed dose combination of Chlorpheniramine Maleate + Codeine Syrup. Your Company had challenged the said notification before the Hon'ble Delhi High Court for its product "Corex" and obtained an interim stay on the operation and execution of the notification. The legal proceedings are ongoing. The stay order from the Hon'ble Delhi High Court has enabled the Company to continue manufacture and sale of Corex.

Becosules is the No.1 B-Complex in India with a market share of 55%⁴ in its category and this year, the Portfolio also introduced new line extensions - Becosules Performance and Becosules Plus.

With 28% market share⁵, **Gelusil** is the No.1 liquid antacid, used for relief in acidity, heartburn and flatulence and is a leader in its category. The team introduced uniquely positioned new line extensions of Gelusil Xtracool for acidity with nausea and Gelusil sachet for the on-the-go consumer.

Some of the key programs undertaken for the year under review were Doctors' engagement programs, Trade / Retail outreach, Consumers outreach and activities to enhance category presence.

Women's Health Care (WHC):

The Women's Health continues to be one of the most significant therapy areas for your Company. Pfizer Limited's brands are amongst the Top 3 in the categories of contraceptives, folic acid, iron supplements and Menopausal Hormone Therapy. The WHC portfolio continues to retain leadership in the represented gynecology market with a market share of about 12%⁶. WHC team focused on increasing volumes through prescriptions for its portfolio by enhancing the scientific engagement with physicians through sustained medical education programs which continue to yield positive results.

Your Company is the leader in the defined Contraception Market with 29.9% market share. In order to enhance awareness and increase the adoption of oral contraceptives, the marketing team of WHC conceptualized a 'Myth Busting Campaign'. The campaign reached out to doctors and patients alike to demystify the myths associated with long term oral contraceptive usage. Further, the campaign also included expanded usage of oral contraceptives by strengthening the "Act on Facts" initiative.

Becosules Women, a line extension of Becosules is a nutritional supplement for women and has performed well since it was launched in the third quarter 2015-16.

Mucaine Gel, which is the category leader in Liquid Antacid, registered a good growth on the back of an active promotional campaign and introduction of a new bigger 350 ml pack.

Anti-Infective, Ophtha & Cardiovascular:

Your Company ranks 5th in the hospital segment⁷ with a wide portfolio covering categories across the critical care segment. This position has been built over the years through initiatives such as scientific engagements and strong medical advocacy.

Your Company has further strengthened this position with the strategy of establishing "Leadership in Hospitals" through segmentation of the market & key accounts to ensure optimal focus. The team designed interventions to drive key brands & segments with strong scientific engagement and to address needs of each segment effectively to achieve competitive advantage.

3 IMS India TSA data, March MAT 2016

4 IMS India TSA data, March MAT 2016

5 IMS India TSA data, March MAT 2016

6 IMS India TSA data, March MAT 2016

7 IMS Hospital Audit March 2016 MAT

The Ophthalmology business grew by 21.3% over the previous year⁸. The portfolio introduced a unique device called Xalease in the second half of the year under review. This device provides a convenient way for self-administration of eye drops.

The Cardiovascular team operates in the anti-hypertensive segment with its flagship brand '**Minipress XL**', which is the second largest anti-hypertensive brand in India. Amlodipine, Pfizer's research molecule and one of world's largest used antihypertensive is marketed by the team in India as **Amlogard**.

Pfizer's blockbuster and one of the most popular brands in the world '**Viagra**' continues to provide millions of patients in India with a proven solution to erectile dysfunction. The team is well placed to build a strong portfolio and deliver robust growth in 2016.

Pain, Respiratory & Central Nervous System (CNS):

Pfizer's pain portfolio is ranked 5th in Non-Steroidal Anti Inflammatory Drugs (NSAID) market⁹. This portfolio offers brands as Dolonex & Dalacin C capsules; both leading brands in the molecule segment. Dolonex oral is one of the top-3 brands in oral NSAID market. Pain Management team has focused on brand & specialty wise imperatives to leverage growth opportunities in targeted segments.

1. Foot note ISP meeting via live webcast that saw a participation from over 680 surgeons.
2. Know pain cascade meeting at Primary Care Physicians ('PCPs') that saw engagement with more than 2000 PCPs through 50 meetings.

Dolonex as a brand has more than 78.5% value market share in its molecule segment¹⁰. Mobility clinic launch and know your root program at Dentists were some of the key initiatives that the brand undertook during the year.

Dalacin C Capsule is the leading brand in its molecule segment with more than 65% market share¹¹.

Your Company's respiratory portfolio is ranked 3rd in the represented market¹². This year the team drove several Key Opinion Leader (KOL) advocacy programs for its brands. Partnerships have been created with leading bodies nationally and internationally, to cascade disease continuums to over 3000 physicians. The respiratory team initiated engaging knowledge programs in areas like inflammation and infection for ENT conditions. The team also collaborated with top Indian and international speakers around appropriate management of asthma exacerbations.

Your Company's Neuroscience portfolio is ranked 6th in the CNS market with a year on year growth of over 9%¹³. Major innovative brands like **Ativan**, **Pacitane** and **Daxid** are leaders in the respective Therapeutic Category IV (molecule segment).

Some of the key initiatives for the year under review have been Innovative scientific and Key Opinion Leader (KOL) advocacy programs coupled with multi-channel marketing activities that drove the portfolio across Psychiatrists.

The CNS team has further created an innovative program to engage opinion leaders through virtual advisory boards. This platform was successful and engaged more than 470 Psychiatrists across India.

Consumer Healthcare

For the year under review, initiatives were undertaken to enhance distribution coverage into smaller towns in select states. The team developed innovative display programmes that were launched to drive in-store visibility for **Anacin** and **Anne French**. A new TV campaign was launched for Anne French to enhance its brand equity and extend usage among non-users of hair removing creams.

MANUFACTURING OPERATIONS:

Your Company values the confidence and faith reposed by the patients in support of Pfizer Quality products. Your Company has various levels of quality systems starting from local quality assurance to global quality audits and approvals that ensure that the same high standards of quality are followed across Pfizer worldwide.

Your Company's continued focus on non-renewable resources has created an excellent model for environmental sustainability. There is a constant emphasis on conservation of resources across manufacturing sites and to reduce waste. Your Company has a state of art and award winning manufacturing facility at Goa. The plant manufactures products with the most stringent global quality. The site holds ISO 9001 and GMP accreditation along with ISO 14001 & OHSAS 18001. The site has a Formulation Development Cell catering to new product

8 IMS India TSA data, March MAT 2016

9 IMS India TSA data, March MAT 2016

10 IMS India TSA data, March MAT 2016

11 IMS India TSA data, March MAT 2016

12 IMS India TSA data, March MAT 2016

13 IMS India TSA data, March MAT 2016

development and technology transfer needs of India Business operations. The Plant strictly adheres to Global safety and environmental norms and has received a number of corporate awards. The Plant was the recipient of Frost and Sullivan “FUTURE READY (PLATINUM) AWARD” in 2015.

In September 2015, your Company entered into a Business Transfer Agreement (“BTA”) for transfer of the Company’s Business at Thane Plant as a going concern.

MEDICAL AFFAIRS DIVISION:

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

1. Young Specialists: To partner with specialists with less than five years of clinical practice, the Medical team launched a “young doctor’s program” which is a multipronged education initiative involving webinars on case discussions, face to face preceptorship meetings and also developing treatment algorithms in trauma management and infectious disease. This initiative will benefit over 5000 doctors across multiple disciplines.
2. Pharmacist Education Program: In India we have seen a huge knowledge gap amongst retail Pharmacists which leads to potential medication errors. Towards bridging this gap, your Company contributed by launching Pharmacy Education Program that will provide certified training to about 1000 Pharmacists on educational modules prepared by an independent agency.
3. Digital CMEs: To scale up our physician reach in a cost effective way your Company developed unique format of digital CMEs called “meet the expert” in partnership with commercial and business strategy team using an in-house HCP portal called Inquimed. Till date more than 6000 physicians have benefitted through these programs.
4. Physician association partnership: We created strong scientific partnership with physician associations such as FOGSI (Federation of Gynaecologists and obstetricians in India) and IMS (International menopausal society) by providing them educational grants to conduct CMEs around the myths of contraception and hormonal therapy. Pfizer was acknowledged by FOGSI as a knowledge partner in this initiative in their annual newsletter.

HUMAN RESOURCES (“HR”)

Your Company has consolidated and strengthened the interventions set into motion last year under People priorities. Our focus continues to remain on integrated talent management, leadership development and driving the OWN IT culture. In the year gone by, your Company enhanced focus on leadership development through:

- Talent review exercise conducted to identify top talent within the country along with creation of Individual Development Plans and career planning for leaders.
- Partnering with top business schools to create skill development programs for middle managers
- Career planning for chosen senior leaders
- Succession planning for critical positions

A dedication to field colleagues, the Year of the Field Force campaign aims to provide our flag bearers result oriented approach across the following three areas:

- Enhancing the ease of getting things done – implemented actions include automated Pfizer Financial tool for quick turnaround in payments, digital dashboards for actionable insights
- Create opportunities to connect and interact with leadership team – Actions implemented include HR Kiosks for Pfizer policy clarity and addressing queries
- Focus on skill development – implemented actions include Competency based evaluation process, incentive schemes. Upcoming - Sales career architecture for cross-functional team movement

STRATEGY & BUSINESS OPERATIONS (SBO)

Strategy & Business Operations (SBO) focuses on the identification of opportunities for growth, effectiveness, efficiencies and the implementation of initiatives to target these opportunities.

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

- Supported the launch of new products across the Nutraceuticals, Women's Health, GI & Respiratory therapy areas
- Developed an innovative, managed-services based operating model for multi-channel marketing
- Development and roll-out of digital commercial dashboards across the field force
- Worked towards multiple business development deals to address both portfolio and route-to-market opportunities
- Played a key role in supporting projects to enhance the effectiveness of our field force (e.g. territory segmentation, real-time detailing reports)

LEGAL DIVISION

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

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

- Contribution to position papers on draft Intellectual Property Rights Policy
- Supported your Company's Manufacturing Division for the Thane Plant business transfer transaction
- Played active role in mitigating risks relating to litigation of our select brands

Your Company's Legal Director Mr. Samir Kazi was awarded the 'Pfizer Global General Counsel Award 2015' by Pfizer Inc., USA

BUSINESS TECHNOLOGY

Your Company's Business Technology Division connects the entire organization and drives business results using innovative technology platforms. This team works closely with all Business Units to strategize, develop and deliver business solutions that help them keep their customers and stakeholders in the forefront. Some of the key business technology initiatives for the year under review are:

- Enhance knowledge dissemination and augmenting reach to healthcare practitioners through multi-channel marketing and digital capabilities
- Enhancement of e-detailing capabilities for field colleagues leading to better in-clinic effectiveness with Healthcare practitioners
- Launch of e-crucible, your Company's internal quarterly magazine on i-pads providing a rich interactive multi-media experience for the field colleagues
- Introduction of commercial business intelligence dashboard leading to actionable data and insights at the click of a button for effective decision making
- Introduction of leading edge technologies at the new corporate office with soft phone facility for all colleagues, follow-me printing, meeting room bookings via i-pads. These newer technologies have led to greater efficiency and increased colleague productivity with significant cost savings.

INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY AND COMPLIANCE

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

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

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

MAPP: Your Company has a policy covering interaction with Healthcare Professionals and Government officials called 'My Anti-Corruption Policy & Procedures' (MAPP). The policy addresses both local legal requirements while also leveraging on best practices followed in other markets. As a way of reinforcing its compliance culture, your Company has identified 100 odd colleagues as "Compliance Champions" from various teams who act as first point of contact for any colleague in case they have policy related questions.

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

WHISTLE BLOWER / VIGIL MECHANISM

Your Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said Policy provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors. The e-mail ID for reporting genuine concerns is: 'corporate.compliance@pfizer.com'. In appropriate and exceptional cases, concerns may be raised directly to the Chairman of the Audit Committee at 'Chairman.IndiaAuditcom@pfizer.com'. A quarterly report on the whistle blower complaints received and action taken thereon is placed before the Audit Committee for its review.

PREVENTION OF SEXUAL HARASSMENT POLICY

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

CORPORATE AFFAIRS

This year the Corporate Affairs Division through its functions of Government Relations, Internal and External Communications and Corporate Social Responsibility, undertook number of policy advocacy, stakeholder engagement, reputation building, community outreach and colleague engagement programs. Some of the key highlights were –

Policy advocacy:

This has been a year of active advocacy and engagement with Government departments, ministries and policy stakeholders. Areas of dialogue included policy measures that impact the pharmaceutical industry in general, and in certain instances, your Company in particular.

Key highlights of the year under review include:

1. **Pricing:** Your Company actively led the deliberations around the revision of the National List of Essential Medicines and its resulting impact on pricing of listed drugs. Pfizer participated in successive consultations held by the NLEM committee across the country, contributed through position papers that represented the views of the industry and submitted arguments specific to the Company's portfolio.
2. **IPR:** As a part of its association, the OPPI, Pfizer was one of the key contributors towards the industry position and recommendations on the draft National IPR Policy.
3. **NIP:** Your Company worked extensively with the Ministry of Health and Family Welfare to advocate for the inclusion of a Pneumococcal Conjugate Vaccine in the National Universal Immunization Program.

Strategic Initiatives aligned with the Government's flagship programs:

1. **Make in India:** Your Company sponsored and participated in flagship Government of India events including the 'India Pharma 2016' and 'Make in India Week', and showcased its manufacturing footprint in the country.
2. **Startup India, Stand up India:** Your Company was invited by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce, to showcase the Pfizer IIT Delhi Innovation and IP Program to Prime Minister Narendra Modi, Commerce Minister Nirmala Sitharaman and Finance Minister Arun Jaitley, among other senior representatives of the Government.
3. **Building a strong reputation:** Your Company was proud to receive the 'Most Trusted Brand in the Medical Category' by IBA Infomedia through a consumer validated survey.

Enhancing the One Pfizer culture:

- i. **New Office Shift:** November 2015 saw Pfizer India shifting its Headquarters to Bandra Kurla Complex - the commercial district of Mumbai. The Corporate Affairs team utilized this opportunity to create a high impact internal "Vibrant New Pfizer" campaign – calling out the new way of work with open offices and a tech-enabled workplace.
- ii. **Rewards & Recognition:** Your Company reinstated the Rewards & Recognition program to recognize the efforts of colleagues and teams who have made an impact to the business.
- iii. **Family Day:** For the first time ever, Pfizer India celebrated Family Day across all its locations – HO, Goa Plant and all RCs in March and April 2016. This day brought together colleagues and their families together for a wonderful shared experience. It celebrated the spirit of One Pfizer. Around 30 key projects and more than 120 colleagues were honored for their contribution to make Pfizer one of the foremost pharmaceutical companies in the country.
- iv. **Crucible:** Your Company's quarterly internal magazine was launched in a digital format 'e-crucible' this year. This enabled the Pfizer Field Force to access the magazine on their i-pad devices with rich interactive audio-visual content. The magazine also won an award for the 'Best Internal Magazine of the year' instituted by the prestigious Association of Business Communicators of India (ABCI).

CORPORATE SOCIAL RESPONSIBILITY

Your Company launched and took forward a rich portfolio of impactful corporate responsibility initiatives. The programs were aligned to the Pfizer Limited CSR Strategy encompassing five key thrust areas:

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

Some key initiatives undertaken during the year were:

1 Pfizer IIT Delhi Innovation & IP Program

Your Company partnered with the Foundation for Innovation and Technology Transfer (FITT) at the Indian Institute of Technology, Delhi to launch an incubation accelerator initiative - Pfizer IIT Delhi Innovation & IP Program. Through funding support and resident incubation, the Program encourages innovators to create healthcare innovations in and for India.

2. Impact of Air Pollution in Delhi – a partnership with AIIMS

Pfizer Ltd. has provided funding support to the All India Institute of Medical Sciences (AIIMS), towards a program that evaluates the impact of Air Pollution on children in Delhi and raises awareness around the subject.

3. Swachh Vidyalaya Campaign

Pfizer Ltd. extended its contribution towards the Swachh Vidyalaya/Swachh Bharat Campaign – building and refurbishing 84 sanitation facilities in 18 schools across Thane and Raigad districts of Maharashtra with additional funding to extend the program to Delhi, Mewat (Haryana) and Lucknow (UP).

The total amount spent by the Company towards CSR activities during the year is ₹ 644.30 Lakhs. Your Company was proud to fulfill its mandated CSR spending for the year.

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

CAUTIONARY NOTE

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

DIRECTORS

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

The Board of Directors of the Company at their meeting held on March 17, 2016, pursuant to the recommendation of Nomination and Remuneration Committee, appointed Mr. S. Sridhar (DIN: 05162648) as the Managing Director of the Company with effect from March 18, 2016 for a period of 5 (five) years, subject to the approval of members at the ensuing Annual General Meeting.

The Board of Directors of the Company, pursuant to the recommendation of Nomination and Remuneration Committee appointed Ms. Lu Hong (DIN: 07358719) as an Additional Director (Non-Executive Woman Director) with effect from December 4, 2015 who will hold the office till the date of the ensuing Annual General Meeting. The Company has received a Notice for her candidature as a Director from a Member pursuant to Section 160 of the Act.

Mr. Aijaz Tobaccowalla (DIN: 05312126) was appointed as the Managing Director for the period of 3 (three) years effective August 16, 2012. Subsequently, Mr. Tobaccowalla was re-appointed as the Managing Director for the period of 6 (six) months effective August 16, 2015, subject to approval of shareholders at the ensuing Annual General Meeting. Mr. Aijaz Tobaccowalla resigned as Managing Director effective close of business on October 16, 2015. Your Directors wish to place on record their appreciation for the valuable contributions made by Mr. Tobaccowalla during his tenure as the Managing Director of the Company.

Dr. Lakshmi Nadkarni (DIN: 07076164), Executive Director, Human Resources, resigned from the services of the Company with effect from September 4, 2015 and also resigned from the Board of Directors effective the said date. Your Directors wish to place on record their appreciation for the valuable contributions made by Dr. Nadkarni.

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

Changes in Key Managerial Personnel

Mr. S. Sridhar ceased to be the Chief Financial Officer of the Company with effect from close of business on May 12, 2015. Mr. Ravi Prakash Bhagavathula was appointed as the Chief Financial Officer of the Company with effect from May 13, 2015.

Board Performance Evaluation

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

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

Independent Directors' Meeting

One Meeting of the Independent Directors was held on May 5, 2015, without the presence of the Executive Directors or management personnel. At the Independent Directors Meeting held on May 5, 2015, the Independent Directors carried out performance evaluation of Non- Independent Directors and the Board of Directors as a whole, performance of Chairman of the Company, the quality, content and timelines of flow of information between the Management and the Board, based on the Performance Evaluation framework of the Company. All the Independent Directors were present at the aforesaid Meeting.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

Sr. No.	Particulars of the Programs / Presentations	Date	No. of Hours
			Duration (Hrs)
1.	New Corporate Office Site visit	09-11-2015	1
2.	Presentation on Business Objectives 2015-16	09-11-2015	1
3.	Presentation on Business Overview – Anti-Infectives, Cardio-Vascular and Ophthalmology	09-11-2015	1
4.	Presentation on Overview of Pharma Regulatory Framework in India	03-02-2016	1
5.	Presentation on Manufacturing Facility at Goa Plant	03-02-2016	0.5
6.	Goa Factory Visit	03-02-2016	2

Nomination and Remuneration Policy

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

Meetings of the Board

During the year, five Board Meetings and four Audit Committee Meetings were held and convened. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement read with the Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDIT COMMITTEE

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

RISK MANAGEMENT POLICY

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

RELATED PARTY TRANSACTIONS

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

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not granted any loans, guarantees and investments for the financial year ended March 31, 2016.

DEPOSITS FROM PUBLIC

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

OTHER INFORMATION

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

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

The information required pursuant to Section 197(12) of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this Report. However, as per the provision of Sections 134 and 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of such statement may write to the Company Secretary at the Company's Registered Office. The Company does not have any subsidiary company or associate company or joint venture company.

AUDITORS

The Auditors, Messrs. B S R & Co. LLP, were appointed as Statutory Auditors to hold office for a term of 3 (three) years from conclusion of 63rd Annual General Meeting till the conclusion of the 66th Annual General Meeting subject to ratification by members at every subsequent Annual General Meeting.

The appointment of Messrs. B S R & Co. LLP will be placed before the members at this Annual General Meeting for ratification. The Auditors' Report for the financial year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the cost audit records maintained by the Company is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs. RA & Co., to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of ₹10.40 Lakhs. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the

Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs. RA & Co., Cost Auditors is included at Item No. 8 of the Notice convening the Annual General Meeting.

The Company has filed the Cost Audit Report for Formulations and Compliance Report for the financial year ended March 31, 2015 on September 29, 2015, due date being September 30, 2015. The Cost Audit Report for Formulations and Compliance Report for the financial year ended March 31, 2016 are due to be filed by September 27, 2016.

Messrs. R. A. & Co., have confirmed their eligibility to be the Cost Auditors and have been appointed to conduct Cost Audit of the Company's records for the financial year ending March 31, 2017. The remuneration is subject to ratification by the shareholders.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs. Saraf & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure - F**". The Secretarial Auditor Report for the financial year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

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

CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from Messrs. B S R & Co. LLP, regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges read with the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report and annexed herewith as "**Annexure - H**".

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Mumbai, May 6, 2016

R. A. Shah
Chairman

Annexure – A

CORPORATE SOCIAL RESPONSIBILITY

1. CSR Policy Overview

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

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

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

CSR Committee

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

Our Purpose

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

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

CSR Focus Areas

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

For more details on CSR policy please visit the Investor Relations section on the Company’s website – ‘www.pfizerindia.com’.

Financial details

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

Particulars	(₹ in lakhs)
	Amount
Average net profit of the Company for the last three financial years	31,264
Prescribed CSR Expenditure (as per Section 135 of the Companies Act, 2013)	625
Details of CSR spent during financial year	
a) Total amount to be spent for the financial year	625
b) Amount unspent, if any	Nil
c) Manner in which the amount was spent during the financial year	Details given below

(₹ in lakhs)

Manner in the which CSR amount was spent during the Financial Year 2015-16

Sr. no.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where Projects or Programs were undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the Projects and Programs 1. Direct Expenditure on Projects / Programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Expenditure on projects/programs							
a.	School Sanitation project- Pfizer India goes to school	Sanitation & Healthcare	a. Delhi b. Mewat, Haryana c. Lucknow, U.P.	100.00	102.50	102.50	Implementing agency – NGO partner Habitat for Humanity Foundation
b.	Pfizer IIT Delhi Innovation & IP Program	Supporting technology incubator within academic institutions	a. Indian Institute of Technology Delhi	461.00	460.87	460.87	Implementing agency – Foundation for Innovation & Technology Transfer (FITT), an industry interface established at IIT Delhi
c.	Women's Healthcare Project	Promoting Healthcare	a. Sion, Mumbai, Maharashtra b. Thane, Maharashtra	6.00	5.95	5.95	Implementing agency – Society for Nutrition & Health Action (SNEHA)
d.	Air pollution project Evaluate linkage between poor ambient air quality & health indicators among students	Promoting Healthcare	a. Delhi b. NCR region, Delhi	50.00	50.00	50.00	Implementing agency – All India Institute of Medical Sciences (AIIMS)
e.	Disaster relief work for Chennai floods	Disaster relief work	a. Kancheepuram district, Tamil Nadu	25.00	24.98	24.98	Implementing agency – AmeriCares India
	Total			642.00	644.30	644.30	

Reasons for shortfall in CSR Spend : Not Applicable

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below: "Pfizer's CSR projects/programs are entrenched in the way we do business and are guided by our corporate mission, values and aspirations. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company."

For and on behalf of Board of Directors

Mumbai, May 6, 2016

S. Sridhar
Managing Director

Pradip Shah
Chairman, CSR Committee

Annexure – B

Nomination and Remuneration Policy of Pfizer Limited

This Nomination and Remuneration Policy (**“Policy”**) has been adopted by Pfizer Limited’s Board of Directors (**“Board”**), acting on the recommendations of its Nomination and Remuneration Committee, to prescribe the Nomination and Remuneration policy of Pfizer Limited (**“Company”/ “Pfizer”**).

1. OBJECTIVES:

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

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

2. PFIZER’S COMPENSATION PHILOSOPHY

Pfizer’s Compensation and Benefits programs are designed to enhance its ability to attract, motivate, retain and engage a high performing and committed workforce.

3. DEFINITIONS

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

4. ROLE OF COMMITTEE

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

The Committee shall:

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

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

i. The Nomination and Remuneration Committee will ensure that:

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

ii. Appointment criteria and qualifications:

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

iii. Term / Tenure:

- Managing Director / Whole-time Director:
The Company may appoint or re-appoint a person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment if Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director, and three listed companies as an Independent Director in case such person is serving as a Whole-Time Director of a listed company or such other number as may be prescribed under the Act and Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For this purpose, the Independent Directors shall submit a declaration in this regard and the Committee / Board shall rely on such declaration.

iv. Evaluation:

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

v. Removal:

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

vi. Retirement:

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

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

i. General:

- While determining the remuneration / compensation / benefits etc. to the Whole-time Directors, Key Managerial Personnel and Senior Management Personnel, the Committee shall keep in mind following criteria:
 - That the remuneration is aligned with market when compared to relevant peer companies;
 - That the remuneration is appropriate for the Company as it exists today but anticipates future business needs;
 - Philosophically consistent around Pfizer's global policies but locally and culturally appropriate;
 - Understandable and valuable to the talent the Company wishes to attract, motivate, engage and retain;
 - Simple and cost-effective for the Company to communicate, maintain and administer;
 - Selected positions may be paid higher remuneration than market aligned peer group remuneration; and
 - Higher remuneration may be considered for the purpose of retention of talent.

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

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

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

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

iv. Remuneration to Non-Executive / Independent Directors:

- **Sitting Fees:**

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

- **Commission:**

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

- **Stock Options:**

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

5. OTHERS:

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

6. REVIEW OF THE POLICY:

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

Annexure – C

Form AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

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

The details of material contracts or arrangement or transactions conducted on arm's length basis for the year ended March 31, 2016 are as follows:

Sr. No.	Name of the Related Party and Relationship	Nature of Transaction	Duration	Salient Terms	Amount (₹ in lakhs)
1	Pfizer Inc., USA (Ultimate Holding Company)	Service Income	Ongoing	On arm's length basis and in ordinary course of business.	275.10
		Recovery of expenses			114.14
		Royalty expense			26.76
		Reimbursement of expenses			694.93
2	Pfizer Products India Private Limited (Fellow Subsidiary)	Service Income	Ongoing	On arm's length basis and in ordinary course of business.	2070.72
		Recovery of expenses			512.34
		Reimbursement of expenses			53.96
3	Pfizer Development LP (Fellow Subsidiary)	Service Income	Ongoing	On arm's length basis and in ordinary course of business.	121.00
4.	Pfizer Export Company, Ireland (Fellow Subsidiary)	Purchase of Stock in Trade	Ongoing	On arm's length basis and in ordinary course of business.	18202.06
		Purchase of Raw/ Bulk materials			4455.67
5.	Pfizer Singapore Trading Pte Limited, (Belgium Branch) (Fellow Subsidiary)	Purchase of Stock in Trade	Ongoing	On arm's length basis and in ordinary course of business.	2026.21
6.	Pfizer International Intl Inc., USA (Fellow Subsidiary)	Recovery of expenses	Ongoing	On arm's length basis and in ordinary course of business.	43.71
7.	Pfizer Corporation Hongkong Limited (Fellow Subsidiary)	Export of Goods	Ongoing	On arm's length basis and in ordinary course of business.	53.16
		Recovery of expenses			211.61
8.	Pfizer Asia Manufacturing Pte Ltd (Fellow Subsidiary)	Purchase of Raw/Bulk Materials	Ongoing	On arm's length basis and in ordinary course of business.	159.34
		Reimbursement of expenses			239.12
9.	Pfizer Pharmaceuticals Korea Limited (Fellow Subsidiary)	Reimbursement of expenses	Ongoing	On arm's length basis and in ordinary course of business.	109.85
10.	Pfizer Innovative Supply Point Intl BVBA, Belgium (Fellow Subsidiary)	Purchase of Finished Goods	Ongoing	On arm's length basis and in ordinary course of business.	169.33
11.	Pfizer International Operations, France (Fellow Subsidiary)	Recovery of expenses	Ongoing	On arm's length basis and in ordinary course of business.	109.29
12.	Pfizer Service Company BVBA, Belgium (Fellow Subsidiary)	Purchase of Finished Goods	Ongoing	On arm's length basis and in ordinary course of business.	270.28
13.	Whitehall International Inc., USA (Fellow Subsidiary)	Recovery of Expenses	Ongoing	On arm's length basis and in ordinary course of business.	82.32
14.	Wyeth Pharmaceuticals India Private Limited	Recovery of Expenses	Ongoing	On arm's length basis and in ordinary course of business	9.29
15.	Pfizer Canada Inc (Fellow Subsidiary)	Purchase of Finished goods	Ongoing	On arm's length basis and in ordinary course of business.	485.75
16.	Pfizer Overseas LLC, USA (Fellow Subsidiary)	Purchase of Raw materials/ Bulk Materials	Ongoing	On arm's length basis and in ordinary course of business.	3.81
17.	Pfizer Limited, UK (Fellow Subsidiary)	Reimbursement of Expenses	Ongoing	On arm's length basis and in ordinary course of business.	54.65
18.	Pfizer Global Trading, Ireland (Fellow Subsidiary)	Purchase of Stock in Trade	Ongoing	On arm's length basis and in ordinary course of business.	378.43

Appropriate approvals have been taken for all related party transactions. With respect to Sr. No. 4, being material in nature, Board approval was taken on October 9, 2014. No advances have been paid or received against the transactions mentioned above.

For and on behalf of the Board of Directors

Annexure – D

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

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

A. CONSERVATION OF ENERGY:

a) Energy Conservation measures taken:

1. Upgradation of equipment used in contraceptive packaging area to improve the packaging operation which resulted into reduction of shift operation and energy savings.
2. Introduced one new screw air compressor with higher efficiency in terms of Free Air Delivered (FAD) to power consumption ratio.
3. Reduced annual furnace oil consumption further to approximately 0.2 KL compared to 16 KL previous year.
4. Upgradation of one Blister packing machine used in general tablet manufacturing facility to improve reliability and operator friendly. This project has helped in improving machine utilization and reduction of power consumption.
5. Site also replaced all the metal doors of general tablet manufacturing area with new tight sealing doors to arrest air leakages, thus resulting in reduction of electrical power consumption.

b) Impact of measures taken:

- i. Reduction of annual furnace oil consumption.
- ii. Reduction in carbon emission.
- iii. Reduction of Electrical energy consumption.

c) Steps taken for utilizing alternate sources of energy:

Nil

d) Capital investment on energy conservation equipments:

A sum of ₹64.30 Lakhs was spend as capital expenditure for upgradation of Auto cartonating machine, Blister packing machines and installation of new Air Compressor at Goa plant.

B. TECHNOLOGY ABSORPTION:

Research and Development (R & D):

1. Efforts in brief made towards technology absorption:

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

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

The Company has benefited substantially as a result of the emphasis on innovation. Reduction in energy consumption and improvement in product quality and Technology Transfer of Product are some of the activities carried out during the year under review.

3. Imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
- The details of technology imported: Nil
 - The year of import: Not applicable
 - Whether the technology been fully absorbed: Not applicable
 - If not fully absorbed, areas where absorption has not taken place and reasons thereof: Not applicable

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

4. Expenditure on Research and Development

	(₹ in lakhs)
(i) Capital	-
(ii) Revenue	2053.82
(iii) Total	2053.82
(iv) Total R&D expenditure as percentage of total turnover	1.03%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review:

- Foreign exchange earnings by the Company was ₹517 Lakhs.
- Foreign exchange expenditure (which includes import of raw materials and goods for resale, service charges etc.) was ₹36,657 Lakhs.

For and on behalf of the Board of Directors

Mumbai, May 6, 2016

R. A. Shah
Chairman

Annexure – E

Particulars of Employees

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirement under Rule 5(1)	Details
1.	Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year.	<ul style="list-style-type: none"> Mr. S. Sridhar, Managing Director: 31.63 Mr. Vivek Dhariwal, Executive Director - Technical Operations: 27.02
2.	Percentage increase in remuneration of each Executive Director, Chief Financial Officer, Chief Executive Officer and Company Secretary (Salary of 2016-17 v/s Salary of 2015-16).	<ul style="list-style-type: none"> Mr. S. Sridhar, Managing Director : 30% Mr. Vivek Dhariwal, Executive Director - Technical Operations : 5% Mr. Ravi Prakash Bhagavathula, Finance Director : 3.3% Mr. Prajeet Nair, Company Secretary : 6%
3.	Percentage increase in the median remuneration of employees in the financial year (2015-16 v/s 2016-17).	<p>Merit Increase: 12.7 %</p> <p>Total Remuneration (including sales incentives): 19.2 %</p>
4.	Number of Permanent Employees as on March 31, 2016 on the rolls of Company.	2,889
5.	Explanation on the relationship between average increase in remuneration and company performance.	<p>The average Merit increase of all employees is 12.7 % as compared to the Company performance of 9.1 % revenue growth.</p> <p>The increase is a factor of performance of the colleagues as well as adjustments consequent to compensation benchmarking.</p>
6.	Comparison of the remuneration of the Key Managerial Personnel ("KMP") (Individually and totally) against the performance of the Company.	<p>Increase in remuneration of KMP:- Please refer Sr. No. (2) above</p> <p>Overall increase in remuneration of Key Managerial Personnel: 15 %</p> <p>The Company's performance for the year ended March 31, 2016 in terms of revenue is 9.1 %</p>
7.	<ul style="list-style-type: none"> Average percentile increase made in the salaries of employees other than the managerial personnel in last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. Justification for variation in the average percentile increase between Non Managerial employees and Managerial employees. 	<p>Managerial Personnel: 17.5 %</p> <p>Others: 12.7 %</p> <p>Promotion of Mr. S. Sridhar as the Managing Director</p> <p>The sale incentives are linked to sales performance.</p> <p>For other than Managerial colleagues, the remuneration increase is based on performance and adjustments consequent to compensation benchmarking.</p>
8.	Key parameters for any variable component of remuneration availed by the Directors.	Business Performance and Individual Performance
9.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year.	Not Applicable
10.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the Nomination and Remuneration Policy of the Company.

Sr. No. Requirement under Rule 5(1)	Details
11. Variations in the market capitalization.	The market capitalization as on March 31, 2016 was ₹8173.06 crores as against ₹10,203.35 crores as on March 31, 2015, showing a decrease of 20%.
12. Price earnings ratio as at the closing of March 31, 2016 and March 31, 2015.	Price Earnings ratio of the Company was 36.69 as at March 31, 2016 and was 146.16 as at March 31, 2015. The price earning ratio is based on the market value of the share and earnings per share calculated as on the end of respective financial year. The price earning ratio is not comparable on account of amalgamation of erstwhile Wyeth Limited with the Company in the Financial Year ended March 31, 2015.
13. Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The closing price of the Company's equity shares on the NSE and BSE as of March 31, 2016 was ₹1,793.85 and ₹1,786.55 respectively. The Company had come out with last public offer in 1982. An amount of ₹1,000 invested in the said public offer would be worth ₹2.00 Lakhs as on March 31, 2016 indicating a Compounded Annual Growth Rate of 16.86%. This is excluding the dividend accrued thereon.

For and on behalf of the Board of Directors

Mumbai, May 6, 2016

R. A. Shah

Chairman

Annexure – F

Secretarial Audit Report for the Financial Year Ended 31st March 2016

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

To,

The Members,

PFIZER LIMITED

The Capital, 1802 / 1901,

Plot No. C-70, G Block,

Bandra Kurla Complex,

Bandra (East), Maharashtra,

Mumbai – 400051.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment; the Company has not accepted External Commercial Borrowing (ECB), hence ECB guidelines is not applicable to the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015);
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

We have also examined compliance with the following:

- i. Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India effective July 1, 2015.
- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited valid till November 30, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective December 1, 2015.

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

We further report that:

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

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

We further report that during the audit period none of the following events has taken place:

- i. Public / Right / Preferential issue of shares / debentures / sweat equity, etc.
- ii. Redemption / buy-back of securities
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations

Saraf and Associates
(Practicing Company Secretaries)

K. G. Saraf
Proprietor

FCS 1596 : CP 642

Place : Mumbai
Date : May 6, 2016

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

'ANNEXURE 1'

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

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

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

Saraf and Associates

(Practicing Company Secretaries)

K. G. Saraf

Proprietor

FCS 1596 : CP 642

Place : Mumbai

Date : May 6, 2016

Annexure – G

FORM MGT - 9 - EXTRACT OF ANNUAL RETURN

EXTRACT OF ANNUAL RETURN (as on the financial year ended on March 31, 2016)

FORM MGT - 9

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L24231MH1950PLC008311
ii.	Registration Date	November 21, 1950
iii.	Name of the Company	Pfizer Limited
iv.	Category Sub-Category of the Company	Company limited by Shares Non Government Company
v.	Address of the Registered office and contact details	The Capital, 1802/1901 Plot No. C-70, G Block Bandra Kurla Complex Bandra East Mumbai – 400 051 Tel: +91 22 6693 2000 Fax: +91 22 2654 0274 Email: contactus.india@pfizer.com Website: www.pfizerindia.com
vi.	Whether listed Company	Yes
viii.	Name Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited <i>Unit: Pfizer Limited</i> Karvy Selenium Tower B Plot No. 31&32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 Telangana – 500 032 Tel : +040 6716 2222 Fax: +040 2300 1153 Toll Free No.: 1-800-3454-001 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
d. State Govts	0	0	0	0	0	0	0	0	0	
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0	
f. Insurance Companies	850202	0	850202	1.86	724539	0	724539	1.58	(14.78)	
g. FIIs/FPI	2228193	46	2228239	4.87	2003914	46	2003960	4.38	(10.07)	
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
i. Others (specify)	0	0	0	0	0	0	0	0	0	
Sub-Total (B)(1)	5657728	3223	5660951	12.37	5745795	3223	5749018	12.57	1.56	
2. Non Institutions										
a. Bodies Corporate										
i. Indian	2818020	25723	2843743	6.22	2815091	25285	2840376	6.21	(0.12)	
ii. Overseas	0	1035	1035	0	0	1035	1035	0	0	
b. Individuals										
i. Individual shareholders holding nominal share capital upto ₹1 lakh	5844893	1149923	6994816	15.29	5860845	1090806	6951651	15.20	(0.62)	
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	717346	0	717346	1.57	659621	0	659621	1.44	(8.05)	
c. Others (Specify)										
i. Directors and Relatives	6017	0	6017	0.01	6017	0	6017	0.01	0	
ii. Trusts	3501	53	3554	0.01	3735	88	3823	0.01	7.57	
iii. NBFC	0	0	0	0	2960	0	2960	0.01	N.A.	
iv. Non-resident Indians	241663	9335	250998	0.55	242470	9093	251563	0.55	0.23	
v. Clearing Members	25661	569	26230	0.06	38057	569	38626	0.08	47.26	
Sub-Total (B)(2)	9657101	1186638	10843739	23.71	9628796	1126876	10755672	23.51	(0.81)	
Total Public Shareholding (B)=(B)(1)+(B)(2)	15314829	1189861	16504690	36.08	15374591	1130099	16504690	36.08	0.00	
C. Shares held by the Custodian, against which depository receipts have been issued										
Promoter and Promoter Group										
Public	0	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	44557871	1189861	45747732	100	44617633	1130099	45747732	100	0	

ii) Shareholding of promoters

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

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

None of the promoter shareholders have made any transactions with respect to the shares of the Company during the financial year ended March 31, 2016.

iii) Change in Promoters' Shareholding

Sr. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Pfizer East India B. V.				
	At the beginning of the year	18186334	39.75	18186334	39.75
	At the end of the year	18186334	39.75	18186334	39.75
2	Wyeth LLC				
	At the beginning of the year	5617707	12.28	5617707	12.28
	At the end of the year	5617707	12.28	5617707	12.28
3	Wyeth Holdings Corporation				
	At the beginning of the year	1630164	3.56	1630164	3.56
	At the end of the year	1630164	3.56	1630164	3.56
4	Warner-Lambert Company LLC				
	At the beginning of the year	1187163	2.60	1187163	2.60
	At the end of the year	1187163	2.60	1187163	2.60
5	Parke, Davis & Company LLC				
	At the beginning of the year	955733	2.09	955733	2.09
	At the end of the year	955733	2.09	955753	2.09
6	John Wyeth & Brother Limited				
	At the beginning of the year	882000	1.93	882000	1.93
	At the end of the year	882000	1.93	882000	1.93
7	Pharmacia Corporation				
	At the beginning of the year	783941	1.71	783941	1.71
	At the end of the year	783941	1.71	783941	1.71
	Total	29243042	63.92	29243042	63.92

None of the promoter shareholders have made any transactions with respect to the shares of the Company during the financial year ended March 31, 2016.

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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED AND SCHEMES				
	Opening Balance	1115271	2.44	1115271	2.44
	Shares sold during the period 01/04/2015 to 31/03/2016	115879	0.25	999392	2.19
	Shares bought during the period 01/04/2015 to 31/03/2016	710814	1.55	1710206	3.74
	Closing balance	1710206	3.74	1710206	3.74
2	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.				
	Opening Balance	982342	2.15	982342	2.15
	Shares sold during the period 01/04/2015 to 31/03/2016	37844	0.08	944498	2.07
	Shares bought during the period 01/04/2015 to 31/03/2016	92950	0.20	1037448	2.27
	Closing balance	1037448	2.27	1037448	2.27

Sr. No	Name of the Shareholder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
3	ATUL LIMITED				
	Opening Balance	958927	2.10	958927	2.10
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	958927	2.10
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	958927	2.10
	Closing balance	958927	2.10	958927	2.10
4	UTI-EQUITY FUND				
	Opening Balance	572682	1.25	572682	1.25
	Shares sold during the period 01/04/2015 to 31/03/2016	155475	0.34	417207	0.91
	Shares bought during the period 01/04/2015 to 31/03/2016	68684	0.15	485891	1.06
	Closing balance	485891	1.06	485891	1.06
5	LIFE INSURANCE CORPORATION OF INDIA				
	Opening Balance	507250	1.11	507250	1.11
	Shares sold during the period 01/04/2015 to 31/03/2016	54529	0.12	452721	0.99
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	452721	0.99
	Closing balance	452721	0.99	452721	0.99
6	FRANKLIN TEMPLETON INVESTMENT FUNDS AND SCHEMES				
	Opening Balance	390000	0.85	390000	0.85
	Shares sold during the period 01/04/2015 to 31/03/2016	110632	0.24	279368	0.61
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	279368	0.61
	Closing balance	279368	0.61	279368	0.61
7	PARI WASHINGTON COMPANY PVT. LTD.				
	Opening Balance	358294	0.78	358294	0.78
	Shares sold during the period 01/04/2015 to 31/03/2016	-	-	358294	0.78
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	358294	0.78
	Closing balance	358294	0.78	358294	0.78
8	THE ORIENTAL INSURANCE COMPANY LIMITED				
	Opening Balance	327829	0.72	327829	0.72
	Shares sold during the period 01/04/2015 to 31/03/2016	77436	0.17	250393	0.55
	Shares bought during the period 01/04/2015 to 31/03/2016	-	-	250393	0.55
	Closing balance	250393	0.55	250393	0.55
9	AXIS MUTUAL FUND TRUSTEE LIMITED AND SCHEMES				
	Opening Balance	223311	0.49	223311	0.49
	Shares sold during the period 01/04/2015 to 31/03/2016	183311	0.40	40000	0.09
	Shares bought during the period 01/04/2015 to 31/03/2016	10000	0.02	50000	0.11
	Closing balance	50000	0.11	50000	0.11
10	DB INTERNATIONAL (ASIA) LTD				
	Opening Balance	223124	0.49	223124	0.49
	Shares sold during the period 01/04/2015 to 31/03/2016	120633	0.26	102491	0.23
	Shares bought during the period 01/04/2015 to 31/03/2016	17083	0.04	119574	0.26
	Closing balance	119574	0.26	119574	0.26

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

Sr. No	Name of the Director	Shareholding at the Beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. R. A. Shah - Chairman				
	At the beginning of the year	3540	0.01	3540	0.01
	At the end of the year	3540	0.01	3540	0.01
2	Mr. Pradip Shah – Independent Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
3	Mr. Uday Khanna – Independent Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
4	Mr. Sunil Lalbhai – Independent Director				
	At the beginning of the year	2477	0.01	2477	0.01
	At the end of the year	2477	0.01	2477	0.01
5	Mr. S. Sridhar – Executive Director (Managing Director w.e.f. March 18, 2016)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
6	Mr. Vivek Dhariwal – Executive Director				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7	Ms. Lu Hong – Non-Executive Director (w.e.f. December 4, 2015)				
	On December 4, 2015	0	0	0	0
	At the end of the year	0	0	0	0
8	Mr. Aijaz Tobaccowalla – Managing Director up to October 16, 2015				
	At the beginning of the year	0	0	0	0
	At October 16, 2015	0	0	0	0
9	Dr. Lakshmi Nadkarni – Executive Director up to September 4, 2015				
	At the beginning of the year	0	0	0	0
	At September 4, 2015	0	0	0	0
10.	Mr. Ravi Prakash Bhagavathula – Chief Financial Officer w.e.f. May 13, 2015 (KMP)				
	On May 13, 2015	0	0	0	0
	At the end of the year	0	0	0	0
11.	Mr. Prajeet Nair – Company Secretary (KMP)				
	At the beginning of the year	1	0	1	0
	At the end of the year	1	0	1	0

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/KMP				Total Amount (₹)
		Mr.Aijaz Tobaccowalla	Mr.Vivek Dhariwal	Mr.S. Sridhar	Dr.Lakshmi Nadkarni	
		CEO and MD upto October 16, 2015	WTD	(i) WTD and CFO upto May 12, 2015; (ii) WTD from May 13, 2015 till March 17, 2016; and (iii) M.D. w.e.f March 18, 2016	WTD upto September 4, 2015	
1	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	25,846,354	13,952,888	16,346,087	5,724,161	61,869,490
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,184,360	113,800	28,800	-	6,326,960
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option*	-	1,966,234	7,808,434	-	9,774,668
3	Sweat Equity	-	-	-	-	-
4	Commission • As % of profit • Others, specify	-	-	-	-	-
5	Other please specify	-	-	-	-	-
	Total	32,030,714	16,032,922	24,183,321	5,724,161	77,971,118
	Ceiling as per the Act	205,412,073	205,412,073	205,412,073	205,412,073	410,824,145

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

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Mr. R. A. Shah	Mr. Pradip Shah	Mr. Uday Khanna	Mr. Sunil Lalbhai	
1. Independent Directors						
	• Fee for attending board / committee meetings	570,000	690,000	600,000	260,000	2,120,000
	• Commission	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
	• Others, please specify	-	-	-	-	-
	Total Managerial Remuneration	1,570,000	1,690,000	1,600,000	1,260,000	6,120,000
	Overall Ceiling as per the Act					41,082,415

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

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

Sr No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Mr. Ravi Prakash Bhagavathula CFO - Chief Financial Officer w.e.f. May 13, 2015	Mr. Prajeet Nair CS – Company Secretary	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15,459,199	3,602,599	19,061,798
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	25,426	25,426
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option*	-	594,442	594,442
3	Sweat Equity	-	-	-
4	Commission <ul style="list-style-type: none"> ● As % of profit ● Others, specify 	-	-	-
5	Other please specify	-	-	-
	Total	15,459,199	4,222,467	19,681,666

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

VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no instances of any penalties / punishment / compounding of offences for the year ended March 31, 2016.

Annexure – H

Corporate Governance Report

I. PFIZER'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

II. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Company is fully compliant with the Corporate Governance norms in respect of constitution of the Board of Directors ("the Board"). The Board at Pfizer represents an optimum mix of professionalism, knowledge, gender and experience. Presently, the Board comprises of 5 Non-Executive Directors (1 Woman Director and 4 Independent Directors) and 2 Executive Directors. Mr. R.A. Shah, Mr. Pradip Shah, Mr. Uday Khanna and Mr. Sunil Lalbhai are Non-Executive Independent Directors and Ms. Lu Hong is a Non-Executive Woman Director on the Board. Mr. S. Sridhar and Mr. Vivek Dhariwal are Executive Directors on the Board. The Chairman of the Board is a Non-Executive Independent Director. None of the Director is related to other Directors.

(b) Board Meetings

The Board meets at least once every quarter to review the quarterly results and other items of the Agenda and if necessary, additional meetings are held. The gap between two Board Meetings does not exceed 120 days. The Board is apprised and informed of all the important information relating to the business of the Company including those listed in Annexure - X to Clause 49 of the Listing Agreement and Part A of Schedule II to the Regulation 17 (7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") applicable effective December 1, 2015. The Chairman of the Board, the Managing Director and the Company Secretary discuss the items to be included in the Agenda and the Agenda is sent in advance to the Directors along with the draft of the relevant documents and explanatory notes wherever required, to enable the Board to discharge its responsibilities effectively and take informed decisions. The Company is in compliance with the provisions of the Secretarial Standards on the Meetings of the Board of Directors.

Five Board Meetings were held during the financial year under review. These Meetings were held on May 5, 2015, July 25, 2015, November 9, 2015, February 3, 2016 and March 17, 2016. The details of composition of the Board, number of Board Meetings held, attendance thereat and at the last Annual General Meeting ("AGM"), and the number of other Directorships, Memberships and/or Chairmanships held by each Director of the Board as on March 31, 2016, are set out below:

Name	Category of Directorship*	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the Last AGM	No. of other Directorships held	No. of other Committees of which Member/ Chairman
Mr. R. A. Shah (Chairman)	NED (I)	5	5	Yes	9	5/2
Mr. S. Sridhar (Managing Director w.e.f. March 18, 2016)	MD	5	4^	Yes	Nil	N.A.
Mr. Aijaz Tobaccowalla (Managing Director up to October 16, 2015)	MD	2	2	Yes	Nil	N.A.
Mr. Pradip Shah	NED (I)	5	5	Yes	8	6/1
Mr. Uday Khanna	NED (I)	5	5	Yes	4	3/2
Mr. Sunil Lalbhai	NED (I)	5	4^	Yes	5	2/Nil
Mr. Vivek Dhariwal	WTD	5	5	Yes	Nil	N.A.
Dr. Lakshmi Nadkarni (up to September 4, 2015)	WTD	2	2	Yes	Nil	N.A.
Ms. Lu Hong (w.e.f. December 4, 2015)	NED	2	Nil^	N.A.	Nil	N.A.

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

Notes:

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

III. BOARD COMMITTEES

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

AUDIT COMMITTEE

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

Mr. Pradip Shah, Mr. Uday Khanna and Mr. S. Sridhar are Chartered Accountants by profession. Mr. S. Sridhar was inducted as a Member of the Audit Committee with effect from May 6, 2016. Mr. R. A. Shah is a Solicitor by profession. All the members of the Audit Committee are professionals and financially literate within the meaning of Clause 49 of the Listing Agreement with the Stock Exchanges and Regulation 18 (1) (c) of the Listing Regulations. Mr. Prajeet Nair, Company Secretary, acts as the Secretary to the Committee.

Four Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed 120 days. These Meetings were held on May 5, 2015, July 25, 2015, November 9, 2015 and February 3, 2016. The details of the composition of the Audit Committee and the attendance of the Members at the Audit Committee Meetings are as under:

Name	Category*	Number of Meetings Held	Number of Meetings Attended
Mr. R.A. Shah (Chairman)	NED(I)	4	4
Mr. Pradip Shah	NED(I)	4	4
Mr. Uday Khanna	NED(I)	4	4
Mr. Aijaz Tobaccowalla (up to October 16, 2015)	MD	2	2
Mr. S. Sridhar (w.e.f. May 6, 2016)	MD	N. A.	N. A.

*MD - Managing Director, NED (I) - Non-Executive Director, Independent

The terms of reference of the Audit Committee includes the matters specified under Clause 49 (III) (D) of the Listing Agreement with Stock Exchanges and Part C of Schedule II to Regulation 18 (3) of the Listing Regulations as well as Section 177 of the Companies Act, 2013. The Chief Financial Officer, Internal Auditor and Statutory Auditors are permanent invitees to the Meeting. The Chairman of the Audit Committee was present at the 64th Annual General Meeting held on July 13, 2015. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Presently, the Stakeholders' Relationship Committee comprises of Mr. Uday Khanna as its Chairman, Mr. Sunil Lalbhai and Mr. Vivek Dhariwal as its Members. Mr. Prajeet Nair, Company Secretary, acts as the Secretary to the Committee and as the Compliance Officer. The details of the composition of the Stakeholders' Relationship Committee and the attendance of the Members at the Meeting held on February 3, 2016 are as under:

Name	Designation	Category*	Attendance at the Meeting held on February 3, 2016
Mr. Uday Khanna (Chairman)	Chairman	NED(I)	Yes
Mr. Sunil Lalbhai	Member	NED(I)	Yes
Mr. Vivek Dhariwal	Member	WTD	Yes

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

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified under Clause 49 (VIII) (E) (4) of the Listing Agreement with the Stock Exchanges and Part D of Schedule II to Regulation 20 (4) of the Listing Regulations as well as under Section 178 of the Companies Act, 2013. The Minutes of the Stakeholders' Relationship Committee Meeting were noted at the Board Meeting.

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

Nature of Complaints	Number of Complaints			
	As on April 1, 2015	Received during the financial year	Cleared/ attended during the financial year	Pending as on March 31, 2016
Non-receipt of dividend warrants	Nil	41	41	Nil
Non-receipt of share certificates after transfer, deletion of name, transmission, transposition, consolidation of folios & share certificates, correction of name, etc.	Nil	19	19	Nil
Non-receipt of Annual Report	Nil	4	4	Nil
Letters from SEBI, Stock Exchanges and Ministry of Corporate Affairs	Nil	7	7	Nil
Total	Nil	71	71	Nil

During the financial year under review, 71 complaints were received and all of them have been redressed/answered to the satisfaction of the shareholders. No investor grievance remained unattended/pending for resolution for more than 30 days and no request for share transfers and dematerialization received for the financial year under review was pending for more than the time limit prescribed under the Listing Agreement with the Stock Exchanges and the Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Four Corporate Social Responsibility Committee meetings were held during the financial year under review. These Meetings were held on May 5, 2015, July 25, 2015, November 9, 2015 and February 3, 2016. The details of composition of the Corporate Social Responsibility Committee and attendance of the Members at the Corporate Social Responsibility Meetings are as under:

Name	Category*	Number of Meetings held	Number of Meetings attended
Mr. Pradip Shah (Chairman)	NED(I)	4	4
Mr. Aijaz Tobacowalla (up to October 16, 2015)	MD	2	2
Mr. S. Sridhar	MD	4	4
Mr. Vivek Dhariwal (w.e.f. October 30, 2015)	WTD	2	2

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

Three Nomination and Remuneration Committee Meetings were held during the financial year under review. These Meetings were held on May 5, 2015, July 25, 2015 and March 17, 2016.

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

Name	Category*	Number of Meetings held	Number of Meetings attended
Mr. Pradip Shah (Chairman)	NED (I)	3	3
Mr. R.A. Shah	NED (I)	3	3
Mr. Uday Khanna	NED (I)	3	3
Mr. Aijaz Tobaccowalla (up to October 16, 2015)	MD	2	2
Dr. Lakshmi Nadkarni (up to September 4, 2015)	WTD	2	2
Ms. Lu Hong (w.e.f. February 3, 2016)	NED	1	NIL^

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

The Nomination and Remuneration Committee, *inter alia*, reviews and recommends to the Board, remuneration including the Bonus/Performance Linked Incentive of Managing Director, Whole-time Directors, Key Managerial and Senior Management Personnel based on the performance parameters for the executives and the Company, subject to the limits approved by the Members and as permitted by law. The terms of reference of the Nomination and Remuneration Committee include the matters specified under Clause 49 of the Listing Agreement with Stock Exchanges and Part D of Schedule II to Regulation 19 (4) of the Listing Regulations as well as under Section 178 of the Companies Act, 2013.

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

BOARD ADMINISTRATIVE & SHARE TRANSFER COMMITTEE

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

Name	Category*	Number of Meetings held	Number of Meetings attended^
Mr. S. Sridhar	MD	41	38
Mr. Vivek Dhariwal	WTD	41	40
Mr. Aijaz Tobaccowalla (up to October 16, 2015)	MD	24	9
Dr. Lakshmi Nadkarni (up to September 4, 2015)	WTD	18	17

*MD - Managing Director, WTD - Whole-time Director. ^ Leave of absence was granted

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

REMUNERATION TO DIRECTORS

There has been no materially significant related party transactions, pecuniary relationships or transactions between Pfizer Limited and its Directors for the financial year under review that may have a potential conflict with the interest of the Company at large.

(a) Executive Directors

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

Name	Remuneration			Total
	Salary	Benefits and Perquisites*	Performance Linked Incentives	
Mr. Aijaz Tobaccowalla (Managing Director up to October 16, 2015)	146.38	173.92	N.A.	320.30
Mr. S. Sridhar (Managing Director w.e.f. March 18, 2016)	129.61	86.00	26.22	241.83
Mr. Vivek Dhariwal	107.92	28.07	24.34	160.33
Dr. Lakshmi Nadkarni (up to September 4, 2015)	37.77	4.90	14.57	57.24

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

(₹ In Lakhs)

(i) Service Contracts, Severance Fees and Notice Period

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

The appointment of Managing Director/Whole-time Director(s) are by way of Board Resolution and service/employment contracts. These contracts are terminable by either party by serving notice of three months. There is no separate provision for payment of severance fee under the resolutions/contracts governing the appointment of Managing Director and Whole-time Director(s).

(ii) Employee Stock Option Scheme

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

(iii) Performance Linked Incentive criteria

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

(iv) Mr. S. Sridhar and Mr. Vivek Dhariwal do not hold any equity shares of the Company.

(b) Non-Executive Directors

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

(₹ in Lakhs)				
Name	Sitting Fees	Commission	Total	Number of shares held
Mr. R.A. Shah	5.70	10.00	15.70	3,540
Mr. Pradip Shah	6.90	10.00	16.90	Nil
Mr. Uday Khanna	6.00	10.00	16.00	Nil
Mr. Sunil Lalbhai	2.60	10.00	12.60	2,477
Ms. Lu Hong (w.e.f December 4, 2015)	N.A.	N.A.	N.A.	Nil
Total	21.20	40.00	61.20	-

- The Commission payable to the Resident Non-Executive Directors is decided by the Board of Directors of the Company within the limits stipulated by the Special Resolution passed at the 62nd Annual General Meeting held on September 6, 2013. The amount of Commission payable to each of the Resident Non-Executive Director is decided by the Board on the basis of the role and responsibility as Chairman/Member of the Board and of the Board Committee(s) and overall financial performance of the Company. Ms. Lu Hong being Non-resident Non-independent Director is not eligible for the Commission and Sitting fees.
- Mr. R. A. Shah is a senior partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, who have a professional relationship with the Company. The fees earned by M/s. Crawford Bayley & Co. from Pfizer Limited constitutes less than 1% of the total revenue of M/s. Crawford Bayley & Co. in each year during the last three financial years. As per the view of the Board of Directors and also as per the legal opinion sought on the subject of Independence of Mr. R. A. Shah, the legal firm, M/s. Crawford Bayley & Co. does not have a material association with the Company. The professional fees of ₹83.78 Lakhs that was paid to them during the financial year under review is not considered material enough to impinge on the independence of Mr. R. A. Shah.
- Besides payment of commission and sitting fees, and dividend on equity shares held, if any, by the Directors, no other payments have been made or transactions of a pecuniary nature entered into by the Company with the Directors.

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

As required under Regulation 17 (8) of the Listing Regulations, the CEO and CFO Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2016, was placed before Board of Directors at its Meeting held on May 6, 2016.

V. GENERAL BODY MEETINGS

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

AGM	Financial Year	Date and Time	Venue of the AGM
64 th	2014-2015	July 13, 2015 at 3.00 p.m.	Yashwantrao Chavan Pratishtan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.
63 rd	2013-2014	November 10, 2014 at 10.30 a.m.	
62 nd	2012-2013	September 6, 2013 at 3.00 p.m.	

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

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

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

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

A Special Resolution was passed at the 62nd Annual General Meeting of the Company held on September 6, 2013, for payment of commission to Resident Indian Non-Executive Directors of the Company at the rate of 1% of the net profits of the Company subject to a maximum limit of ₹80,00,000/- (Rupees Eighty Lakhs only) per annum, to be computed in the manner laid down in Section 198(1) of the erstwhile Companies Act, 1956, for a period of five years commencing from December 1, 2013.

(c) Passing of Special Resolutions by Postal Ballot

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

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

VI. OTHER DISCLOSURES

(a) Related party transactions

The Company has not entered into any materially significant related party transactions with its Promoters, Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company has disclosed details of material transactions with related parties to the BSE Limited and the National Stock Exchange of India Limited along with the compliance report on corporate governance.

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

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

Transactions with the related parties as per requirements of Accounting Standard 18 are disclosed in Note 38 to the financial statements in the Annual Report and they are not in conflict with the interest of the Company at large. The Audit Committee has reviewed the related party transactions as mandatorily required under relevant provisions of the Listing Agreement with Stock Exchanges and Listing Regulations. The said transactions are in the ordinary course of business and at arm's length basis. The Company had taken omnibus approvals for indicative transactions proposed during the financial year ended March 31, 2016.

(b) Compliances by the Company

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

(c) Code of Conduct

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. This commitment stands evidenced by the Model Code of Conduct adopted by the Board of Directors at their meeting held on December 30, 2004 which is applicable to each member of the Board of Directors and Senior Management of the Company.

The Company has received confirmations from all the Directors and Senior Management of the Company regarding compliance with the said Code for the financial year under review. A certificate from Mr. S. Sridhar, Managing Director to this effect forms part of this Report. The said Code is also displayed under the Investor Relations section on the Company's website 'www.pfizerindia.com'.

(d) Whistle Blower / Vigil Mechanism

The Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said Mechanism provides for adequate safeguards against victimization and also direct access to the higher levels of supervisors.

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

(e) Risk Management framework

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework. The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company.

(f) Management Discussion and Analysis

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

(g) Adherence to Accounting Standards

The Financial Statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 and other relevant provision of the Companies Act, 1956 to the extent applicable.

(h) Board Diversity

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

(i) Familiarization Program for Independent Directors

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

(j) Performance Evaluation Criteria for Independent Directors

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

(k) Unclaimed Suspense Account

The details with respect to the shares held by the Company in its unclaimed suspense account are provided in Note No. 8 to the Notice of the 65th Annual General Meeting of the Company.

(l) Mandatory Requirements

The Company is in compliance with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement with Stock Exchanges and the provisions of the Listing Regulations, as amended from time to time. The adoption of non-mandatory requirements is provided in this Report.

VII. MEANS OF COMMUNICATION**Financial Results**

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

Presentation to Institutional Investors / Analysts

Four tele-conferences were held with Institutional Investors / Analysts on May 8, 2015, July 27, 2015, November 10, 2015 and February 4, 2016. The transcript of the same were put on the Company's website 'www.pfizerindia.com'. The official news releases are also displayed under the Investor Relations section on the website of the Company.

VIII. GENERAL SHAREHOLDER INFORMATION**Date, Day, Time and Venue of the Annual General Meeting**

Date : July 5, 2016

Day : Tuesday

Time : 3.00 p.m.

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

Financial Year

The financial year of the Company is from 1st April to 31st March.

Financial Calendar (Tentative)

First Quarter Results August 5, 2016

Second Quarter Results November 4, 2016

Third Quarter Results January 30, 2017

Fourth Quarter and Annual Results May 5, 2017

Date of Book Closure

June 29, 2016 (Wednesday) to July 5, 2016 (Tuesday) {both days inclusive}

Dividend Payment Date

The Board of Directors at its meeting held on May 6, 2016, has recommended a dividend of ₹15.00/- (150%) per equity share for the financial year ended March 31, 2016. Dividend for the financial year ended March 31, 2016, as recommended by the Board of Directors of the Company, if approved at the Annual General Meeting, will be paid to the Members on July 20, 2016 as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Tuesday, June 28, 2016;
- ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Tuesday, June 28, 2016.

Listing on Stock Exchanges

The Company is listed on the following

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

Stock Code

BSE Limited - 500680

The National Stock Exchange of India Limited - PFIZER EQ

International Securities Identification Number (ISIN)

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

Address for Correspondence

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

Registrar and Share Transfer Agents Address

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

Registered Office Address

(w.e.f. November 6, 2015)
Pfizer Limited
The Capital, 1802/1901,
Plot No. C-70, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051.
Website: www.pfizerindia.com
Email ID: prajeet.nair@pfizer.com; contactus.india@pfizer.com
L24231MH1950PLC008311

Share Transfer System

The Board has authorized Board Administrative & Share Transfer Committee to approve / authorize matters relating to share transfers / transmission, issue of duplicate shares, etc. At each Board Meeting, the Directors are apprised of the details of transfer / transmission / issue of duplicate shares authorized by the Board Administrative & Share Transfer Committee. The Company's Registrars, M/s. Karvy Computershare Pvt. Ltd. has adequate infrastructure to process the share transfers. The share transfers received are processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects along with the requisite documents.

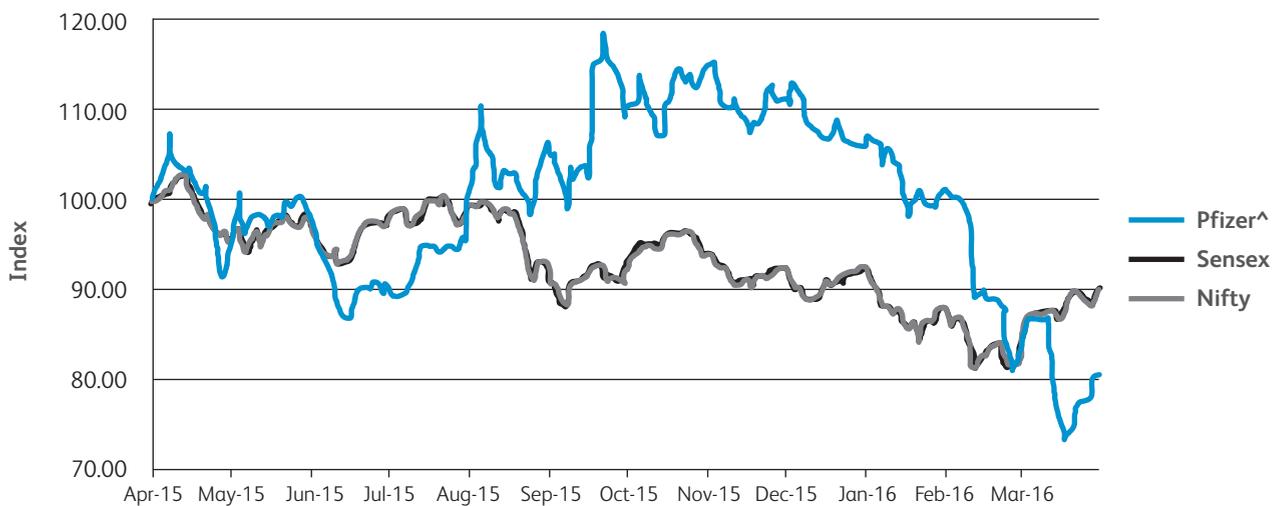
Dematerialization requests are processed within 21 days from the date of receipt, to give credit of the shares through the Depositories. In compliance with the Listing Agreement with the Stock Exchanges and the Listing Regulations, every six months, a Practicing Company Secretary audits the System of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

***MARKET PRICE DATA**

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

Month and Year	BSE Limited		The National Stock of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	2425.00	1980.00	2429.60	1985.00
May 2015	2283.80	2097.30	2286.25	2095.55
June 2015	2209.95	1907.15	2212.00	1605.00
July 2015	2204.70	1975.00	2210.00	1953.70
August 2015	2525.00	2100.00	2522.00	2080.00
September 2015	2724.00	2173.00	2724.90	2170.00
October 2015	2599.00	2366.05	2597.00	2362.50
November 2015	2648.00	2361.60	2645.00	2370.30
December 2015	2540.00	2341.35	2548.00	2325.50
January 2016	2445.00	2140.00	2411.25	2132.45
February 2016	2350.00	1715.00	2379.85	1755.00
March 2016	1945.00	1611.00	1950.00	1610.10

* Source: BSE and NSE Websites.

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

^ Pfizer share price on BSE

DISTRIBUTION OF SHAREHOLDING

(a) Shareholding Pattern as on March 31, 2016:

Category of Shareholder	Number of Shares	Percentage of Shareholding
Promoters		
Pfizer East India B.V., Netherlands	18186334	39.75
Wyeth LLC, USA	5617707	12.28
Wyeth Holdings Corporation, USA	1630164	3.56
Warner-Lambert Company LLC, USA	1187163	2.60
Parke, Davis & Company LLC, USA	955733	2.09
John Wyeth & Brother Ltd, UK	882000	1.93
Pharmacia Corporation, USA	783941	1.71
Sub-Total	29243042	63.92
Non-Promoters		
Mutual Funds/UTI	3008707	6.58
Financial Institutions/Banks	11812	0.03
Insurance Companies	724539	1.58
Foreign Institutional Investors	2003960	4.38
Bodies Corporate	2843336	6.22
Individuals	7611272	16.64
Directors & Relatives	6017	0.01
Trusts	3823	0.01
Foreign Bodies Corporate	1035	0.00
Non-resident Indians	251563	0.55
Clearing Members	38626	0.08
Sub-Total	16504690	36.08
Total	45747732	100.00

(b) Class-wise Distribution of Equity Shares as on March 31, 2016:

Number of Equity Share Holding	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 50	57780	65.42	1194237	2.61
51 – 100	13623	15.42	1072207	2.34
101 – 500	14883	16.85	2912581	6.37
501 – 1000	1186	1.34	837017	1.83
1001 – 5000	687	0.78	1284618	2.81
5001 – 10000	50	0.06	369898	0.81
10001 & Above	117	0.13	38077174	83.23
Total	88326	100.00	45747732	100.00

Dematerialization of Shares and Liquidity

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

As on March 31, 2016, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage to Total Capital Issued	Number of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	43200067	94.43	53693	60.79
Held in dematerialized mode in CDSL	1417566	3.10	16779	19.00
Sub-Total (dematerialized mode)	44617633	97.53	70472	79.79
Physical mode	1130099	2.47	17854	20.21
Total	45747732	100.00	88326	100.00

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

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

Foreign exchange risk and hedging activities

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

Plant Location

- i. Plot No. L-137, Phase III Verna Industrial Estate, Verna – 403 722, Goa
 - ii. Thane Belapur Road*
KU Bazar Post
Navi Mumbai - 400 705
- * During the financial year ended March 31, 2016, the Company had entered into an agreement for sale of Business Undertaking at the Thane plant.

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

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

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

For and on behalf of the Board of Directors

Mumbai, May 6, 2016

R. A. Shah
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Pfizer Limited

We have examined the compliance of conditions of Corporate Governance by Pfizer Limited ("the Company") for the year ended on 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of 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/ Listing Regulations, as applicable.

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. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
6 May 2016

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

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2016.

For Pfizer Limited

S. Sridhar
Managing Director

Mumbai, May 6, 2016

Independent Auditor's Report

To The Members of Pfizer Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Pfizer Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 and 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2016.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
6 May 2016

Sdashiv Shetty
Partner
Membership No: 048648

Annexure A to the Independent Auditor's Report

31 March 2016

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Certain fixed assets were verified during this year as per this program. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has applied to the relevant authorities, for transfer of land acquired pursuant to the Scheme of amalgamation with Wyeth Limited, in its name. Title deeds of other immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act. Accordingly, paragraph 3 (v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues set out in Appendix I in respect of income tax, sales tax, service tax, duty of customs, value added tax and duty of excise have not been deposited by the Company with the appropriate authorities on account of disputes.
- (viii) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.

- (ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us, upon expiry of the ex-managing director's tenure of appointment effective 15 August 2015, the Board of Directors of the Company had re-appointed the ex-managing director for a further period of six months. The ex-managing director resigned with effect from 16 October 2015. The said re-appointment and his remuneration are subject to the approval of the shareholders at the ensuing annual general meeting. The Board of Directors at its meeting held on 17 March 2016 appointed the current managing director. The appointment and remuneration of the current managing director are subject to the approval of the shareholders at the ensuing annual general meeting. The managerial remuneration paid to the other directors is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Mumbai
6 May 2016

Sadashiv Shetty
Partner
Membership No: 048648

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2016 (CONTINUED)

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

Name of the Statute	Forum where dispute is pending	Period to which the amount relates	Nature of dues	Amount (₹ in lakhs)
The Income tax Act, 1961	Commissioner of Income tax, Appeals	2004-05 to 2008-09, 2010-13	Tax and Interest	5,714.80
	Commissioner of Income tax, Appeals	2010 - 2013	Non-deduction/ short deduction	3,070.77
	Income Tax Appellate Tribunal	1994-95, 1999-2000, 2002-03, 2007 - 2010	Tax and interest	12,354.16
	Income Tax Appellate Tribunal	2004-10	Non-deduction/ short deduction	67.84
The Central Excise Act, 1944	Customs Excise Service Tax Appellate tribunal	1985-2006	Duty and penalty	1,043.04
	Assistant Commissioner of Central Excise	1975 to 1982, 1986-1987, 1993, 1996 to 1999	Duty including interest and penalty	270.11
	Supreme Court of India	1998	Duty and penalty	14.55
	Commissioner (Appeals)	1992 to 1997 and 2005-06	Duty and penalty	662.56
	Bombay High Court	2004-2005	Duty and penalty	2.24
Customs Act, 1962	Commissioner of Appeals	1995	Duty and penalty on imports and other disputes	1.06
	Supreme Court of India	1996-1997	Duty and penalty on imports and other disputes	41.92
The Finance Act, 1994 (Service Tax)	Bombay High Court	1997-2001	Duty and penalty	193.11
Value Added Tax Act and State and Central Sales Tax	Additional Commissioner	1995-96, 1997-98 to 1998-99, 2008-09, 2010-11, 2012-13 to 2013-14	Tax	131.53
	Additional Commissioner (Appeals)	1998-99	Tax	6.42
	Assessing authority	2006-07, 2008-09 to 2012-13	Tax and penalty	438.55
	Assistant Commissioner	1986-87 and 2004-05	Tax	3.47
	Commissioner	2005-06	Tax	58.12
	Commissioner (Appeals)	2002-03, 2009-10 to 2011-12	Tax	53.59
	Deputy Commissioner	1993-94 to 1994-95, 1996-97, 2005-06 to 2011-12	Tax	4,423.35
	Deputy Commissioner (Appeals)	1983-84, 1985-86 - 1986-87, 1993-94 to 1995-96, 1998-99 to 2005-06, 2012-13	Tax	6,879.01
	First Appellate Authority	2005-06 to 2013-14	Tax, Interest and penalty	3,734.03
	Joint Commissioner	2001-02 to 2002-03, 2004-05 to 2011-12	Tax, Interest and penalty	19,701.67
	Joint Commissioner (Appeals)	2005-06 to 2006-07, 2009-10 to 2010-11, 2012-13	Tax, Interest and penalty	320.79
	Revision board	2006-07 to 2009-10	Tax	88.04
	Second Appellate Authority	2008-09	Tax and penalty	0.30
	Supreme Court of India	1992-93	Tax	10.27
	Senior Joint Commissioner Tribunal	2003-04	Tax	8.46
		1994-95 to 1996-97, 2002-03, 2005-06 to 2010-11	Tax	340.22

Annexure 'B' to the Independent Auditor's Report

31 March 2016

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pfizer Limited ("the Company"), as of 31 March, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP

Chartered Accountants

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

Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

6 May 2016

Balance Sheet

as at 31 March 2016

	Note	31 March 2016	Currency: ₹ in lakhs 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	4,574.95	4,574.95
Reserves and surplus	5	2,07,224.34	1,92,726.23
		2,11,799.29	1,97,301.18
Non-current liabilities			
Long-term borrowings	6	250.22	250.22
Other long-term liabilities	7	10.00	10.00
Long-term provisions	8	3,374.43	2,956.43
		3,634.65	3,216.65
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	9	304.24	201.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	9	33,500.65	33,219.05
Other current liabilities	10	18,151.69	8,058.82
Short-term provisions	11	23,980.28	19,372.46
		75,936.86	60,851.62
TOTAL		2,91,370.80	2,61,369.45
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	9,832.77	7,509.19
Intangible assets	12	76,059.40	86,924.60
Capital work-in-progress		326.96	1,255.97
		86,219.13	95,689.76
Non Current investments	13	3,651.12	4,266.19
Deferred tax assets (net)	14	7,550.93	6,713.90
Long-term loans and advances	15	30,965.08	29,497.47
		1,28,386.26	1,36,167.32
Current assets			
Current investments	13	432.57	-
Inventories	16	36,068.00	38,790.14
Trade receivables	17	14,229.78	16,001.59
Cash and bank balances	18	1,02,464.95	60,928.70
Short-term loans and advances	19	6,854.81	8,051.96
Other current assets	20	2,934.43	1,429.74
		1,62,984.54	1,25,202.13
TOTAL		2,91,370.80	2,61,369.45
Significant accounting policies	2		
Notes to the financial statements	3 - 47		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

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

Chartered Accountants

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

Sadashiv Shetty

Partner

Membership No. 048648

R. A. Shah

Chairman

DIN:00009851

Uday Khanna

Director

DIN:00079129

Pradip Shah

Director

DIN:00066242

S. S. Lalbhai

Director

DIN:00045590

S. Sridhar

Managing Director

DIN:05162648

Vivek Dhariwal

Wholesale Director

DIN:02826679

Ravi Prakash Bhagavathula

Chief Financial Officer

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai, 06 May 2016

Mumbai, 06 May 2016

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

CIN No : L24231MH1950PLC008311

Statement of Profit and Loss

for the year ended 31 March 2016

	Note	Year ended 31 March 2016	Currency: ₹ in lakhs Year ended 31 March 2015
Revenues			
Revenue from operations (gross)		2,07,627.66	1,90,076.26
Less: Excise duty		8,141.96	7,301.82
Revenue from operations (net)	21	1,99,485.70	1,82,774.44
Other operating income	22	2,215.99	2,557.40
Other income	23	8,573.83	6,734.61
Total revenues		2,10,275.52	1,92,066.45
Expenses			
Cost of materials consumed	24a & b	37,095.43	38,583.50
Purchases of stock-in-trade	24c	36,208.66	43,638.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24d	5,188.80	(8,236.14)
Employee benefits	25	27,575.14	23,635.86
Finance costs	26	52.30	76.88
Depreciation and amortization	27	12,386.64	13,107.71
Other expenses	28	52,536.05	49,414.33
Total expenses		1,71,043.02	1,60,220.14
Profit before exceptional items, tax and the impact of the Scheme of Amalgamation		39,232.50	31,846.31
Exceptional items (Refer note 44)		988.65	(8,044.72)
Profit before tax and impact of the Scheme of Amalgamation		40,221.15	23,801.59
Tax expense			
Current tax		18,780.84	15,099.72
Deferred tax (credit)		(837.02)	(1,332.07)
Profit for the year before impact of the Scheme of Amalgamation		22,277.33	10,033.94
Impact of the Scheme of Amalgamation relating to financial year 2013-14	3		
(i) Profit after tax of erstwhile Wyeth Limited, the amalgamating company		-	8,791.99
(ii) Depreciation / amortization on fair valuation of fixed assets (net of tax)		-	(11,844.00)
Profit for the year		22,277.33	6,981.93
Earnings per share (of ₹10/- each): (Basic & diluted)			
(a) Computed on the basis of profit for the year	40	48.70	15.26
(b) Computed on the basis of profit for the year before the impact of the Scheme of Amalgamation			
(i) before exceptional items (net of tax)		47.28	34.18
(ii) after exceptional items (net of tax)		48.70	21.93
Significant accounting policies	2		
Notes to the financial statements	3 - 47		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

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

Chartered Accountants

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

Sadashiv Shetty

Partner

Membership No. 048648

R. A. Shah

Chairman

DIN:00009851

Uday Khanna

Director

DIN:00079129

Pradip Shah

Director

DIN:00066242

S. S. Lalbhai

Director

DIN:00045590

S. Sridhar

Managing Director

DIN:05162648

Vivek Dhariwal

Wholesale Director

DIN:02826679

Ravi Prakash Bhagavathula

Chief Financial Officer

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai, 06 May 2016

Mumbai, 06 May 2016

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

CIN No : L24231MH1950PLC008311

Cash Flow Statement

for the year ended 31 March 2016

	Year ended 31 March 2016	Year ended 31 March 2015
Currency: ₹ in lakhs		
A Cash Flow from Operating Activities :		
Profit before tax and impact of the Scheme of Amalgamation	40,221.15	23,801.59
Adjustments for :		
Depreciation and amortization	12,386.64	13,107.71
Expense on Employees stock option schemes	480.08	-
Unrealised foreign exchange gain (Net)	(149.22)	(53.06)
Interest income	(5,633.38)	(4,453.55)
Rental income and surrender of lease rights	(2,242.32)	(1,551.81)
Loss / (Profit) on fixed assets sold / discarded (Net)	19.52	(13.01)
Provision for doubtful trade receivables and advances	158.83	(436.98)
Provisions no longer required written back	(265.15)	(510.60)
Operating profit before working capital changes	44,976.15	29,890.29
Adjustments for :		
(Increase) / Decrease in trade receivables and Other assets	1,241.08	(3,398.75)
(Increase) / Decrease in inventories	2,722.15	(7,882.36)
Increase in trade and other payables	568.78	8,336.89
Increase / (Decrease) in provisions (excluding proposed dividend, tax on proposed dividend, income tax provision)	2,257.57	(1,097.59)
Cash generated from operations	51,765.73	25,848.48
Direct taxes paid (Net)	(17,402.76)	(14,501.29)
Net cash from operating activities after exceptional items (A)	34,362.97	11,347.19
B Cash Flow from Investing Activities :		
Purchase of fixed assets	(4,051.14)	(2,056.60)
Proceeds from sale of fixed assets	22.75	35.72
Advance proceeds received for sale of property	9,626.00	-
Bank deposits (having original maturity of more than three months)	(83,267.53)	(12,096.65)
Rental income on properties and proceeds from surrender of lease rights	2,242.32	1,320.15
Interest received	5,518.18	3,919.92
Net cash from in investing activities (B)	(69,909.42)	(8,877.46)
C Cash Flow from Financing Activities :		
Dividend paid on equity shares	(5,024.06)	(137.84)
Tax paid on dividend	(1,164.14)	-
Net cash (used) in financing activities (C)	(6,188.20)	(137.84)
Net Increase in Cash & Cash equivalents (A)+(B)+(C)	(41,734.65)	2,331.89

	Year ended 31 March 2016	Year ended 31 March 2015
Cash and Cash equivalents at the beginning of the year (note 1)	48,839.91	30,786.20
Add: Acquired pursuant to the Scheme of Amalgamation (Refer note 3)	-	15,721.82
Cash and Cash equivalents at the end of the year (note 1)	7,105.26	48,839.91
	(41,734.65)	2,331.89
Notes :		
1 Cash and cash equivalents	7,100.76	48,832.05
Unrealised translation gain on foreign currency cash and cash equivalents	4.50	7.86
	7,105.26	48,839.91

Currency: ₹ in lakhs

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

3 Previous year figures have been regrouped where necessary.

As per our report of even date attached

For and on behalf of the Board of Directors of Pfizer Limited
CIN No : L24231MH1950PLC008311

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

Chartered Accountants

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

R. A. Shah

Chairman

DIN:00009851

Pradip Shah

Director

DIN:00066242

S. Sridhar

Managing Director

DIN:05162648

Sadashiv Shetty

Partner

Membership No. 048648

Uday Khanna

Director

DIN:00079129

S. S. Lalbhai

Director

DIN:00045590

Vivek Dhariwal

Wholesale Director

DIN:02826679

Ravi Prakash Bhagavathula

Chief Financial Officer

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai, 06 May 2016

Mumbai, 06 May 2016

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

1 Background

The Company is a Public limited Company, incorporated under the Indian Companies Act, 1913, having its registered office in Mumbai, Maharashtra and is listed on BSE Ltd. and the National Stock Exchange of India Limited. The Company is engaged in manufacturing, marketing, trading and export of Pharmaceutical products. The Company has its own manufacturing facility at Thane and Goa. The Company has various independent contract / third party manufacturers based across the country. The Company sells its products through independent distributors primarily in India.

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting and in accordance with the accounting principles generally accepted in India and comply with the accounting standards specified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Account) Rules, 2014 and other relevant provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Estimates and underlying assumptions are reviewed on an ongoing basis.

(c) Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of its activities and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(d) Fixed assets and depreciation / amortization

Tangible fixed assets

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

(ii) Assets costing individually up to ₹5,000 are written off and those costing more than ₹5,000 but up to equivalent rupees of US\$5,000 are fully depreciated in the year of purchase except that -

“multiple-like items” the cost of which is over equivalent rupees of US\$ 10,000 in the aggregate; and

“unlike items of a capital nature within an asset category” for large scale projects the aggregate cost of which exceeds US\$ 10,000 are considered as one asset and depreciated in accordance with the accounting policy stated in (iii) below.

(iii) Depreciation for the year has been provided as per the rates determined in Part C of Schedule II of the Act or based on estimated useful life of the assets determined by the management.

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.

Currency: ₹ in lakhs

- (iv) Depreciation on assets other than those specified in (ii) and (iii) above are provided at:

Assets	Rate
Land : Leasehold	Amortized over the lease period
Buildings : On leasehold land	Rate based on lease period
Leasehold improvements	Amortized over the lease period

Assets acquired under the Scheme of Amalgamation from erstwhile Wyeth Limited are depreciated over the estimated residual useful life of the assets as determined by an independent expert:

Assets	Rate
Computers	16.66% to 50%
Furniture	33.33% to 50%
Office Equipment	14.28% to 100%
Machinery & Equipment	8.33% to 100%
Vehicles	25% to 50%

Intangible fixed assets

- (i) Intangible assets comprises of Trademarks and Cost of Application Software.

(a) Trademarks are amortized on a straight line basis, over a period of 10 years.

(b) Cost of Application Software are recorded at its acquisition cost and is amortized on straight-line basis over 3 to 5 years, which in management's estimate represents the period during which economic benefits will be derived from their use. Cost of Application Software not exceeding ₹50 lakhs is being charged to the statement of profit and loss.

- (ii) Goodwill is amortized on a straight line basis over a period of 10 years.

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.

(e) Impairment of assets

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

(f) Foreign exchange transactions

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

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

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

(g) Investments

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

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

(h) Inventories

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

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

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

(i) Samples

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

(j) Revenue recognition

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

(k) 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. Benefits such as salaries, wages, bonus, short term compensated absences and the expected cost of ex-gratia is recognized in the period in which the employee renders the related service.

Long term employee benefits

(i) Defined contribution plan

The Company's contribution towards employees' Superannuation plan is recognized as an expense during the year.

(ii) Defined benefit plans

Provident fund

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

Currency: ₹ in lakhs

Gratuity plan

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

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

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

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

(iii) Other Long-term employment benefits

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

(l) Leases

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

(m) Voluntary Retirement Scheme (VRS)

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

(n) Taxation

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

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

(o) 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.

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

(p) Provisions and contingent liabilities

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

(q) Employee Stock options scheme

The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

3 Amalgamation of Wyeth Limited with the Company during financial year 2014-15

In the previous year, the Scheme of Amalgamation ('Scheme') between the Company and Wyeth Limited with an appointed date of 1 April 2013, whereby all the assets and liabilities of Wyeth Limited which were transferred to and vested in the Company, have been recorded at their fair values from the appointed date.

The said Scheme received the approval of the Hon'ble High Court of Judicature at Mumbai on 31 October 2014 and subsequent to approvals by other relevant regulatory authorities; the Scheme became effective on 1 December 2014. Since the Scheme received all the requisite approvals after the financial statements for the year ending 31 March 2014 were authorised by the shareholders, the impact of amalgamation has been given in the previous financial year with effect from the appointed date.

In accordance with the provisions of the aforesaid Scheme,

- i) The approved share swap ratio was 7 equity shares of the face value of ₹10 each fully paid up of the Company for every 10 equity shares of the face value of ₹10 each fully paid up of Wyeth Limited. Accordingly, for a total consideration of ₹131,379 lakhs, the Company allotted and issued 15,906,292 equity shares of ₹10 each to the shareholders of erstwhile Wyeth Limited in December 2014, and accounted for the share premium of ₹129,879 lakhs in the previous year.
- ii) The amalgamation was accounted under the "Purchase Method" as per Accounting Standard 14 - Accounting for Amalgamations, as referred to in the Scheme of Amalgamation approved by the High court.
- iii) The transfer of assets and liabilities of Wyeth Limited at fair values was effected from "appointed date" of 1 April 2013 as defined in the Scheme.
- iv) Fair value of assets and liabilities acquired from Wyeth Limited aggregated to ₹22,724 lakhs. The total purchase consideration paid was ₹131,379 lakhs. The Company recognised intangible assets of ₹42,720 lakhs and resultant goodwill of ₹65,935 lakhs.

Currency: ₹ in lakhs

4 Share capital

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹10 each	52,844,080	5,284.41	52,844,080	5,284.41
Unclassified shares of ₹10 each	10,155,920	1,015.59	10,155,920	1,015.59
	63,000,000	6,300.00	63,000,000	6,300.00
Issued				
Equity shares of ₹10 each	45,750,372	4,575.04	45,750,372	4,575.04
Subscribed and fully paid up				
Equity shares of ₹10 each	45,747,732	4,574.77	45,747,732	4,574.77
Forfeited equity shares	2,640	0.18	2,640	0.18
Total	45,750,372	4,574.95	45,750,372	4,574.95

Notes:

4.1 Reconciliation of the number of equity shares and amount outstanding at the commencement and at the end of the reporting year:

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Balance at the commencement of the year	45,750,372	4,574.95	29,844,080	2,984.32
Additions: Shares issued pursuant to the Scheme of Amalgamation (Refer note3)	-	-	15,906,292	1,590.63
Balance at the end of the year	45,750,372	4,574.95	45,750,372	4,574.95

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

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹10 each fully paid up held by:				
Ultimate Holding Company				
Pfizer Inc., USA	-	-	-	-
Subsidiaries of the ultimate holding company				
Pfizer East India B.V.	18,186,334	1,818.63	18,186,334	1,818.63
Wyeth LLC, USA	5,617,707	561.77	5,617,707	561.77
Wyeth Holdings Corporation, USA	1,630,164	163.02	1,630,164	163.02
Warner - Lambert Company, LLC, USA	1,187,163	118.72	1,187,163	118.72
Parke Davis & Company, LLC, USA	955,733	95.57	955,733	95.57
John Wyeth & Brother Ltd, UK	882,000	88.20	882,000	88.20
Pharmacia Corporation, USA	783,941	78.39	783,941	78.39

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

4.3 Shareholders holding more than 5% shares as on 31 March 2016 and 31 March 2015

	31 March 2016		31 March 2015	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹10 each fully paid up held by:				
Pfizer East India B. V.	18,186,334	39.75	18,186,334	39.75
Wyeth LLC, USA	5,617,707	12.28	5,617,707	12.28

4.4 Pursuant to the Scheme of Amalgamation of erstwhile Wyeth Limited with the Company 15,906,292 shares of face value ₹10 each were issued during the previous year to the shareholders of erstwhile Wyeth Limited for consideration other than cash. During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares.

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

5 Reserves and surplus

	31 March 2016	31 March 2015
Securities premium account		
At the commencement of the year	132,066.70	2,277.70
Additions: Premium on issue of equity shares pursuant to the Scheme of Amalgamation (Refer note 3)	-	129,789.00
At the end of the year	132,066.70	132,066.70
General reserve		
At the commencement and at the end of the year	30,192.12	30,192.12
Capital Reserve		
At the commencement of the year	-	-
Add: Additions during the year (Refer note 41)	480.08	-
At the end of the year	480.08	-
Surplus		
At the commencement of the year	30,467.41	30,387.11
Add: Profit for the year	22,277.33	6,981.93
Less: Adjustment on account of depreciation (Refer note 12.2)	-	19.02
Less: Appropriations		
Proposed equity dividend (₹15.00 per share, March 2015: ₹12.50 per share)	6,862.16	5,718.47
Tax on Proposed equity dividend	1,397.14	1,164.14
At the end of the year	44,485.44	30,467.41
Total	207,224.34	192,726.23

6 Long-term borrowings (Unsecured)

	31 March 2016	31 March 2015
Loans and advances from related parties		
John Wyeth & Brother Limited, India Branch	250.22	250.22
Total	250.22	250.22

The amount represents purchase consideration payable to John Wyeth and Brother Limited, UK for the transfer of its undertaking in India to erstwhile Wyeth Limited. The amount has been retained as an interest free unsecured loan as per the directives of the Reserve bank of India (RBI) in this regard pending appropriate clearance from the Income tax authorities.

Currency: ₹ in lakhs

7 Other long-term liabilities

	31 March 2016	31 March 2015
Security deposits	10.00	10.00
Total	10.00	10.00

8 Long-term provisions

	31 March 2016	31 March 2015
Provision for employee benefits		
Compensated absences (Refer note 25.1)	625.14	-
Gratuity (Refer note 25.1)	-	225.32
Other provisions		
Demands under DPCO (Refer note 8.1(b) and note 29)	1,987.94	1,987.94
Sales return (Refer note 8.1(a))	558.57	540.39
Customs and Central Excise (Refer note 8.1(c) and note 29)	202.78	202.78
Total	3,374.43	2,956.43

8.1 Additional disclosure relating to certain provisions

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

	Opening	Additions	Utilisation / Reversals	Closing
(a) Sales Return				
March 2016	540.39	646.65	628.47	558.57
March 2015	(402.27)	(805.53)	(667.41)	(540.39)
(b) Provision for Demands under the Drugs (Prices Control) Order, 1979				
March 2016	1,987.94	-	-	1,987.94
March 2015	(1,987.94)	-	-	(1,987.94)
(c) Provision for Disputed Demands				
Central Excise				
March 2016	200.34	-	-	200.34
March 2015	(200.34)	-	-	(200.34)
Customs				
March 2016	2.44	-	-	2.44
March 2015	(2.44)	-	-	(2.44)
Total (a+b+c)				
March 2016	2,731.11	646.65	628.47	2,749.29
March 2015	(2,592.99)	(805.53)	(667.41)	(2,731.11)

Future cash outflows in respect of (b) and (c) above are determinable only on receipt of judgements / decisions pending with various authorities / forums.

9 Trade payables

	31 March 2016	31 March 2015
Total outstanding dues of Micro enterprises and small enterprises (Refer note 9.1)	304.24	201.29
Total outstanding dues of creditors other than Micro enterprises and small enterprises	33,500.65	33,219.05
Total	33,804.89	33,420.34

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

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

	31 March 2016	31 March 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	217.06	167.87
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	26.88	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	60.30	33.42
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

10 Other current liabilities

	31 March 2016	31 March 2015
Unpaid dividends (Refer note 10.1)	2,224.89	1,530.48
Creditors for capital expenditure	319.53	478.26
Statutory remittances	1,530.95	1,403.36
Employee benefits	3,595.37	3,223.90
Security deposits	611.56	1,208.10
Customer credit balances	230.10	214.72
Advance payments received (Refer note 45)	9,639.29	-
Total	18,151.69	8,058.82

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

11 Short-term provisions

	31 March 2016	31 March 2015
Provision for employee benefits		
Compensated absences (Refer note 25.1)	417.20	433.33
Gratuity (Refer note 25.1)	447.94	570.94
Other employee benefits (Refer note 11.1(a))	725.16	691.83
Other provisions		
Wealth tax (Net of taxes paid)	67.91	85.76
Fringe benefit tax (Net of taxes paid)	55.22	55.22
Provision for Income tax (Net of taxes paid)	8,394.37	7,002.81
Sales return (Refer note 11.1(b))	2,365.75	2,352.67
Demands under DPCO (Refer note 11.1(c) and note 29)	218.42	481.28
Provision for Sales tax / VAT	3,029.01	816.01
Proposed equity dividend (Refer note 11.2)	6,862.16	5,718.47
Tax on proposed equity dividend	1,397.14	1,164.14
Total	23,980.28	19,372.46

11.1 Additional disclosures relating to certain provisions

Currency: ₹ in lakhs

	Opening	Additions	Utilisation / Reversals	Closing
(a) Other employee benefits				
March 2016	691.83	124.80	91.47	725.16
March 2015	(993.06)	(43.24)	(344.47)	(691.83)
(b) Sales Return				
March 2016	2,352.67	2,674.90	2,661.82	2,365.75
March 2015	(2,553.51)	(2704.85)	(2,905.69)	(2,352.67)
(c) Provision for Demands under the Drugs (Prices Control) Order, 1979				
March 2016	481.28	-	262.86	218.42
March 2015	(481.28)	-	-	(481.28)
(d) Provision for Sales tax / VAT				
March 2016	816.01	2,213.00	-	3,029.01
March 2015	-	(816.01)	-	(816.01)
Total (a + b + c)				
March 2016	4,341.79	5,012.70	3,016.15	6,338.34
March 2015	(4,027.85)	(3,564.10)	(3,250.16)	(4,341.79)

11.2 Proposed equity dividend

	31 March 2016	31 March 2015
Amount per share (in ₹)	15.00	12.50
Number of shares	45,747,732	45,747,732
Amount (₹ in lakhs)	6,862.16	5,718.47

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

	Leasehold land	Leasehold Improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	Total Tangible	Trademarks	Goodwill	Total Intangibles	Total
Gross block													
Balance as at 1 April 2014	32.57	452.13	1,395.00	5,559.34	447.89	125.86	1,120.19	2,334.17	11,467.15	15.51	-	15.51	11,482.66
Acquired pursuant to Scheme of Amalgamation of Wyeth Limited* (Refer note 3)	-	-	4,370.00	2,574.35	29.97	73.54	35.69	193.87	7,277.42	42,720.00	65,935.00	108,655.00	115,932.42
Additions	-	291.15	-	95.95	40.50	-	237.30	928.91	1,593.81	-	-	-	1,593.81
Disposals / Adjustments	-	94.37	-	20.06	31.59	-	3.30	-	149.32	-	-	-	149.32
Balance as at 31 March 2015	32.57	648.91	5,765.00	8,209.58	518.36	167.81	1,389.88	3,456.95	20,189.06	42,735.51	65,935.00	108,670.51	128,859.57
Balance as at 1 April 2015	32.57	648.91	5,765.00	8,209.58	518.36	167.81	1,389.88	3,456.95	20,189.06	42,735.51	65,935.00	108,670.51	128,859.57
Additions	-	2,155.21	5.16	295.66	700.95	-	291.54	1,610.34	5,058.86	-	-	-	5,058.86
Disposals / Adjustments	-	152.73	(1,870.00)	91.26	66.89	17.35	227.58	1,177.21	1,733.02	-	-	-	1,733.02
Reclassifications	1,870.00	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification to Assets held for sale (Refer note 45)	-	38.81	1,398.65	5,296.11	326.19	21.19	136.80	171.89	7,389.64	-	-	-	7,389.64
Balance as at 31 March 2016	1,902.57	2,612.58	2,501.51	3,117.87	826.23	129.27	1,317.04	3,718.19	16,125.26	42,735.51	65,935.00	108,670.51	124,795.77
Accumulated Depreciation / Amortization													
Balance as at 1 April 2014	16.27	387.26	512.82	4,825.75	365.30	125.86	1,053.29	2,178.54	9,465.09	15.51	-	15.51	9,480.60
Acquired pursuant to Scheme of Amalgamation of Wyeth Limited* (Refer note 3)	-	-	270.25	887.37	8.79	21.66	14.96	49.62	1,252.65	4,272.00	6,593.20	10,865.20	12,117.85
Depreciation / Amortization for the year	0.32	138.01	273.66	1,076.82	37.56	11.14	62.47	660.03	2,060.01	4,272.00	6,593.20	10,865.20	12,925.21
Adjustment to Surplus	-	-	-	20.06	18.41	-	10.31	-	28.72	-	-	-	28.72
Accumulated depreciation / Amortization on Disposals / Adjustments	-	93.49	-	-	-	9.78	3.27	-	126.60	-	-	-	126.60
Balance as at 31 March 2015	16.59	431.78	1,056.73	6,769.88	430.06	148.88	1,137.76	2,688.19	12,679.87	8,559.51	13,186.40	21,745.91	34,425.78
Balance as at 1 April 2015	16.59	431.78	1,056.73	6,769.88	430.06	148.88	1,137.76	2,688.19	12,679.87	8,559.51	13,186.40	21,745.91	34,425.78
Depreciation / Amortization for the year	21.24	227.13	98.97	224.77	60.40	6.94	74.82	624.67	1,338.94	4,272.00	6,593.20	10,865.20	12,204.14
Reclassifications	42.13	-	(42.13)	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortization on Disposals / Adjustments	-	149.15	-	85.66	56.72	16.82	204.55	1,177.87	1,690.77	-	-	-	1,690.77
Reclassification to Assets held for sale (Refer note 45)	-	23.01	579.37	4,795.99	316.88	21.19	127.22	171.89	6,035.55	-	-	-	6,035.55
Balance as at 31 March 2016	79.96	486.75	534.20	2,113.00	116.86	117.81	880.81	1,963.10	6,292.49	12,831.51	19,779.60	32,611.11	38,903.60
As at 31 March 2015	15.98	217.13	4,708.27	1,439.70	88.30	18.94	252.12	768.76	7,509.19	34,176.00	52,748.60	86,924.60	94,433.79
As at 31 March 2016	1,822.61	2,125.83	1,967.31	1,004.87	709.37	11.46	436.23	1,755.09	9,832.77	29,904.00	46,155.40	76,059.40	85,892.17

12.1 Building includes investment in share application money of ₹500 (March 2015 : ₹500) in cooperative housing society, representing ownership of two residential flats.

12.2 Pursuant to the notification of the Schedule II of the Companies Act, 2013 with effect from 1 April 2014, depreciation had been provided as per the rates determined in Part C of Schedule II or based on estimated useful life of the assets determined by the management. Accordingly, depreciation for the previous year was higher by ₹44 lakhs and for assets which had no residual life as at 1 April 2014, the book value (net of deferred tax) amounting to ₹19.02 lakhs was adjusted against Surplus.

12.3 The Company has obtained an external technical evaluation of the remaining estimated useful life of the assets taken over from erstwhile Wyeth Limited.

12.4 Pursuant to the Scheme of Amalgamation with the Company, Land and Building acquired from erstwhile Wyeth Limited, the amalgamating Company, is in the process of being transferred in the name of the Company.

*Includes additions made by erstwhile Wyeth Limited for the financial year 2013-14.

Currency: ₹ in lakhs

13 Investments

	31 March 2016	31 March 2015
I Non current investments		
<i>(Valued at cost unless otherwise stated)</i>		
a. Investment property		
Assets given on operating lease	4,572.28	5,316.91
Less : Accumulated depreciation	921.41	1,050.97
	3,650.87	4,265.94
b. Unquoted investments		
Investment in other equity instruments		
(i) The Shamrao Vithal Co-operative Bank Limited	0.25	0.25
1,000 (March 2015: 1,000) shares of ₹25 each, fully paid-up		
(ii) Gold Sovereign (Actual cost ₹61)	-	-
(iii) Bharuch Eco-Aqua Infrastructure Limited	7.29	7.29
72,935 (March 2015: 72,935) equity shares of ₹10 each, fully paid-up		
(iv) Bharuch Enviro Infrastructure Limited	0.02	0.02
175 (March 2015: 175) equity shares of ₹10 each, fully paid-up		
	7.56	7.56
Investment in government securities	0.11	0.11
Less: Provision for diminution in value of investments	(7.42)	(7.42)
	0.25	0.25
Total	3,651.12	4,266.19
Aggregate amount of unquoted investments	0.25	0.25
II Current investments		
<i>(At lower of cost or fair market value)</i>		
a. Investment property		
Assets given on operating lease	432.57	-
Total	432.57	-

14 Deferred tax asset (net)

	31 March 2016	31 March 2015
Tax effect of items constituting deferred tax assets		
Provision for employee benefits	509.67	260.00
Provision for doubtful trade receivable and advances	1,031.58	984.25
Provision for duty of excise, duty of customs, VAT and pricing litigations	1,894.96	1,220.06
Amortization of voluntary retirement costs	1,590.71	2,236.24
Provision for sales return	1,012.11	1,001.29
Others	2,681.27	1,988.62
	8,720.30	7,690.46
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	1,169.37	976.56
	1,169.37	976.56
Deferred tax asset (net)	7,550.93	6,713.90

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

15 Long-term loans and advances

(Unsecured, considered good unless otherwise stated)

	31 March 2016	31 March 2015
Capital advances	87.42	8.70
Gratuity (Refer note 25.1)	17.67	478.37
Deposits and other advances		
Considered good (Refer note 15.1)	6,056.15	6,154.13
Considered doubtful	252.09	264.59
	6,308.24	6,418.72
Less: Provision for doubtful deposits and advances	(252.09)	(264.59)
	6,056.15	6,154.13
Employee related loans and advances	32.40	59.72
Advance income tax (Net of provision for tax)	17,993.58	17,980.10
Balance with Excise and Customs		
Considered good	1,421.23	1,136.87
Considered doubtful	73.68	73.68
	1,494.91	1,210.55
Less: Provision for other doubtful loans and advances	(73.68)	(73.68)
	1,421.23	1,136.87
Other loans and advances		
Considered good	5,356.63	3,679.58
Considered doubtful	232.47	208.63
	5,589.10	3,888.21
Less: Provision for other doubtful loans and advances	(232.47)	(208.63)
	5,356.63	3,679.58
Total	30,965.08	29,497.47

15.1 Includes ₹2,043.53 lakhs (March 2015: ₹2,043.53 lakhs) deposited under dispute in respect of demands under the Drugs (Prices Control) Order, 1979.

16 Inventories

(At lower of cost and net realisable value unless otherwise stated)

	31 March 2016	31 March 2015
Raw materials	11,602.83	9,164.40
Goods-in transit included above ₹3,056.61 lakhs (March 2015: ₹1,866.91 lakhs)		
Work-in-progress	909.61	957.60
Finished goods (Refer note 16.1)	10,331.26	10,413.91
Goods-in transit included above ₹874.07 lakhs (March 2015: ₹960.48 lakhs)		
Stock-in-trade (Refer note 16.2)	11,848.31	16,906.47
Goods-in transit included above ₹2,059.98 lakhs (March 2015: ₹69.99 lakhs)		
Stores and spares (at cost)	168.56	123.35
Packing materials	1,207.43	1,224.41
Total	36,068.00	38,790.14

16.1 Finished goods comprises

Currency: ₹ in lakhs

	31 March 2016	31 March 2015
Liquid parenterals	74.52	86.02
Tablets and capsules	6,823.23	5,687.24
Liquids	2,925.41	3,706.10
Solids	63.46	274.81
Liquids and Lotions	280.55	375.70
Powder parenterals	164.08	283.71
Ointments / Cream	0.01	0.33
	10,331.26	10,413.91

16.2 Stock-in-trade comprises

	31 March 2016	31 March 2015
Liquid parenterals	6,869.37	10,039.62
Tablets and capsules	3,100.74	3,048.74
Liquids	417.39	534.54
Powder parenterals	1,067.12	2,826.15
Ointments	295.17	346.89
Miscellaneous	98.52	110.53
	11,848.31	16,906.47

17 Trade receivables

	31 March 2016	31 March 2015
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
Secured, considered good	19.54	3.12
Unsecured, considered good	1,184.62	1,528.47
Considered doubtful	2,313.89	2,226.94
	3,518.05	3,758.53
Less: Provision for doubtful trade receivables	(2,313.89)	(2,226.94)
	1,204.16	1,531.59
Other trade receivables		
Secured, considered good	0.30	62.89
Unsecured, considered good	13,025.32	14,407.11
Considered doubtful	1.89	16.33
	13,027.51	14,486.33
Less: Provision for doubtful trade receivables	(1.89)	(16.33)
	13,025.62	14,470.00
Total	14,229.78	16,001.59

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

18 Cash and bank balances

	31 March 2016	31 March 2015
Cash and cash equivalents		
Cash on hand	0.93	0.90
Balances with banks		
In current accounts	2,374.93	1,526.35
In EEFC account	124.90	1.31
In deposit accounts	4,600.00	47,303.48
	7,100.76	48,832.04
Other bank balances		
Deposit accounts	93,000.00	10,400.00
Held in margin money	139.30	166.18
Earmarked bank balances		
Unpaid dividend accounts	2,224.89	1,530.48
Total	1,02,464.95	60,928.70
Bank deposits/balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	4,600.00	47,303.48
Bank deposits/balances due to mature within 12 months of the reporting date included under 'Other bank balances'	93,000.00	10,400.00
Bank deposits/balances due to mature after 12 months of the reporting date included under 'Other non-current assets'	-	-

19 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

	31 March 2016	31 March 2015
Security deposits	1,020.24	2,173.55
Loans and advances to employees	69.64	151.46
Balance with Customs and Excise authorities	2,586.94	1,982.46
Other loans and advances		
Unsecured, considered good	3,177.99	3,744.49
Considered doubtful	46.44	53.66
	3,224.43	3,798.15
Less: Provision for other doubtful loans and advances	(46.44)	(53.66)
	3,177.99	3,744.49
Total	6,854.81	8,051.96

20 Other current assets

(Unsecured, considered good unless otherwise stated)

	31 March 2016	31 March 2015
Interest accrued on time deposits	1,007.59	892.40
Physician samples (at cost)	500.34	464.92
Assets held for sale (Refer note 45)	1,426.50	72.42
Total	2,934.43	1,429.74

21 Revenue from operations

Currency: ₹ in lakhs

	Year ended 31 March 2016	Year ended 31 March 2015
Sale of products	2,07,627.66	1,90,076.26
Less: excise duty	8,141.96	7,301.82
Total	1,99,485.70	1,82,774.44

21.1 Sale of products comprises

21.1.a Manufactured goods:

	Year ended 31 March 2016	Year ended 31 March 2015
Liquid parenterals	730.85	612.47
Tablets and capsules	69,250.35	67,000.09
Powder parenterals	677.20	643.05
Liquids	48,155.28	42,100.73
Solids	1,395.52	1,636.19
Cosmetics and Toiletries - Liquid and Lotions	2,210.38	2,363.55
Total	1,22,419.58	1,14,356.08

21.1.b Stock in trade:

	Year ended 31 March 2016	Year ended 31 March 2015
Liquid parenterals	36,228.59	32,347.88
Tablets and capsules	18,813.69	15,856.24
Powder parenterals	15,012.23	13,917.39
Liquids	4,486.90	4,188.42
Ointments	1,812.54	1,463.39
Miscellaneous	712.17	645.04
Total	77,066.12	68,418.36

22 Other operating income

	Year ended 31 March 2016	Year ended 31 March 2015
Sale of services	2,209.11	2,535.90
CSA commission	-	6.36
Sale of scrap (net of excise)	6.88	15.14
Total	2,215.99	2,557.40

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

23 Other income

	Year ended 31 March 2016	Year ended 31 March 2015
Interest income		
On deposits from banks	5,621.29	4,437.90
On staff loan	4.89	11.37
On others	7.20	4.28
Rental income (Refer note 39)	868.32	1,551.81
Liabilities / provisions no longer required written back	265.15	386.38
Insurance claims	1,017.75	101.84
Profit on sale of assets (net)	-	13.01
Miscellaneous income	789.23	228.02
Total	8,573.83	6,734.61

24 Cost of materials consumed

24 a Raw materials consumed

	Year ended 31 March 2016	Year ended 31 March 2015
Opening stock	9,164.40	9,435.49
Add: Purchases (net)	30,609.07	28,712.20
	39,773.47	38,147.69
Less: Closing stock	11,602.83	9,164.40
Cost of raw materials consumed (a) (Refer note 24a (i))	28,170.64	28,983.29

24 b Packing materials consumed

	Year ended 31 March 2016	Year ended 31 March 2015
Opening stock	1,224.41	1,268.30
Add: Purchases (net)	8,907.81	9,556.32
	10,132.22	10,824.62
Less: Closing stock	1,207.43	1,224.41
Cost of packing materials consumed (b)	8,924.79	9,600.21
Total cost of materials consumed (a + b)	37,095.43	38,583.50

24 a (i) Raw material consumed comprises

	Year ended 31 March 2016	Year ended 31 March 2015
Vitamins	6,191.20	4,086.15
Codeine phosphate	3,391.33	3,691.20
Minipress XL bulk tablets	3,928.19	5,466.99
Sugar	934.33	1,085.91
Prednisolone	5,193.80	5,578.09
Levonogestrel / Norgestrel	578.37	218.45
Premarin tablets	1,676.09	611.26
Other items	6,277.33	8,245.24
	28,170.64	28,983.29

Currency: ₹ in lakhs

24 c Purchases of stock-in-trade

	Year ended 31 March 2016	Year ended 31 March 2015
Liquid parenterals	21,803.36	26,075.91
Powder parenterals	3,584.88	6,596.95
Tablets and capsules	7,742.51	7,619.09
Liquids	1,896.05	2,072.02
Ointments	867.87	924.78
Miscellaneous	313.99	349.25
	36,208.66	43,638.00

24 d Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2016	Year ended 31 March 2015
Inventories at the end of the year		
Finished goods	10,331.26	10,413.91
Work-in-progress	909.61	957.60
Stock-in-trade	11,848.31	16,906.47
	23,089.18	28,277.98
Inventories at the commencement of the year		
Finished goods	10,413.91	8,831.17
Work-in-progress	957.60	1,117.96
Stock-in-trade	16,906.47	10,092.71
	28,277.98	20,041.84
Net decrease / (increase)	5,188.80	(8,236.14)

25 Employee benefits

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages (Refer note 41)	24,727.72	20,663.49
Contributions to provident and other funds	1,416.57	861.65
Gratuity (Refer note 25.1)	384.41	651.59
Staff welfare expenses	1,046.44	1,459.13
Total	27,575.14	23,635.86

	31 March 2016		31 March 2015		31 March 2014		31 March 2013		31 March 2012	
	Gratuity	Provident fund	Gratuity	Provident fund	Gratuity	Provident fund	Gratuity	Provident fund	Gratuity	Provident fund
Expense recognized in the statement of profit and loss	384.41	1,014.40	686.84	234.34 (540.44)	200.03	112.86 131.46	1,277.13	(330.36) 84.83	88.06	514.11 (575.96)
5 Balance sheet reconciliation										
Opening net liability	317.88	(562.57)	363.73	1,469.30 540.44	1,600.25	(133.77) 408.98	1,846.21	896.85 324.14	2,243.86	605.68 900.10
Transition liability - adjusted in general reserve	856.76	1,179.33	346.01	(644.64)	-	-	-	-	-	-
Reserve at the beginning of the year	-	-	-	-	-	-	-	-	-	-
Expense as above	384.41	1,014.40	686.84	(234.34) (540.44)	200.03	112.86 131.46	1,277.13	(330.36) 84.83	88.06	514.11 (575.96)
Transfer in /out/(Benefits paid)/Expected settlements	(1,128.78)	(714.43)	(1,107.87)	(49.35)	(1,192.24)	(1,448.39)	(1,523.09)	(700.26)	(485.71)	(222.94)
Amount recognized in the balance sheet	430.27	916.75	317.88	540.95	608.04	1,469.30 540.44	1,600.25	(133.77) 408.97	1,846.21	896.85 324.14
6 Actuarial Assumptions										
Discount rate	7.46%	7.46%	7.80%	7.80%	8.74%	8.74%	7.95%	7.95%	8.65%	8.65%
Expected rate of return on plan assets	8.75%	8.75%	9.00%	9.10%	9.25%	9.45%	9.00%	9.50%	9.50%	9.50%
Annual increase in compensation	5% to 9.0%	5% to 9.0%	5% to 9.0%	5% to 9.0%	5% to 9.0%	5% to 9.0%	5% to 9.5%	5% to 9.5%	5% to 9.5%	5% to 9.5%

Defined contribution plan:

During the year, the Company has contributed ₹43 lakhs (March 2015: ₹47.14 lakhs) towards employee's superannuation fund.

General description of significant defined benefit plans

- i) **Gratuity plan**
Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, as per Company's rules or as per provisions of the Payment of Gratuity Act, 1972.
- ii) **Leave plan**
All eligible employees can carry forward and avail / encash leave as per Company's rules.
- 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.

The Company expects Nil (March 2015: ₹310 lakhs), in contribution to be paid to its defined benefits plan in the next year.

28.1 Payment to auditors (inclusive of service tax)

Currency: ₹ in lakhs

	Year ended 31 March 2016	Year ended 31 March 2015
As auditor	91.50	83.15
For other services	29.73	35.96
For reimbursement of expenses	2.83	1.92
Total	124.06	121.03

29 Pricing Litigations - Contingencies

(a) Oxytetracycline and other formulations

In respect of certain price fixation Orders of 1981 of the Government of India, the Supreme Court vide its Order of 22 March 1993 held that, pending disposal of the Company's Writ Petition in the High Court of Mumbai, the Company may deposit 50% of the impugned amount of ₹87.61 lakhs (March 2015: ₹87.61 lakhs), less ₹19.90 lakhs (March 2015: ₹19.90 lakhs) already deposited, with the Union of India before 15 May 1993 which has been done. In the event that the Company succeeds before the High Court of Mumbai, this amount will be returned within one month from the date of the decision of the High Court with interest at the rate of 15% per annum. However, if the Company loses the Writ Petition, the balance amount of ₹43.80 lakhs (March 2015: ₹43.80 lakhs) with interest at the rate of 15% per annum will have to be paid to the Government.

(b) Multivitamin Formulations

In respect of certain price fixation Orders of 1986 of the Government of India, the Supreme Court vide its Order dated 3 December 1992, held that, pending disposal of the Company's Writ Petition in the High Court of Mumbai, the Company may deposit 50% of the impugned amount of ₹98.00 lakhs (March 2015: ₹98.00 lakhs) with the Union of India before 31 January 1993 which has been done. In the event that the Company succeeds before the High Court of Mumbai, this amount will be returned within one month from the date of the decision of the High Court with interest at the rate of 15% per annum. However, if the Company loses the Writ Petition, the balance amount of ₹49.00 lakhs (March 2015: ₹49.00 lakhs) with interest at the rate of 15% per annum will have to be paid to the Government.

(c) Protinex

In yet another case, the Company had challenged in 1986 a price fixation Order of the Government of India by a Writ Petition before the High Court of Mumbai. The Hon'ble Court passed an ad interim and interim order staying the impugned order. The Petition, while it was still pending for hearing and final disposal, was withdrawn in 1989 on redressal of the Company's grievances. After protracted correspondence on the subject, in 1993 the Government raised a demand of ₹81.83 lakhs (March 2015: ₹81.83 lakhs) on the Company for the period April 1986 to July 1989 and directed the Company to deposit the same into the Drug Prices Equalization Account (DPEA). Thereafter, the Drug Prices Liability Review (DPLR) Committee sent a letter dated 15 February 1996 seeking the Company's submission/ representation against the reduced claim amount of ₹33.87 lakhs (March 2015: ₹33.87 lakhs) for the period April 1986 to August 1987 as intimated to the DPLR Committee by the Government of India. The Company has made its submissions to the DPLR Committee vide its letter of 29 March 1996 claiming that no amount whatsoever is due and payable having regard to the facts and relevant material of the case.

In the meantime, the Department of Chemicals and Petrochemicals vide their letter dated 11 February 1997 raised an additional demand of ₹178.56 lakhs (March 2015: ₹178.56 lakhs) for the earlier period of February 1984 to March 1986 over and above the revised claim of ₹33.87 lakhs (March 2015: ₹33.87 lakhs) for the period April 1986 to August 1987. Thus, the total demand raised now stands revised to ₹212.43 lakhs (March 2015: ₹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.

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

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

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

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

(d) Vitamin and other formulations

The Government has arbitrarily determined the liability of the Company at ₹1,466 lakhs (March 2015: ₹1,466 lakhs) being the difference in price in respect of Vitamin and other formulations sold by the Company during the years 1983 to 1989. The Company has repudiated the liability on this account. The Company’s Solicitors have advised that the repudiation by the Company is legally sustainable. The Government has pursued the matter. The Company maintains its position that the claim by the Government is not legally sustainable.

(e) Chloramphenicol

The Government has arbitrarily determined the liability of the Company at ₹145 lakhs (March 2015: ₹145 lakhs) and ₹14 lakhs (March 2015: ₹14 lakhs) being the difference between the price of bulk drug Chloramphenicol powder and Chloramphenicol Palmitate respectively allowed in the formulation price and actual procurement price for the period 1979 to 1988. The Company has repudiated the liability on this account as advised by the Company’s Solicitors. The Company has also obtained a Stay order from the Hon’ble High Court of Mumbai against the demand.

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

Similar applications were filed as in the matter of Protinex before the Bombay High Court in Writ Petition filed by OPPI & IDMA and similar order was passed i.e. Case No 23/95 pending before the said Drug Prices Liability Review (DPLR) Committee was stayed. The OPPI & IDMA Writ Petition have been disposed with the direction as aforesaid.

- (f) Pursuant to the repeal of DPCO 1970, erstwhile Warner-Hindustan Limited (merged with Parke-Davis (India) Limited in 1988 and Parke - Davis (India) Limited merged with Pfizer Limited in 2003) had classified Isokin Tablets, Isokin Liquid and Pyridium tablets as decontrolled products under the DPCO 1979. The categorization was, however, challenged by the Government in 1984 and a demand of ₹113 lakhs (March 2015: ₹113 lakhs) was raised against the Company. Against this demand an excise duty set off of ₹7 lakhs (March 2015: ₹7 lakhs) was allowed to the Company and a final demand of ₹106 lakhs (March 2015: ₹106 lakhs) was raised in 1987.

The Company had deposited an amount of ₹30 lakhs (March 2015: ₹30 lakhs) in February 1987 and ₹25 lakhs (March 2015: ₹25 lakhs) in May 1990 totalling to ₹55 lakhs (March 2015: ₹55 lakhs) in full and final settlement of the demand, as per

Currency: ₹ in lakhs

the arguments set forth by the Company. The Government subsequently raised a demand of ₹117 lakhs (March 2015: ₹117 lakhs) towards interest on principal demand. (i.e. interest of ₹43 lakhs (March 2015: ₹43 lakhs) for Pyridium for the period 1982 to August 1995 and ₹74 lakhs (March 2015: ₹74 lakhs) for Isokin for the period 1982 to June 1997).

The Company filed a Writ Petition in the Andhra Pradesh High Court in September 1997 for staying all further proceedings against the Company. The High Court stayed the demand in respect of collection of interest but directed the Company to deposit the balance demand of ₹51 lakhs (March 2015: ₹51 lakhs) (which amount was deposited in November 1997).

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

The Union of India has preferred a Special Leave Petition (SLP) before the Hon'ble Supreme Court against the above judgement. In view of there being a discrepancy in the English and Hindi Notification of DPCO, 1979 in para 13(5) of the DPCO, 1979 the Special Leave Petition (SLP) came to be allowed vide order dated 12 April 2013 setting aside the impugned judgment and restoring the writ petition to file, to conduct appropriate enquiry and for hearing and fresh disposal. The matter now stands remanded back to the Andhra Pradesh High Court.

(g) Multivitamin Formulations:

The Government has arbitrarily raised a demand of ₹182.38 lakhs (March 2015: ₹182.38 lakhs) on account of alleged overpricing of certain multivitamin formulations marketed by erstwhile Pharmacia Healthcare Limited (merged with Pfizer Limited) for the period 1983 to 1986. The Company has repudiated the liability on this account as advised by its solicitors. The Company filed a Writ Petition No.814 of 1992 in the High Court at Mumbai. The Supreme Court of India, in a Special Leave Petition (SLP) filed by the Company held that pending disposal of Writ Petition filed before the High Court at Mumbai, the Company shall furnish an undertaking in respect of 50% of its liability and shall deposit the balance 50% aggregating to ₹91.19 lakhs (March 2015: ₹91.19 lakhs). This amount has been deposited with the Government of India and is included under the head "Long Term Loans and Advances".

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

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

The Writ Petitions filed before the Hon'ble Bombay High Court came up for hearing on 1 February 2013. The Hon'ble Bombay High Court was of the view that the Orders passed by the Union may be set aside and the Union may be directed to decide the matters afresh keeping all the issues and contentions open. Consequently, as directed by the Hon'ble Court draft minutes of the order were prepared and circulated to the Advocates of the Union for their perusal.

In view of the disagreement between the parties on the draft minutes, on 12 March 2013 the Union sought to press for their Notice of Motion for all the matters to be listed for final hearing. Thereafter, the Hon'ble Bombay High Court passed an Order for the matters to be listed in due course and rejected the Notice of Motion of the Union.

Thereafter, the Union made an application before the Hon'ble Chief Justice for having this group of matters to be assigned to a Division Bench for expeditious hearing. However, till date no Order has been passed in the matter.

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

In view of matters (a), (b), (c), (e), (f) and (g) being subjudice, the legal opinion being in favor of the Company, and based on the assessment of the Management, no further provision is considered necessary over and above the sum of ₹198.37 lakhs (March 2015: ₹198.37 lakhs) which has been paid off in earlier years.

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

- (h) The Government of India had served demand notices on erstwhile Wyeth Limited in respect of its product, claiming that an amount of ₹4,507.07 lakhs (March 2015: ₹4,507.07 lakhs) inclusive of interest of ₹3,186.55 lakhs (March 2015: ₹3,186.55 lakhs) is payable in respect of price fixation under the Drugs (Prices Control) Order 1979. The Company has disputed the demand. Without prejudice to its contention, the Company paid the principal amount of ₹1,320.52 lakhs (March 2015: ₹1,320.52 lakhs). The Company carries a provision of ₹1,469.08 lakhs (March 2015: ₹1,469.08 lakhs) in respect of the said demand. The Company has furnished corporate bonds for amount aggregating to ₹3,186.55 lakhs (March 2015: ₹3,186.55 lakhs) for interest.
- (i) The Government of India had served demand notices on erstwhile Wyeth Limited in respect of its product, claiming that an amount of ₹1,069.35 lakhs (March 2015: ₹1,069.35 lakhs) inclusive of interest of ₹832.47 lakhs (March 2015: ₹832.47 lakhs) is payable in respect of price fixation under the Drugs (Prices Control) Order 1979. The Company has disputed the demand. Without prejudice to its contention, the Company has paid principal amount of ₹236.88 lakhs (March 2015: ₹236.88 lakhs) under protest. The Company carries a cumulative provision of ₹40.50 lakhs (March 2015: ₹40.50 lakhs) in the books of accounts. Corporate bonds for amount aggregating to ₹832.47 lakhs (March 2015: ₹832.47 lakhs) for interest has been furnished.
- (j) The Government of India had served demand notices on erstwhile Wyeth Limited in respect of its certain bulk drugs, claiming that an amount of ₹331.24 lakhs (March 2015: ₹331.24 lakhs) inclusive of interest ₹187.34 lakhs (March 2015: ₹187.34 lakhs) is payable into the Drug Prices Equalization Account (DPEA) under the Drugs (Prices Control) Order, 1979 on account of alleged unintended benefit enjoyed by the Company. The Company has disputed the demand. Without prejudice to its contentions, the Company has paid an amount of ₹45 lakhs (March 2015: ₹45 lakhs) under protest.
- (k) The Government of India had served a demand notice on erstwhile Wyeth Limited claiming an amount of ₹1,726.35 lakhs (March 2015: ₹1,726.35 lakhs) inclusive of interest of ₹134.90 lakhs (March 2015: ₹134.90 lakhs) due thereon for alleged non compliance under the Drugs (Prices Control) Order, 1995 in respect of production of Prednisolone based formulations. Without prejudice to its contentions, the Company has provided and paid ₹1,287.93 lakhs (March 2015: ₹1,287.93 lakhs) and disputed the balance demand.

The demands stated in (h),(i),(j) and (k) above aggregate to ₹7,634.06 lakhs (March 2015: ₹7,634.06 lakhs) inclusive of interest of ₹4,341.26 lakhs (March 2015: ₹4,341.26 lakhs). Based on the legal opinions obtained in respect of these cases, the Company is of the opinion that the estimated liability in respect of these cases involved shall not exceed ₹1,509.57 lakhs (March 2015: ₹1,509.57 lakhs) provided in the books of accounts.

(l) Other Pricing related disputes

The government had raised demands on account of alleged non-adherence of certain price notifications on four products marketed / traded by the Company. The total liability in respect of these demands amounted to ₹1,511.32 lakhs (March 2015: ₹2,074.97 lakhs) against which the Company has made a provision of ₹499 lakhs (March 2015: ₹761 lakhs).

Based on the legal opinions obtained, the Company is of the opinion that the estimated liability in respect of these cases involved shall not exceed the amount provided in books of accounts.

30 Contingent liabilities and commitments (to the extent not provided for)

Currency: ₹ in lakhs

	31 March 2016	31 March 2015
(i) Contingent liabilities*		
(a) Claims not acknowledged as debts	1,670.75	1,369.05
(b) Other guarantees	898.39	754.04
(c) Other contingent liabilities in respect of:		
1. Duty of excise	2,009.91	2,086.10
2. Duty of customs	171.72	171.72
3. Sales tax / VAT	37,901.93	13,187.38
4. Service tax	193.11	193.11
5. Income tax	25,939.59	25,139.08
6. Pending labour matters contested in various courts	104.21	104.21
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	48.09	2,453.46

* Management considers the service tax, duty of excise, duty of customs, sales tax / VAT and Income tax demands received from the authorities are not tenable against the Company, and therefore no provision for these tax contingencies has been made.

31 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below;

Nature of exposure	31 March 2016		31 March 2015	
	Foreign currency (US\$ in lakhs)	₹ in lakhs	Foreign currency (US\$ in lakhs)	₹ in lakhs
Accounts receivable	4.14	274.32	27.05	1,688.23
Accounts payable	63.27	4,191.47	89.75	5,602.40
Net receivable / (payable)	(59.13)	(3,917.15)	(62.70)	(3,914.17)

32 Value of imports calculated on CIF basis

	Year ended 31 March 2016	Year ended 31 March 2015
Raw materials	13,708.75	13,922.73
Goods for resale	21,532.06	28,814.58
Capital goods	16.34	-
Total	35,257.15	42,737.31

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

33 Expenditure in foreign currency (accrual basis)

	Year ended 31 March 2016	Year ended 31 March 2015
Royalty	26.76	36.59
Travelling and conveyance	193.84	182.46
Service charges	239.12	390.18
Salaries and wages	419.17	338.63
Legal and professional fees	31.74	44.41
Others	489.17	103.14
Total	1,399.80	1,095.41

34 Details of consumption of imported and indigenous raw materials

	Year ended 31 March 2016	Year ended 31 March 2015
Imported		
March 2016	15,054.72	53%
March 2015	(15,028.83)	(52%)
Indigenous		
March 2016	13,115.92	47%
March 2015	(13,954.46)	(48%)
Total - March 2016	28,170.64	100%
Total - March 2015	(28,983.29)	(100%)

35 Earnings in foreign exchange

	Year ended 31 March 2016	Year ended 31 March 2015
Export of goods calculated on FOB basis	120.42	93.30
Service income	396.10	1,075.59
Total	516.52	1,168.89

36 Amounts of dividend remitted in foreign currency

	Year ended 31 March 2016	Year ended 31 March 2015
Amount of dividend remitted in foreign currency	3,655.38	-
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	7	-
Total number of shares held by them on which dividend was due	29,243,042	-
Year to which the dividend relates	31 March 2015	-

37 Segmental information

After considering the factors mentioned in Accounting Standard 17 on segment reporting, the Company has concluded that it has only one segment which is Pharmaceuticals and the Company primarily operates in domestic market, therefore disclosure relating to segments is not applicable and accordingly not made.

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

Currency: ₹ in lakhs

I. Names of Related Parties and description of Relationships

A. Parties where control exists:

Ultimate holding company:
Pfizer Inc., USA

B. Holding company:

Pfizer East India B.V. (from 3 March 2014 to 16 December 2014)

C. Companies collectively exercising significant influence:

Pfizer East India B.V. (w.e.f. 17 December 2014)
Wyeth LLC, USA
Wyeth Holdings Corporation, USA
John Wyeth & Brother Limited, UK
Warner - Lambert Company, LLC, USA
Parke - Davis & Company, LLC, USA
Pharmacia Corporation, USA
(Collectively holding 63.92% of the aggregate of equity share capital of the Company)

D. Fellow Subsidiaries with whom transactions have taken place during the year

Pfizer Export Company, Ireland
Pfizer Global Trading, Ireland
Pfizer Singapore Trading Pte Limited (Belgium Branch)
Pfizer Products India Private Limited, India
Pfizer Overseas LLC
Pfizer Corporation Hongkong Limited
Pfizer Limited, UK
Pfizer Canada Inc
Pfizer Australia Pty Limited
Pfizer Asia Manufacturing Pte Ltd
Pfizer Development LP
Pfizer Pharmaceuticals Korea Limited
Whitehall International Inc
Pfizer Intl Inc - New York
John Wyeth & Brother Limited, (India Branch)
Pfizer Innovative Supply Point Intl BVBA, Belgium
Pfizer International Operations, France
Pfizer Service Company BVBA, Belgium
Wyeth Pharmaceuticals India Private Limited

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

E. Key Managerial Personnel

- S. Sridhar - Managing Director (w.e.f 18 March 2016)
 Whole-time Director (13 May 2015 to 17 March 2016)
 Whole-time Director and CFO (up to 12 May 2015)
 Aijaz Tobaccowalla - Managing Director (up to 16 October 2015)
 Vivek Dhariwal - Whole-time Director
 Dr. Lakshmi Nadkarni - Whole-time Director (up to 4 September 2015)

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

No.	Nature of Transactions	31 March 2016				31 March 2015			
		Ultimate Holding Company	Companies exercising significant influence	Fellow Subsidiaries	Total	Ultimate Holding Company	Companies exercising significant influence	Fellow Subsidiaries	Total
1	Sale of finished goods (net of returns)	-	-	53.16	53.16	-	-	-	-
2	Service income (including service tax)	275.10	-	2,191.72	2,466.82	445.56	-	2,110.40	2,555.96
3	Recovery of expenses	114.14	-	975.88	1,090.02	102.16	4.11	1,015.17	1,121.44
4	Purchase of finished goods	-	-	21,532.06	21,532.06	-	-	28,814.58	28,814.58
5	Purchase of raw / bulk materials	-	-	4,618.83	4,618.83	-	-	6,687.06	6,687.06
6	Royalty expense	26.76	-	-	26.76	36.59	-	-	36.59
7	Expenses reimbursed	694.93	-	457.57	1,152.51	293.61	-	555.27	848.88
8	Dividend in respect of the year ended 31 March 2015	-	3,655.38	-	3,655.38	-	-	-	-
9	Outstanding as at the year end - Due from	73.13	-	687.06	760.18	316.62	31.74	2,136.82	2,485.18
10	Outstanding as at the year end - Due to	641.44	396.71	19,414.03	20,452.18	976.74	770.66	20,955.57	22,702.96

Key Managerial Personnel

No.	Nature of transactions	Year ended 31 March 2016	Year ended 31 March 2015
1	Remuneration to Key Management personnel	779.44	981.49

Currency: ₹ in lakhs

Details of material transactions during the year:

	Year ended March 2016	Year ended March 2015
a) Sale of finished goods (net of returns)		
Pfizer Corporation Hongkong Limited	53.16	-
b) Service Income		
Pfizer Products India Private Limited, India (including service tax)	2,070.72	1,480.06
Pfizer Development LP	121.00	630.33
c) Recovery of expenses		
Pfizer Products India Private Limited, India	512.34	611.83
Pfizer Intl Inc, New York	43.71	175.50
Pfizer Corporation Hongkong Limited	211.61	135.52
Pfizer International Operations, France	109.29	-
d) Purchase of stock in trade		
Pfizer Export Company, Ireland	18,202.06	24,316.29
Pfizer Global Trading, Ireland	378.43	242.15
Pfizer Singapore Trading Pte Limited, Belgium	2,026.21	3,679.26
e) Purchase of Raw/ Bulk materials		
Pfizer Export Company, Ireland	4,455.67	6,684.00
f) Expenses reimbursed		
Pfizer Private Limited, Singapore	-	223.63
Pfizer Asia Manufacturing Pte Ltd.	239.12	166.55
Pfizer Pharmaceuticals Korea Limited	109.85	113.77
Pfizer Products India Private Limited, India	53.96	11.91
g) Dividend Paid		
Pfizer East India B.V.	2,273.29	-
Wyeth LLC, USA	702.21	-
h) Remuneration to Key Management Personnel		
Aijaz Tobacowalla	320.03	633.48
S. Sridhar	241.83	187.94
Vivek Dhariwal	160.33	148.91
i) Outstanding as at the year end due from		
Pfizer Limited, UK	-	288.92
Pfizer Intl Inc, New York	-	328.88
Pfizer Development LP	-	636.35
Pfizer Products India Private Limited, India	611.58	594.39
j) Outstanding as at the year end due to		
Pfizer Export Company, Ireland	15,966.06	18,013.35
Pfizer Singapore Trading Pte Limited, Belgium	1,314.03	1,784.20

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

39 Details of leasing arrangements

	Year ended 31 March 2016	Year ended 31 March 2015
As Lessor		
The Company has let out some of its owned property during the year on operating lease. The lease terms are in the range of 1 - 3 years. The information in respect of the same is as follows:		
Gross book value (Refer note 13)	4,572.28	5,316.91
Accumulated Depreciation (Refer note 13)	921.41	1,050.97
Depreciation for the lease period	182.50	182.50
Rental income	639.14	639.14
Lease Income recognised in the statement of profit and loss for the year in respect of sub-let property is ₹229.18 lakhs (March 2015: ₹912.67 lakhs)		
As Lessee		
Future minimum lease payments under non - cancellable operating leases is as follows :-		
not later than one year	2,771.68	2,754.00
later than one year and not later than five years	6,236.28	9,180.00
later than five years	-	-
During the year an amount of ₹5,017.28 lakhs is recognised as an expense in the statement of profit and loss in respect of operating leases (March 2015: ₹4,744.52 lakhs)		

40 Earnings per share (Basic and diluted)

	Year ended 31 March 2016	Year ended 31 March 2015
Net profit for the year		
a. Profit for the year	22,277.33	6,981.93
b. Profit for the year before the impact of Scheme of Amalgamation		
(i) before exceptional items (net of tax)	21,631.50	15,636.68
(ii) after exceptional items (net of tax)	22,277.33	10,033.94
Weighted average number of equity shares for calculating basic and diluted EPS	45,747,732	45,747,732
Par value per share	₹10	₹10
Earnings per share - Basic and diluted		
a. Computed on the basis of profit for the year	48.70	15.26
b. Computed on the basis of profit for the year before the impact of Scheme of Amalgamation		
(i) before exceptional items (net of tax)	47.28	34.18
(ii) after exceptional items (net of tax)	48.70	21.93

Currency: ₹ in lakhs

41 Employee stock option scheme

Certain employees of the Company are eligible for Stock options (ESOP) and Restricted stock units (RSU) granted by the Ultimate Holding Company ("Pfizer Inc., USA").

Pursuant to the Securities Exchange Board of India (SEBI) (Share based employee benefits) Regulations, 2014, which became effective during the year, the Company has accounted for employee stock options expenses in the statement of profit and loss amounting to ₹480.08 lakhs. Until 31 March 2015, the Company made the necessary disclosures as required by the erstwhile regulations.

Nature and extent of Employee Share-based Payment Plans:

Pfizer Inc., USA, as a part of the Long-term incentive awards offers certain Common stock (shares) to the employees of the Company and its subsidiaries. These shares are offered through grant of awards which is a combination of stock options (ESOP) and restricted stock units (RSU) under the Pfizer Inc. 2004 Stock plan. As per the plan, the vesting period of the stock options and the restricted stock units is 3 years from the grant date. As per the plan, the stock options have a term of 10 years from the grant date. All stock options and restricted stock units are settled through equity.

The employees of the Company have been issued 90,426 (March 2015: 86,712) share options, 18,085 (March 2015: 17,792) restricted stock units and 1,554 (March 2015: 992) portfolio performance shares under the Pfizer Inc 2004 Share Option Plan by Pfizer Inc. USA. The cost incurred by Pfizer Inc pursuant to the said Pfizer Inc 2004 share option Plan for the year ended 31 March 2016 amounts to ₹480.08 lakhs which has been debited to the statement of profit and loss.

(i) Employee stock options (ESOP)

Employee stock option provides the employees of Pfizer India with a right to receive a unit of the stock of the Ultimate Holding Company at a predetermined exercise price upon fulfilment of vesting conditions.

The details of stock options granted and outstanding as at year-end are as follows:

Stock Options	31 March 2016	
	Number of options	Weighted average exercise price
Outstanding as at the beginning of the year	-	-
Granted in prior years	3,51,259	USD 25.07
Granted during the year	90,426	USD 34.59
Exercised during the year	(81,078)	USD 20.78
Expired during the year	(1,585)	USD 29.05
Forfeited during the year	(24,121)	USD 32.10
Transfers between entities	(13,396)	
Outstanding as at the end of the year	3,21,505	USD 28.31

Notes to the financial statements

for the year ended 31 March 2016

Currency: ₹ in lakhs

(ii) Restricted stock units (RSUs)

RSUs which, when vested entitle the holder to receive a specified number of shares of the Ultimate Holding Company including shares resulting from dividend equivalents paid on such RSUs, are accounted for using a fair value based method at the date of grant.

The value of each RSU grant is estimated on the grant date. The fair value based method utilizes the closing price of the Ultimate Holding Company's common stock on the date of grant. The exercise price of the RSU is Nil.

The details of RSUs granted and outstanding as at year end are as follows:

RSU's	31 March 2016	
	Number of options	
Outstanding as at the beginning of the year	-	
Granted in prior years	54,365	
Vested during the year	18,085	
Forfeited during the year	(19,680)	
Granted during the year	(5,408)	
Transfers between entities	1,649	
DEUs earned during the year	(1,839)	
Outstanding as at the end of the year	47,172	

(iii) Portfolio performance shares (PPSs)

PPSs provide an opportunity to receive shares of Pfizer common stock contingent upon the company's achievement of pre set goals related to long term pipeline portfolio delivery over a five year performance period.

PPS's	31 March 2016	
	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted in prior years	1,680	USD 30.24
Granted during the year	1,554	USD 34.59
Transfers between entities	-	-
Outstanding at the end of the year	3,234	USD 32.28

Method adopted for valuation:

The Company has elected to apply the fair value methodology of accounting.

The estimation of fair value on the date of grant was made using the Black-Scholes-Merton option-pricing model.

The following table provides the weighted-average assumptions used in the valuation of stock options:

Particulars	Date of grant		
	28 February 2015	28 February 2014	28 February 2013
Expected dividend yield (a)	3.19%	3.18%	3.45%
Risk-free interest rate (b)	1.89%	1.94%	1.16%
Expected stock price volatility (c)	18.34%	19.76%	19.68%
Expected term (d)	6.75 years	6.50 years	6.50 years

42 Expenditure on research and development

Currency: ₹ in lakhs

	Year ended 31 March 2016	Year ended 31 March 2015
Capital	-	-
Revenue	2,053.82	1,739.86
Total	2,053.82	1,739.86

43 Corporate Social Responsibility (CSR)

As a part of CSR initiative the Company continues its efforts towards the Swachh Vidyalaya Campaign - a part of the Government's National Swachh Bharat program. The Company also committed funds to build and refurbish sanitation facilities in 11 Schools, particularly for girl students across Haryana, Delhi and Lucknow, in partnership with Habitat for Humanity Foundation. The employees also volunteered in this program. The Company partnered with the Indian Institute of Technology, Delhi to launch an incubation accelerator program Pfizer IIT Delhi Innovation & IP Program to incubate healthcare startups. The Company in partnership with All India Institute of Medical Sciences (AIIMS) will evaluate linkage between poor ambient air quality and health indicators among students in schools and colleges across Delhi & NCR regions.

Gross amount required to be spent by the Company during the year ₹625.27 lakhs (March 2015: ₹602.10 lakhs)

Amount spent during the year (included in miscellaneous expenditure in note 28, "Other expenses") :

Description	In cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
ii) On purposes other than (i) above	642.60	1.70	644.30
	(129.10)	(-)	(129.10)

Previous year figures are shown in brackets.

44 Exceptional items

Exceptional items include Income from surrender of lease rights at Express towers (net of related expenses) and expenses incurred in relation to proposed transfer of business undertaking at Thane plant. Exceptional items for the year ended 31 March 2015 were in relation to voluntary retirement scheme / other related costs at Thane plant.

45 Proposed Sale of Business undertaking at Thane plant

The Company has entered into an agreement for sale of Business undertaking at the Thane plant as a going concern, on a slump sale basis for a consideration of ₹17,800 lakhs, to be paid in installments, subject to fulfillment of the conditions precedent to the closing. The impact of the transaction would be reflected upon closure of the transaction. During the year, the Company has received an advance of ₹9,000 lakhs as per the agreed terms and disclosed under "Other Current Liabilities" in note 10. Upon the conclusion of the Business Transfer Agreement (BTA), all current workmen at the Thane Plant shall be transferred to the buyer so as to facilitate manufacturing operations. Subsequently, the Company has intimated the concerned authorities that it has withdrawn its notice dated 15 July 2015 whereby it had intended to effect closure of its Thane plant. The proposed transfer of business undertaking at the Thane plant shall not impact the supply of any of the Company's medicines to patients as alternate supply arrangements are already in place. The fixed assets pertaining to the plant have been disclosed under the head "Assets held for sale" in note 20, "Other current assets".

46 Stay of Ban on Product Sales

The Government of India, Ministry of Health & Family Welfare, vide Notification No. S.O.909(E) dated 10 March 2016 had prohibited the manufacture for sale and distribution of fixed dose combination of Chlopheniramine Maleate and Codeine Syrup. The Company had challenged the said notification before the Hon'ble Delhi High Court for its product "Corex" and obtained an interim stay on the operation and execution of the notification. The legal proceedings are ongoing. The stay order from the Hon'ble Delhi High Court has enabled the Company to continue manufacture and sale of Corex. The annual sales of Corex for the financial year ended 31 March 2016 is ₹24,448 lakhs.

Notes to the financial statements

for the year ended 31 March 2016

47 Previous year figures

Figures for the previous years have been regrouped where necessary to conform to the present year's presentation.

1. Advance received from customers amounting to ₹214.72 lakhs has been regrouped from Trade receivable to Other current liabilities.
2. Provision for Sales tax amounting to ₹816.01 lakhs has been regrouped from Other current liabilities to Short term provisions.

As per our report of even date attached

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

Chartered Accountants

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

Sadashiv Shetty

Partner

Membership No. 048648

R. A. Shah

Chairman

DIN:00009851

Uday Khanna

Director

DIN:00079129

Pradip Shah

Director

DIN:00066242

S. S. Lalbhai

Director

DIN:00045590

S. Sridhar

Managing Director

DIN:05162648

Vivek Dhariwal

Wholetime Director

DIN:02826679

For and on behalf of the Board of Directors of Pfizer Limited
CIN No : L24231MH1950PLC008311

Ravi Prakash Bhagavathula

Chief Financial Officer

Prajeet Nair

Company Secretary

Membership No: A19267

Mumbai, 06 May 2016

Mumbai, 06 May 2016

Notice

65th Annual General Meeting

NOTICE is hereby given that the 65th Annual General Meeting of the Members of Pfizer Limited will be held at **Yashwantrao Chavan Pratishtan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021, on Tuesday, July 5, 2016 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS:

Item No. 1 - Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, including the Reports of the Board of Directors and Auditors thereon.

Item No. 2 - Declaration of dividend

To declare a dividend of ₹15.00 (150%) per equity share for the financial year ended March 31, 2016.

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

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

Item No. 4 - To ratify the appointment of Messrs. B S R & Co. LLP, Statutory Auditors

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 ordinary resolution passed by the Members at the 63rd Annual General Meeting of the Company and the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, the appointment of Messrs. B S R & Co. LLP, Chartered Accountants, having Firm’s Registration No. 101248W/W-100022 as the Statutory Auditors of the Company for the financial year ending March 31, 2017, at such remuneration as may be approved by the Board of Directors of the Company, be and is hereby ratified.”

SPECIAL BUSINESS:

Item No. 5 - To consider and appoint Mr. S. Sridhar as the Managing Director of the Company for a period of 5 years effective March 18, 2016

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder, Schedule V to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, consent of the Company be and is hereby accorded to the appointment of Mr. S. Sridhar (DIN: 05162648) as the Managing Director of the Company for a period of 5 (five) years with effect from March 18, 2016 and to his receiving remuneration, payments, perquisites, benefits 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. S. Sridhar shall be subject to a maximum limit of ₹6,00,00,000/- (Rupees Six Crores only) per annum.

B. Other Perquisites, Benefits and Amenities:

Mr. Sridhar will be entitled to the following perquisites, benefits and amenities:

(a) Car:

Mr. Sridhar shall be entitled to Company maintained car as per the rules of the Company.

(b) Communication Expenses:

Mr. Sridhar shall be entitled to reimbursement of expenses incurred towards phone and other communication and/or internet connectivity facilities as per the rules of the Company.

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

Mr. Sridhar shall be entitled to Personal Accident Insurance, Group Term Assurance and Hospitalization Coverage as per rules of the Company.

(d) Provident Fund:

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

(e) Gratuity:

Mr. Sridhar shall be entitled to gratuity as per the rules of the Company.

(f) Club Membership

Entrance Fees and monthly/annual subscription fees for one club, as per the rules of the Company.

(g) Reimbursement of Expenses:

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

(h) Other benefits / amenities / perquisites:

Mr. Sridhar shall be entitled to such other benefits / amenities / perquisites as may be determined by the Board from time to time.

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

The Company's contribution to provident fund, gratuity payable at the rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of tenure shall not be included in the computation of the above ceiling of ₹6,00,00,000/- (Rupees Six Crores only) per annum.

C. Minimum Remuneration:

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

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Mr. S. Sridhar 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. S. Sridhar shall be in compliance with the provisions of Sections 197 and 198 of the Act read with Schedule V to the Act.

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

Item No. 6 - To consider and appoint Ms. Lu Hong as a Director of the Company, liable to retire by rotation

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

"RESOLVED THAT Ms. Lu Hong (DIN: 07358719) who holds office as an Additional Director of the Company up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ("the Act") and being eligible for appointment, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Item No. 7 - To consider and re-appoint Mr. Aijaz Tobaccowalla as the Managing Director of the Company from August 16, 2015 to close of business on October 16, 2015.

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder and Schedule V to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. Aijaz Tobaccowalla (DIN: 05312126) as the Managing Director of the Company from August 16, 2015 to close of business on October 16, 2015 and to his receiving remuneration, payments, perquisites and amenities from that date as given below:

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

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Mr. Tobaccowalla shall be subject to a maximum limit of ₹5,00,00,000/- (Rupees Five Crores only) per annum.

B. Perquisites, Benefits and Amenities:

In addition to the above salary, fixed allowances, bonus/performance linked incentives; Mr. Tobaccowalla shall also be entitled to the following perquisites, benefits and amenities:

(a) Accommodation:

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

(b) Conveyance:

Mr. Tobaccowalla shall be entitled to Company maintained car with chauffeur service for official as well as personal use as per the rules of the Company.

(c) Communication expenses:

Mr. Tobaccowalla shall be entitled to reimbursement of expenses incurred towards phone and other communication and/or internet connectivity facilities at place of residence as per the rules of the Company.

(d) Medical Expenses:

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

(e) Leave and Leave Passage:

(a) Leave as per the rules of the Company.

(b) Leave Travel Assistance for Mr. Tobaccowalla and family once in a year to his home country.

(f) Club Membership:

Entrance fees and monthly/annual subscription fees for not more than two clubs, as per the rules of the Company.

(g) Children’s Educational Expenses:

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

(h) Relocation Expenses:

Reimbursement of relocation expenses as per the rules of the Company.

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

Mr. Tobaccowalla shall be entitled to Personal Accident Insurance, Group Term Assurance and Hospitalization Coverage as per rules of the Company.

(j) Provident Fund:

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

(k) Hardship Allowance:

Mr. Tobaccowalla shall be entitled to hardship allowance as per the rules of the Company.

(l) Reimbursement of Expenses:

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

(m) Other benefits / amenities / perquisites:

Mr. Tobaccowalla shall be entitled to such other benefits / amenities / perquisites as may be determined by the Board from time to time.

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

The Company's contribution to provident fund and encashment of leave at the end of tenure shall not be included in the computation of the above ceiling of ₹5,00,00,000/- (Rupees Five Crores only) per annum.

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

Item No. 8 - To consider and ratify the remuneration payable to Messrs. RA & Co., Cost Accountants for the financial year ending March 31, 2017

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other rules, if any, made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹10,40,000/- (Rupees Ten Lakhs Forty Thousand only) plus taxes and out-of-pocket expenses as approved by the Board of Directors of the Company payable to Messrs. RA & Co., Cost Accountants, having Firm's Registration No. 000242 for conducting Cost Audit of the cost records maintained by the Company for manufacturing of pharmaceutical formulations for the financial year ending March 31, 2017, be and is hereby ratified."

Item No. 9 - To consider and approve transactions with Pfizer Service Company BVBA, Belgium, a related party for an amount not exceeding in aggregate ₹1,000 crores in each financial year

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

"RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions with Pfizer Service Company BVBA, Belgium ("Pfizer BVBA"), a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Pfizer BVBA for an amount not exceeding in aggregate ₹1000,00,00,000/- (Rupees One Thousand Crores only) in each financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution."

Item No. 10 - To consider and approve transactions with Pfizer Innovative Supply Point Intl BVBA, Belgium, a related party for an amount not exceeding in aggregate ₹1,000 crores in each financial year

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

"RESOLVED THAT pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions with Pfizer Innovative Supply Point Intl BVBA, Belgium ("Pfizer Innovative BVBA"), a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Pfizer Innovative BVBA for an amount not exceeding in aggregate ₹1000,00,00,000/- (Rupees One Thousand Crores only) in each financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution.”

By Order of the Board of Directors

Prajeet Nair

Company Secretary

Mumbai, May 6, 2016

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

NOTES:

1. A Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013, (“the Act”) with respect to Item Nos. 5 to 10 of the Notice is annexed hereto.
2. **The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, June 29, 2016 to Tuesday, July 5, 2016 (both days inclusive) for the purpose of payment of dividend.**

Dividend for the financial year ended March 31, 2016, as recommended by the Board of Directors of the Company, if approved at the Annual General Meeting, will be paid to the Members on July 20, 2016 as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Tuesday, June 28, 2016;
- ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Tuesday, June 28, 2016.
3. IN TERMS OF SECTION 105 OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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

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

4. Members / Proxies / Authorized Representatives are requested to bring their copy of the Annual Report to the Meeting along with duly filled in Attendance Slips for attending the Meeting.
5. The Annual Report duly circulated to the Members of the Company, is available on the Company’s website at ‘www.pfizerindia.com’.
6. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company, at least one week before the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.

7. Members holding shares in the physical mode are requested to address their communications regarding transfer of shares, change of address etc., quoting their folio number(s) to the Company's Registrar & Share Transfer Agents:

Karvy Computershare Private Limited

UNIT: PFIZER LIMITED

Karvy Selenium Tower B, Plot No 31 & 32

Gachibowli Financial District, Nanakramguda, Serilingampally

Hyderabad, Telangana – 500032

Contact person: Mr. MRV Subrahmaniam

Tel: 040 6716 2222

Fax: 040 2300 1153

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

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

8. Pursuant to Schedule V and VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 66,266 unclaimed shares held by 2415 shareholders were outstanding in the Company's Unclaimed Suspense Account as on March 31, 2016, details of which are as follows:

Particulars	Number of Shareholders	Number of outstanding Shares
Aggregate number as at April 1, 2015	2,440	67,056
Number of shares claimed and transferred from the Unclaimed Suspense Accounts during the year	25	790
Aggregate number as at March 31, 2016	2,415	66,266

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

9. In compliance with Sections 205A and 205C of the Companies Act, 1956, the Company has transferred the unpaid and unclaimed dividends declared up to the financial years 2007-08, from time to time to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 13, 2015 (date of last Annual General Meeting) on the website of the Company, 'www.pfizerindia.com' and also on the website of the Ministry of Corporate Affairs.

Members are requested to contact the Company's Registrar & Share Transfer Agents, in respect of their outstanding dividends for the succeeding years.

10. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for 2015-16 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company / Depository Participants for communication purposes, unless any member has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company / Depository Participants, a physical copy of the Annual Report for 2015-16 is being sent by the permitted mode.

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

11. In terms of Section 72 of the Act read with the applicable rules thereto, every holder of shares in the Company may nominate, in the prescribed manner, a person to whom his / her shares in the Company shall vest, in the event of his / her death. Nomination forms can be obtained from the Registrar & Share Transfer Agents.
12. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility, which will enable the Members to cast their votes electronically on all resolutions set out in the Notice. The remote e-voting period commences on Friday, July 1, 2016 (9.00 a.m. IST) and ends on Monday, July 4, 2016 (5.00 p.m. IST).

13. Remote e-voting facility:

- A. The Company has appointed Karvy Computershare Private Limited ("Karvy") to provide the remote e-voting facility. In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website: <https://evoting.karvy.com>

B. The Instructions for e-voting are as under

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

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

- iii) After entering these details appropriately, click on "LOGIN".
- iv) You will now reach Password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,\$,#, etc). The system will prompt you to change your password and update your contact details like mobile number, E-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the "EVENT" i.e., Pfizer Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii) You may then cast your vote by selecting an appropriate option and click on "**Submit**". A confirmation box will be displayed. Click "**OK**" to confirm else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolutions.
- ix) Once the vote on the Resolution is cast by the shareholder, he / she shall not be allowed to change it subsequently.
- x) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. to the Scrutinizer at E-mail ID pfizerevoting2016@dholakia-associates.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVEN NO." Alternatively, the aforesaid documents may be uploaded on the Karvy e-voting website: <https://evoting.karvy.com>
- xi) The Cut-off date for determining the eligibility of Members for remote e-voting and poll is Tuesday, June 28, 2016.
- xii) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e., Tuesday, June 28, 2016. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Tuesday, June 28, 2016 only shall be entitled to avail the facility of remote e-voting / poll.
- xiii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Tuesday, June 28, 2016, may obtain the User ID and password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399 Example for NSDL: MYEPWD <SPACE> IN12345612345678, Example for CDSL : MYEPWD <SPACE> 1402345612345678, Example for Physical: MYEPWD <SPACE> XXXX1234567890

- b) If E-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “Forgot Password” and enter Folio No. or DP ID, Client ID and PAN to generate a password.
- c) Member may call Karvy’s toll free number 1-800-3454-001
- xiv) The Annual Report 2015-16 of the Company containing the Notice of the Annual General Meeting is also available on Karvy e-voting website: <https://evoting.karvy.com>
- xv) Karvy Computershare Private Limited shall block the remote e-voting module after 5.00 p.m. IST on Monday, July 4, 2016.
- xvi) Members who have voted electronically through remote e-voting shall not be eligible to vote at the Annual General Meeting.

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

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

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

As required under Clause 49 of the Listing Agreement, Regulation 36(3) of the Listing Regulations and SS 2-Secretarial Standards on General Meetings given below are the details of the Director proposed for re-appointment:

ITEM NO. 3:

Mr. Vivek Dhariwal (DIN: 02826679), aged about 49 years, holds a Bachelors Degree in Chemical Engineering from the Indian Institute of Technology, Mumbai and a Masters Degree in Chemical Engineering from the University of Kentucky, Lexington, USA.

Mr. Dhariwal has substantial expertise and experience in manufacturing and supply chain management. He has a wide range of Industrial experience in Pharmaceuticals, Agrochemicals, Specialty Chemicals and Bulk and Heavy Chemicals. He was earlier the Director, Manufacturing at Baxter (India) Private Limited and was responsible for India and Philippine markets. He has held senior positions in Baxter (India) Private Limited and ICI Plc, U.K.

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

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

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Dhariwal (being the appointee) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3. None of the Directors or Key Managerial Personnel are related to each other. The Number of Board / Committee Meetings attended during the year and other Directorships, Membership / Chairmanship of Committees is stated in Corporate Governance Report (Annexure H to the Board’s Report).

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for the approval of the Members.

A STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, (“the Act”) FOR ITEM NOS. 5 to 10:

ITEM NO. 5:

The Board of Directors of the Company at their meeting held on March 17, 2016 had pursuant to the recommendation of the Nomination and Remuneration Committee, appointed Mr. S. Sridhar (DIN: 05162648) as the Managing Director of the Company for a period of 5 (five) years with effect from March 18, 2016 on such remuneration, payments, perquisites, benefits and amenities as set out in the Resolution at Item No. 5 of the Notice of the Meeting. The said appointment is subject to the approval of the shareholders at the Annual General Meeting of the Company.

Mr. S. Sridhar, aged about 48 years, is a Chartered Accountant by profession with over 20 years of experience. Mr. Sridhar had served as the Chief Financial Officer of Pfizer Limited for a period of 7 years. He was appointed as an Executive Director on the Board of Directors of the Company effective May 14, 2013. Mr. S. Sridhar had also concurrently led the Company's Distribution function for 3 years. Prior to his appointment as the Managing Director, Mr. S. Sridhar held the position of Business Unit & Distribution Head.

Mr. S. Sridhar has led a number of strategic initiatives that have significantly expanded the Company's business footprint in the country. This includes the implementation of the merger of Wyeth Limited with Pfizer Limited in India that resulted in the two listed companies successfully combining talent and product portfolios to create a single 'go to market' strategy, stronger market presence and increased long term shareholder value. Mr. S. Sridhar is also responsible for developing the integrated Company's 'institutional business' strategy that has resulted in a strong Pfizer product portfolio presence in major institutions across the country and leading the development of the Company's multi-channel marketing strategy. Before joining the Company, Mr. Sridhar held the position of Finance Director of Diageo India Private Limited. He was also on the Board of erstwhile Wyeth Limited.

Mr. S. Sridhar does not hold any shares in the Company. Mr. S. Sridhar is a Member of Organization of Pharmaceutical Producers of India, Executive Committee.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. S. Sridhar. (being the appointee) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

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

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

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

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO. 6:

The Board of Directors of the Company had appointed Ms. Lu Hong (DIN: 07358719) as an Additional Director of the Company pursuant to the recommendation of the Nomination and Remuneration Committee with effect from December 4, 2015. In terms of Section 161 of the Companies Act, 2013 ("the Act") Ms. Lu Hong will hold office up to the date of this Annual General Meeting.

Ms. Lu Hong, aged about 44 years, holds a Master's Degree in Business Administration from Beijing University, and Bachelor's Degree in International Economy and Trade from Northeast University of Finance & Economy. Ms. Lu Hong is a senior HR Professional with over 18 years of experience. Ms. Lu Hong is currently the Vice President, HR BOS (Business and Operations Solutions) for Pfizer Asia Pacific. Ms. Lu Hong does not hold any shares in the Company. Ms. Lu Hong is not a Director of any other Company.

Ms. Lu Hong is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received a notice in writing from a Member along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Lu Hong for the office of Director of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Ms. Lu Hong (being the appointee) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6. None of the Directors or Key Managerial Personnel are related to each other. The Number of Board / Committee Meetings attended during the year and other Directorships, Membership / Chairmanship of Committees is stated in Corporate Governance Report (Annexure H to the Board's Report).

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

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO. 7:

The Members at the 61st Annual General Meeting held on August 2, 2012, had appointed Mr. Aijaz Tobaccowalla (DIN : 05312126) as the Managing Director of the Company for a period of 3 (three) years expiring on August 15, 2015.

In June 2015, Mr. Tobaccowalla had expressed his intention to accept a global role offered by Pfizer Inc. USA and to continue in his current position as the Managing Director until his successor was appointed by the Board of Directors of the Company. Thereafter, the Board of Directors of the Company at their meeting held on July 25, 2015, had re-appointed Mr. Aijaz Tobaccowalla as the Managing Director of the Company for a period of 6 (six) months with effect from August 16, 2015 on such remuneration, payments, perquisites, benefits and amenities as set out in the Resolution at Item No. 7 of the Notice of the Meeting. The said re-appointment is subject to the approval of the shareholders at the Annual General Meeting of the Company.

It may be noted that Mr. Aijaz Tobaccowalla has resigned from the position of the Managing Director of the Company effective close of business on October 16, 2015.

Mr. Aijaz Tobaccowalla, aged about 49 years, a Science graduate with a major in Computer Science and a minor in Mathematics. Mr. Tobaccowalla also holds a Masters Degree in Business Administration from the Stern School of Business, New York University. Mr. Tobaccowalla is an experienced global leader and has worked in the United States, Europe and Asia supporting established and emerging markets.

Mr. Tobaccowalla has extensive pharmaceutical experience and is a strategist with global delivery capability. Prior to joining the Company, he has designed and delivered consistent results in a global marketplace including areas of Business Intelligence, Sales Force Automation, R&D systems, ERP, e-Business and Manufacturing Systems. Mr. Tobaccowalla has held positions of increasing responsibility in Pfizer Inc., USA, including Senior Vice President, Worldwide Biopharmaceutical and Commercial Business Technology, where he was responsible for the Global, Commercial and Clinical Information Organization supporting all Pfizer Business Units and Pfizer's Digital and Mobile team.

Mr. Tobaccowalla does not hold any shares in the Company. Mr. Tobaccowalla was a Member of Organization of Pharmaceutical Producers of India, Executive Committee.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Tobaccowalla (being the appointee) are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7.

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

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

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

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

ITEM NO. 8:

Pursuant to Section 148 of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors at its meeting held on May 6, 2016, on recommendation of the Audit Committee, appointed Messrs. RA & Co., Cost Accountants (having Firm's Registration No. 000242) for conducting Cost Audit of the cost records maintained by the Company for manufacturing of pharmaceutical formulations for the financial year ending March 31, 2017, at a remuneration of ₹10,40,000/- (Rupees Ten Lakhs and Forty Thousand only) plus service tax and out-of-pocket expenses which is subject to ratification by the Members. The said remuneration as approved by the Board of Directors payable to the Messrs. RA & Co., requires to be ratified by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

ITEM NOS. 9 AND 10:

The Company is, *inter alia*, engaged in the business of manufacturing, marketing, trading, import and export of pharmaceutical products. The members at the 63rd Annual General Meeting held on November 10, 2014, had accorded their approval for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations from Pfizer Export Company, Ireland for an amount not exceeding in aggregate ₹600,00,00,000/- (Rupees Six Hundred Crores only) in each financial year. Going forward, the imports to India will be through entities namely Pfizer Service Company BVBA, Belgium and Pfizer Innovative Supply Point Intl BVBA, Belgium (“Pfizer Supply Entities”).

Pfizer Service Company BVBA, Belgium and Pfizer Innovative Supply Point Intl BVBA, Belgium are ‘Related Party’ within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Transactions for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations with Pfizer Supply Entities may become material in nature as these transactions are likely to exceed 10% of the annual turnover of the Company. Thus, in terms of Regulation 23 (4) of the Listing Regulations these transactions would require the approval of the Members by way of an Ordinary Resolution.

The particulars of the contracts/arrangements/transactions are as under:

Particulars	Information
Name of the Related Party	i. Pfizer Service Company BVBA, Belgium ii. Pfizer Innovative Supply Point Intl BVBA, Belgium
Name of Director(s) or Key Managerial Personnel who is Related	None
Nature of relationship	The Company and Pfizer Supply Entities are indirect subsidiaries of Pfizer Inc., USA
Material terms of the contracts / arrangements / Transactions	Purchase, transfer or receipt of products, goods active pharmaceutical ingredients, materials, services or other obligations on arm’s length basis
Monetary value	Not exceeding ₹1000,00,00,000/- (Rupees One Thousand Crores only) in each financial year for each entity.
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm’s length basis	Yes
Whether the transaction would meet the arm’s length standard in the opinion of the Company’s Transfer Pricing Consultants.	Yes
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes
Any other information relevant or important for the members to make a decision on the proposed transactions	None

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this Resolution.

The annual value of the transactions proposed is estimated on the basis of the Company’s current transactions and future business projections.

The Board recommends the Ordinary Resolutions set forth in Item Nos. 9 and 10 of the Notice for the approval of the members in terms of Regulation 23 of the Listing Regulations.

By Order of the Board of Directors

Prajeet Nair
Company Secretary

Mumbai, May 6, 2016

Registered Office:

Pfizer Limited

The Capital, 1802 / 1901,

Plot No. C – 70, G Block, Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051.

Tel: 91 22 6693 2000 Fax: 91 22 2654 0274

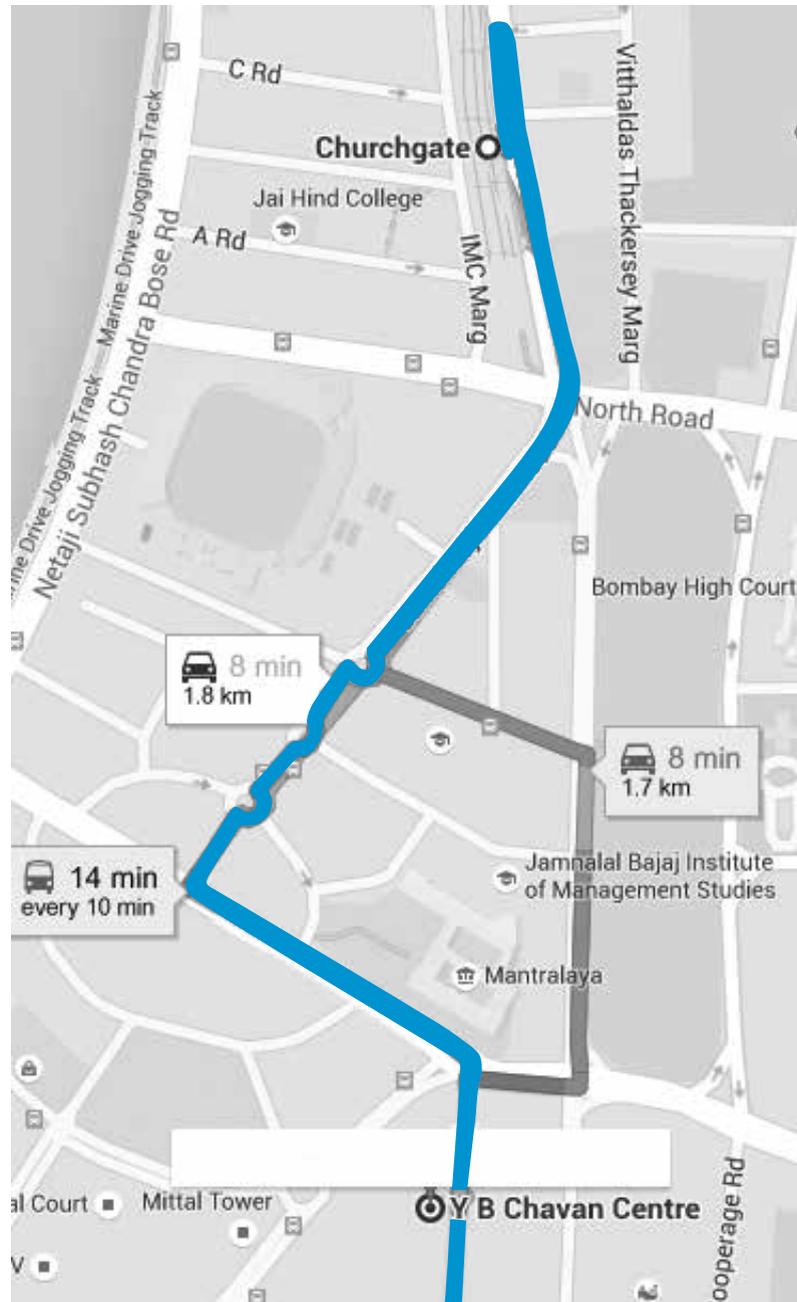
Website: www.pfizerindia.com

E-mail ID: contactus.india@pfizer.com

CIN: L24231MH1950PLC008311

ROAD MAP TO THE AGM VENUE

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



Landmark : Opposite Mantralaya

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

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

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



PFIZER LIMITED

CIN: L24231MH1950PLC008311

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholders,

Pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, your Company has sent the Annual Report through electronic mode to those Shareholders whose E-mail IDs are registered. Please note that as a Shareholder, you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company’s website at ‘www.pfizerindia.com’.

Shareholders holding shares in physical mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to fill the form below and send the same to our Registrar and Share Transfer Agents viz., **Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032.** The Company will not be in a position to send the documents in electronic mode unless the duly filled in form given below is received.

Shareholders holding shares in the dematerialized mode and wishing to register / update their E-mail ID to receive the Annual Report and other documents in electronic mode are requested to register / update their E-mail ID with the Depository Participants where their demat account is maintained.

PFIZER LIMITED

**Prajeet Nair
Company Secretary**

Place: Mumbai
Date: 6th May, 2016



PFIZER LIMITED

CIN: L24231MH1950PLC008311

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. Please register / update* the E-mail ID as mentioned below.

*Strike out whichever is not applicable.

- 1. **Name(s) of Shareholder(s)
(including joint holders, if any)** : _____
- 2. **No. of Shares held** : _____
- 3. **Registered Folio No. / DP ID &
Client ID No.** : _____
- 4. **E-mail ID for receipt of documents
in electronic mode** :

Place : _____

(Signature of First holder)

Date : _____

(Name of First holder)

For Physical shares : Kindly send to Karvy Computershare Private Limited.

For Demat shares : Kindly register / update the E-mail ID with the Depository Participant where demat account is maintained.



“I feel that we have the right strategy, the right tools and capabilities.

As a team, Pfizer colleagues relentlessly pursue success while remaining true to our values and purpose. We are building our future today, in the shape we want it to be.”

Mahadev Kolhe

Field Colleague, GEP - Cardiovascular Team



Pfizer Limited

Registered Office:

The Capital, 1802/1901, Plot No. C-70, 'G' Block,
Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel: +91 22 6693 2000

Fax: +91 22 2654 0274

Website: www.pfizerindia.com

Email ID: contactus.india@pfizer.com

CIN: L24231MH1950PLC008311

PFIZER LIMITED

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Tel: 91 22 6693 2000 Fax: 91 22 2654 0274 Website: www.pfizerindia.com E-mail ID: contactus.india@pfizer.com

65TH ANNUAL GENERAL MEETING

NAME AND ADDRESS OF THE MEMBER:

ATTENDANCE SLIP

PLEASE COMPLETE THE SLIP AND
HAND IT OVER AT THE ENTRANCE
OF THE MEETING HALL

FOLIO NO. / CLIENT ID / DP ID:

I hereby record my presence at the 65th Annual General Meeting of the Members of Pfizer Limited which will be held at Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021, on Tuesday, July 5, 2016 at 3.00 p.m.

Name of the Shareholder	Signature of the Shareholder/Proxy*

*Strike out whichever is not applicable.

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	User ID	Password

Please read the instructions given at Note No. 13 of the Notice of the 65th Annual General Meeting carefully before voting electronically.



PFIZER LIMITED

CIN: L24231MH1950PLC008311



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

Name and Address of the Member:

PROXY FORM - MGT - 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio No. / Client ID / DP ID: _____ E-mail ID: _____

I / We, being the member(s) holding shares of Pfizer Limited hereby appoint

1. Name	2. Name	3. Name
Address	Address	Address
E-mail ID	E-mail ID	E-mail ID
Signature	Signature	Signature
....., or failing him / her, or failing him / her

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 65th Annual General Meeting of the Company to be held on Tuesday, July 5, 2016 at 3.00 p.m. at Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, next to Sachivalaya Gymkhana, Mumbai – 400 021 and at any adjournment(s) thereof in respect of such resolutions, as are indicated overleaf.

Signed this _____ day of _____ 2016.

Please affix Revenue Stamp

Signature of the Shareholder: _____ Signature of the Proxy holder(s): _____

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the Meeting.

Please see overleaf



Sr. No	Ordinary Resolutions
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2.	To declare a dividend of ₹15.00 (150%) per equity share for the financial year ended March 31, 2016.
3.	To appoint a Director in place of Mr. Vivek Dhariwal who retires by rotation and being eligible offers himself for re-appointment.
4.	To ratify the appointment of Messrs. B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for the financial year ending March 31, 2017.
5.	To consider and appoint Mr. S. Sridhar as the Managing Director of the Company for a period of 5 years effective March 18, 2016.
6.	To consider and appoint Ms. Lu Hong as a Director of the Company, liable to retire by rotation.
7.	To consider and re-appoint Mr. Aijaz Tobaccowalla as the Managing Director of the Company from August 16, 2015 to close of business on October 16, 2015.
8.	To consider and ratify the remuneration payable to Messrs. RA & Co., Cost Accountants for the financial year ending March 31, 2017.
9.	To consider and approve transactions with Pfizer Service Company BVBA, Belgium, a Related Party for an amount not exceeding in aggregate ₹1,000 Crores in each financial year
10.	To consider and approve transactions with Pfizer Innovative Supply Point Intl BVBA, Belgium, a Related Party for an amount not exceeding in aggregate ₹1,000 Crores in each financial year