

Wyeth Limited

NOTICE

62nd Annual General Meeting

Wednesday, 21st April, 2010 at 11.00 a.m.
at Rama Watumull Auditorium,
K. C. College, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.

NOTICE

NOTICE is hereby given that the **Sixty-Second Annual General Meeting of the Members of Wyeth Limited** will be held at **Rama Watumull Auditorium, K. C. College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020, on Wednesday, 21st April, 2010 at 11.00 a.m. to transact the following business:**

1. To receive, consider and adopt the audited Balance Sheet as at 30th November, 2009 and the audited Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. S. S. Lalbhai, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K. K. Maheshwari, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Messrs. BSR & Associates, Chartered Accountants, as Auditors and to authorize the Board of Directors to fix their remuneration.
6. To appoint a Director in place of Mr. Kewal Handa, who was appointed as an Additional Director of the Company under Article 110 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for reappointment and in respect of whom a notice in writing has been received at the Registered Office of the Company from a Member under Section 257 of the said Act signifying his intention to propose Mr. Kewal Handa as a candidate for the office of Director.
7. To consider and, if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, Mr. Kewal Handa, be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 26th October, 2009 on the terms and conditions set out in the draft Agreement to be executed between the Company and Mr. Kewal Handa, placed on the table and initialled by a Director of the Company for the purpose of identification, and the Board of Directors of the Company (“the Board”) be and is hereby authorized to alter or vary his terms of appointment including remuneration as may be agreed upon with Mr. Kewal Handa, subject however, to the overall ceiling on remuneration specified in the said Schedule XIII and other applicable provisions of the said Act, for the time being in force.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to enter into an Agreement on behalf of the Company with Mr. Kewal Handa in terms of the aforesaid draft Agreement and to do all such acts, deeds, matters and things as may be considered by it to be necessary, expedient or desirable in this regard.”

8. To consider and, if thought fit to pass, with or without modification, the following resolution as a **Special Resolution:**

“RESOLVED THAT subject to the provisions of Section 309(4) of the Companies Act, 1956, read with Article 112 of the Articles of Association of the Company, the Directors of the Company (including Alternate

Directors but excluding Mr. B. R. Arora, the Directors resident outside India, the Managing Director and/or Whole-time Director/s), be paid remuneration by way of commission annually as follows:

- (a) such sum not exceeding 3% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956, subject to an aggregate limit of Rs. 75 lacs (Rupees Seventy-five lacs) per annum, so long as the Company does not have a Managing Director and/or Whole-time Director, or
- (b) such sum not exceeding 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 1956, subject to an aggregate limit of Rs. 50 lacs (Rupees fifty lacs) per annum so long as the Company has a Managing Director and/or Whole-time Director;
- (c) the payment of commission as aforesaid to be determined by the Board of Directors and distributed in such proportion as the Board may think fit.

RESOLVED FURTHER THAT pursuant to Section 309(7) of the Companies Act, 1956, this resolution shall remain in force for a period of five years commencing from the 1st day of December, 2009;

AND RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

9. To consider and, if thought fit to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) the present Article 112(3) of the Articles of Association of the Company be and is hereby replaced by the following new Article:

112. (3) The fees payable to a Director (other than a Managing Director or Whole-time Director) for attending a Meeting of the Board or any Committee thereof shall be such sum as may be determined by the Board from time to time within the limit prescribed in that behalf under or pursuant to the Act or any rules or regulations made thereunder.”

Registered Office:

Level 6 & 7, Platina,
Plot No. C-59, 'G' Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 098

Date: 19th February, 2010

By Order of the Board of Directors

N. N. Thakore
Company Secretary &
Legal Director

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, ("the Act") with respect to Item Nos. 6 to 9 of the Notice set out above is annexed hereto.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 8th April, 2010 to Wednesday, 21st April, 2010 (both days inclusive).
3. Dividend, for the year ended 30th November, 2009, as recommended by the Directors of the Company, if sanctioned at the Meeting, will be paid within the prescribed time to:
 - (i) those Members whose names appear on the Register of Members of the Company on Wednesday, 21st April, 2010; and
 - (ii) those Members whose names appear as beneficial owners as at the close of business hours on Wednesday, 7th April, 2010, as per details to be furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in dematerialized form.
4. Pursuant to Section 205A read with Section 205C of the Act, all unclaimed/unpaid dividends up to the Financial Year ended 31st March, 2002 have been transferred to the Investor Education and Protection Fund.
5. Members are requested to encash their dividend warrants on receipt, as the proceeds of the dividend warrants remaining unclaimed/unpaid for seven years are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government under Section 205C of the Act.
6. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the Meeting. Replies will be provided in respect of such queries received in writing, only at the Meeting.
7. Members are requested to **immediately** address their communications regarding transfer of shares, change of address, dividend mandates, etc., quoting their folio number(s) to the Company's Registrar & Transfer Agents:

Datamatics Financial Services Limited

Plot Nos. A-16 & A-17, Part B Crosslane,
MIDC, Marol, Andheri (East), Mumbai - 400 093.

Contact person: Mr. C. R. Rao

Telephone : 022 6671 2151 – 56

Fax: 022 2821 3404

E-mail ID: corpequity@dfssl.com

8. Members holding shares in dematerialized form, may please note that while opening a depository account with participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish the MICR code of their bank to their Depository Participant. **It will not be possible for the Company to entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**
9. Members are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through Electronic Clearing Service (ECS), they should submit their ECS details to the Company's Registrar & Transfer Agents by 7th April, 2010. The requisite ECS application form can be obtained from the Company's Registrar & Transfer Agents. Alternatively, Members may provide details of their

bank account quoting their folio numbers by the said date, to the Company's Registrar & Transfer Agents to enable them to print such details on the dividend warrants.

10. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filling Form No. 2B. Blank forms will be supplied by the Company's Registrar & Transfer Agents on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 FOR ITEM NOS. 6 to 9 :

ITEM NOS. 6 & 7:

The Board of Directors of the Company ("the Board") at its Meeting held on 26th October, 2009, appointed Mr. Kewal Handa ("Mr. Handa") as an Additional Director and subject to the approval of the Members at this Annual General Meeting, as Managing Director of the Company, effective 26th October, 2009.

In accordance with Section 260 of the Companies Act, 1956 ("the Act"), read with Article 110 of the Articles of Association of the Company, Mr. Handa holds office upto the date of this Annual General Meeting. In terms of Section 257 of the Act, a notice in writing has been received from a Member of the Company signifying his intention to propose Mr. Handa as a candidate for the office of Director, along with a deposit of Rs. 500/- (Rupees five hundred only) which amount shall be refunded to the Member, if Mr. Handa is appointed as a Director.

Mr. Kewal Handa is a member of the Institute of Cost and Works Accountants of India and also a member of the Institute of Company Secretaries of India. He holds a Masters Degree in Commerce. He joined Pfizer in June 1990 and has held various positions of increasing responsibility in the said company. He is currently also the Managing Director of Pfizer Limited. Mr. Handa is the Chairman of the Pricing Committee of the Organization of Pharmaceutical Producers of India (OPPI) and the Past President of the All India Management Association. He is also a Committee Member of the Confederation of Indian Industry (CII) and the Bombay Chamber of Commerce and Industry (BCCI). He was awarded the 'India CFO 2004 – Excellence in Finance in MNC' by the International Market Assessment Group. Mr. Kewal Handa does not hold any equity shares in the Company.

The material provisions of the draft Agreement with Mr. Handa referred to in the resolution at Item No. 7 of the Notice are as under:

- A. TERM:** Three years from 26th October, 2009 to 25th October, 2012 (both days inclusive).
- B. NATURE OF DUTIES:** Subject to the superintendence, control and direction of the Board, Mr. Handa to have the general control of the business and affairs of the Company and be responsible for the general conduct and management of the day to day business and affairs of the Company and to, interalia, discharge all such duties and responsibilities which may be assigned or entrusted to him from time to time by the Board.
- C. REMUNERATION:** Mr. Handa also being the Managing Director of Pfizer Limited, receives remuneration from the said company. Mr. Handa to continue to be remunerated by Pfizer Limited and no remuneration to be paid by the Company to Mr. Handa as its Managing Director.

D. OTHER TERMS AND CONDITIONS:

Mr. Handa:

- (i) not to be paid any sitting fees for attending meetings of the Board or any Committee(s) of the Board.
- (ii) not during his tenure as Managing Director, or at any time thereafter, without the prior consent in writing, of the Board in that behalf, to disclose, divulge, or make public or use whatsoever, whether for his own purpose or any other purpose, any information or knowledge obtained by him or that has become known to him during his tenure as Managing Director as to the business or affairs of the Company or as to any operations or activities or as to any trade secrets or secret processes, inventions or discoveries, improvements or designs and patents or other confidential information of the Company and to use his best efforts to prevent any other person from doing so.

- (iii) undertakes, so long as he is the Managing Director, not to become interested or otherwise concerned directly or indirectly or through wife or children in any selling agency of the Company or any business/ company that provides goods or services to the Company, without the prior approval of the Board.
- (iv) not during his employment as Managing Director, to directly or indirectly engage himself in any other business or employment or occupation whatsoever save and except as Managing Directorship of Pfizer Limited. Mr. Handa may hold any directorship(s) of any other company or companies with the previous sanction of the Board.

E. TERMINATION:

The Company to be entitled to terminate Mr. Handa's employment as Managing Director by notice in writing, if he:

- (a) commits a breach of any of the terms, provisions or covenants contained in the Agreement;
- (b) becomes disqualified to act as a Director for any reason other than an inadvertent breach of the applicable provisions of the Act or any statutory modification or re-enactment thereof for the time being in force;
- (c) becomes insolvent or makes any compromise or arrangement with his creditors or ceases to be a Director of the Company;
- (d) is unable or is prevented by reason of ill health or accident or disability, physical or mental, from performing his duties for a period of 150 consecutive days in any period of 12 consecutive calendar months.

F. NOTICE:

- (i) Notwithstanding anything to the contrary contained in the Agreement, the Company to be entitled to forthwith terminate Mr. Handa's employment as Managing Director without any notice or compensation in lieu of notice or otherwise in case he commits any act of dishonesty or such other misconduct or neglect of duty or incompetence in the discharge of duties and the decision of the Company in this regard shall be final, conclusive and binding.
- (ii) Notwithstanding anything to the contrary contained in the Agreement, either party to be entitled to terminate the Agreement at any time by giving to the other not less than six months prior notice in writing in that behalf without the necessity of showing any cause and on the expiration of the period of such notice, the Agreement shall stand terminated.

The Board recommends the resolutions at Item Nos. 6 & 7 of the Notice. The approval of the Members is being sought to Mr. Handa's appointment as Director in terms of the resolution at Item No. 6 of the Notice and as Managing Director in terms of the resolution at Item No. 7 of the Notice.

The above terms and conditions are, and should be deemed to be, an abstract and Memorandum of Interest of the draft Agreement between the Company and Mr. Handa pursuant to Section 302 of the Act.

A copy of the draft Agreement to be entered into between the Company and Mr. Handa referred to in the resolution at Item No. 7 of the Notice, will be available for inspection at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on any working day (Monday to Friday).

Mr. Handa is interested in the resolutions at Item Nos. 6 and 7 of the Notice since they relate to his appointment as a Director and as the Managing Director of the Company, respectively.

ITEM NO. 8:

The Members, at their Meeting held on 2nd September, 2005 had by a Special Resolution approved the payment of remuneration by way of commission to the Directors of the Company (including Alternate Directors but excluding

the Directors resident outside India, the Managing Director and/or Whole-time Director(s) for a period of five years commencing from 1st April, 2006 subject to the maximum limits specified therein. The aforesaid approval was obtained subject to Section 309(7) of the Companies Act, 1956, read with Article 112 of the Company's Articles of Association. In view of the increasing activities of the Company and the corresponding increase in the Directors duties and responsibilities, it is proposed to increase the maximum limit up to which Commission may be paid to the Directors with effect from 1st December, 2009.

Approval of the Members by way of a Special Resolution is being sought, pursuant to the provisions of Section 309(4) of the Companies Act, 1956, for payment of commission subject to a maximum aggregate limit of:

- (a) Rs. 75 lacs (Rupees seventy-five lacs) per annum so long as the Company does not have any Managing Director and/or Whole-time Director, or
- (b) Rs. 50 lacs (Rupees fifty lacs) per annum so long as the Company has a Managing Director and/or Whole-time Director.

The Special Resolution, if passed by the Members, would remain in force for a period of five years commencing from 1st December, 2009.

Mr. K. K. Maheshwari, Mr. S. S. Lalbhai, Mr. D. E. Udadia and Mr. P. H. Lele, being resident non-executive Directors of the Company to whom remuneration by way of Commission is proposed to be paid, are interested in the Special Resolution to the extent of any remuneration by way of Commission that may be paid to them respectively.

ITEM NO. 9:

The Board of Directors at their Meeting held on February 19, 2010 approved the remuneration payable to the non-executive Directors (excluding Mr. B. R. Arora) by way of fees for each meeting of the Board and Committee thereof attended. The present Article 112(3) of the Articles of Association of the Company authorizes such payment of fees to Directors (other than a Managing or Whole-time Director). The limit stipulated therein currently is Rs. 250/- per meeting. It is proposed to replace the present Article 112(3) of the Articles of Association with the new Article 112(3), the text of which has been set out in full in the Special Resolution at Item No. 9. The proposed Special Resolution is recommended for your consideration.

Mr. K. K. Maheshwari, Mr. S. S. Lalbhai, Mr. D. E. Udadia and Mr. P. H. Lele, being resident non-executive Directors of the Company to whom remuneration by way of fees is proposed to be paid, are interested in the Special Resolution to the extent of any remuneration by way of fees paid to them respectively.

Registered Office:

Level 6 & 7, Platina,
Plot No. C-59, 'G' Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 098

Date: 19th February, 2010

By Order of the Board of Directors

N. N. Thakore
Company Secretary &
Legal Director

Wyeth Limited
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OUR VALUES



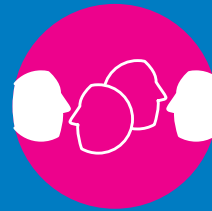
customer focus

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



community

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



respect for people

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



performance

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



collaboration

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



leadership

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



integrity

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



quality

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



innovation

Innovation is the key to improving health and sustaining our growth and profitability.

Board of Directors (as on 19th February, 2010)

B. R. Arora	Chairman
S. S. Lalbhai	
K. K. Maheshwari	
D. E. Udwadia	
P. H. Lele	
K. Handa	Managing Director
A. W. Khandekar	Whole-time Director

Management Committee

K. Handa	Managing Director
A. K. Sharma	Women Health Care
S. Muddana	Speciality & Vaccines
A. W. Khandekar	Technical Operations
P. L. Bhat	Finance
A. Rajan	Human Resources
S. Patil (Dr.)	Corporate Affairs
N. N. Thakore	Company Secretary & Legal
V. C. Iyer	Commercial
S. Kumar	Public Affairs

Auditors

Price Waterhouse

Solicitors & Advocates

Udwadia & Udeshi

Registrar & Share Transfer Agents

Datamatics Financial Services Ltd.
Plot Nos. A-16 & A-17,
Part B Crosslane, Marol, MIDC
Andheri (East),
Mumbai - 400 093.

Bankers

Citibank N.A.
American Express Bank Ltd.
Bank of India
ICICI Bank Limited
Standard Chartered Bank

Manufacturing Plant

Plot No. L-137, Phase III,
Verna Industrial Estate,
Verna, Goa.

Registered Office

Level 6 & 7, Platina,
Plot No. C-59, 'G' Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 098.

SIXTY-SECOND ANNUAL GENERAL MEETING

Wednesday, 21st April, 2010, 11.00 a.m.

Rama Watumull Auditorium,
K. C. College, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.

MEMBERS ARE REQUESTED TO
BRING THEIR COPY OF
THE ANNUAL REPORT TO THE
ANNUAL GENERAL MEETING.

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DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Sixty-Second Annual Report of the Company together with the audited accounts for the eight month period from 1st April, 2009 to 30th November, 2009. The audited figures given hereunder for the period under review and the previous year are not comparable, as the Company's accounting year has been changed from April – March to December – November. The current financial year is therefore for the period of 8 (eight) months only from April, 2009 to November, 2009, while the previous year was for the period of 12 (twelve) months from April, 2008 to March, 2009.

FINANCIAL HIGHLIGHTS

	April – November, 2009	(Rs. in Lakhs) Year ended 31 st March, 2009
Profit before non-recurring expenses/(income), listed below and Tax	8171.95	14287.65
— Voluntary Retirement Scheme payments	—	51.37
Profit before Taxation	8171.95	14236.28
Provision for Tax for the year	2271.33	4269.29
Net Profit	5900.62	9966.99
Balance brought forward from previous year	16129.86	15798.50
Profit available for appropriation	22030.48	25765.49
Proposed Dividend	4544.02	7384.02
Tax on Proposed Dividend	772.26	1254.91
Transfer to General Reserve	590.06	996.70
Balance carried to next year	16124.14	16129.86

DIVIDEND

The Directors recommend a dividend of Rs. 20.00 (previous year Rs. 32.50) per equity share for the 8 month period ended 30th November, 2009. If the proposed dividend is approved by the Shareholders at the Annual General Meeting the total dividend payout will be Rs. 4544.02 lakhs. Tax on dividend payout to be borne by the Company will be Rs. 772.26 lakhs.

The dividend will not suffer tax in the hands of the Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy grew by approximately 7% during the year ended November, 2009, marginally higher than the 6.7% achieved in the previous year. The Indian economy has come out of the global economic crisis relatively well.

THE PHARMACEUTICAL INDUSTRY

The Pharmaceutical Industry grew by 15.72% for the year ended November, 2009 (Source IMS MAT November, 2009) compared to 10.49% in November, 2008 (Source IMS MAT November, 2008). The geographical expansion of the industry and the ongoing economic recovery helped the industry's accelerated growth.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The pharmaceutical market is expected to register growth of 12% to 14% in 2010, propelled by the economic revival, the rising number of players entering organized healthcare, and the increasing penetration of smaller cities and rural markets by the pharmaceutical industry.

The industry is taking initiatives to expand its reach beyond metros and cities to smaller towns. However, inadequate investment in rural health infrastructure and low insurance penetration continue to hinder market development and the ability of the pharmaceutical industry to contribute to improved health outcomes.

Several factors point to rising prospects for the Indian economy – high domestic savings rate, increased foreign direct investment to tap India's large domestic market, a growing working population in a world that is ageing rapidly and human resources such as labour skills, scientific talent and management capability.

As the economy revives and access to healthcare improves, the pharmaceutical market is expected to grow at a faster pace in the coming years. However, excessive focus of the Government on pricing and inadequate attention to investment in rural health infrastructure will continue to hamper the industry's growth potential and its capacity to provide healthcare for all the people.

FINANCIAL AND OPERATIONAL PERFORMANCE

Sales for the period ended 30th November, 2009 were Rs. 286 crores (previous year Rs. 383 crores) which represents growth of 12% over the previous year on an annualized basis. The Company maintains its leadership position in Oral Contraceptives, Hormone Therapy and Folic Acid markets.

The products launched in the last few years have achieved good growth over the previous year. Two key products, ENBREL*, a break through treatment for Rheumatoid Arthritis and Psoriasis, achieved growth of 38% and PREVENAR*, a vaccine for invasive Pnuemococcal disease achieved growth of 75%.

During the period, the Anne French* range received a boost with the launch of the new "Anne French* roll-on". Featuring a very convenient applicator, a category innovation, new fragrance variant, and variants designed for normal as well as dry skin, the roll-on has been a success in the market, bringing new consumers into the fold. A new television commercial, featuring the brand ambassador, Kareena Kapoor, has further enhanced the Anne French* image as a brand which innovates.

There was continuing emphasis on improving market presence for Anacin*, through innovative retail branding initiatives. This year saw the launch of Anacin* Multi Pain focused on providing relief of multiple body pains. Thus, Anacin* Multi Pain has broadened the brand's relevance for consumers by targeting many more usage occasions than before.

OUTLOOK

The Company continues to invest in all the key brands to increase sales and also takes initiatives to reduce cost with a view to improving profitability and thus increase stakeholder value.

CAUTIONARY NOTE

Certain statements in the Management Discussion and Analysis Section 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.

MERGER OF WYETH (USA) WITH PFIZER INC.

Wyeth, USA (Wyeth) has merged with Wagner Acquisition Corp., a direct, wholly-owned subsidiary of Pfizer Inc., through a scheme of merger effected pursuant to and as per the prevailing laws of the United States of America. The merger of Wyeth and Wagner Acquisition Corp., became effective on 15th October, 2009 and as a result of the merger, Pfizer Inc. is now the parent company of Wyeth and hence the ultimate parent of the Company.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems with control checks commensurate with its size and nature of business. These measures ensure efficient use and protection of all assets of the Company and also compliance with the policies, procedures and statutory requirements. All transactions are recorded in conformity with generally accepted accounting principles.

KPMG (the Internal Auditors) had been regularly conducting the review of the financial and operating controls in all areas of the Company's operations and significant issues, if any, were brought to the attention of the Management and Audit Committee of the Board for necessary action. KPMG, being a member firm of KPMG International, the statutory auditors to Pfizer Inc and its affiliate and subsidiary companies globally, stepped down as Internal Auditors. The Directors place on record their appreciation of the services rendered by KPMG.

The Audit Committee and Board of Directors have appointed Ernst & Young as the Company's Internal Auditors.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company continues to focus on its core values of Customer Focus, Community, Respect for People, Performance, Collaboration, Leadership, Integrity, Quality and Innovation.

The relationship with all employees in the Company continues to be cordial.

The Company had 813 employees on its rolls as on 30th November, 2009.

The information required under Section 217(2A) of the Companies Act, 1956, ("the Act") read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all shareholders excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Company's Registered Office.

SAFETY AND ENVIRONMENT

The Company's commitment to safety and adherence to environment norms continued during the period under review. Pollutants in wastewater and air are regularly monitored at the manufacturing facility in Goa.

Safety audits are regularly conducted and training in general safety, industrial hygiene and basic fire fighting is regularly imparted to plant employees.

DIRECTORS

Mr. R. R. Iyer resigned as Managing Director on 26th October, 2009. He had been with the Company since November, 1980, rendering a long and distinguished service of nearly 29 years. He was appointed as a Director on the Board from October, 1997 and he held the position of Managing Director of the Company since March, 2000. The Board places on record their deep appreciation of the valuable services rendered by Mr. Iyer during his long tenure with the Company.

Mr. Kewal Handa was appointed as Additional Director and Managing Director of the Company with effect from 26th October, 2009 for a period of three years. In terms of Section 260 of the Companies Act, 1956, the term of office of Mr. Kewal Handa expires on the date of the forthcoming Annual General Meeting and he is eligible for reappointment.

Mr. S. N. Talwar was appointed Non-executive Independent Director of the Company on 20th March, 2009. He resigned on 26th October, 2009. The Board places on record its appreciation of the valuable services rendered by Mr. S. N. Talwar as Director.

Messrs. S. S. Lalbhai and K. K. Maheshwari retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th November, 2009 and of the profit of the Company for the period 1st April, 2009 to 30th November, 2009;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared 'on a going concern basis'.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from Saraf & Associates, Company Secretaries, regarding compliance with the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto as Annexure I.

SUBSIDIARY COMPANY

Wyeth Lederle (Exports) Limited (WLEL), the wholly owned subsidiary of the Company is under the process of Liquidation. WLEL was not operational during the year. Hence, WLEL's Financial Statements and Statement under Section 212 of the Companies Act, 1956, are not annexed to the Company's Financial Statements.

AUDITORS

Messrs. Price Waterhouse, Auditors have informed that they are not seeking reappointment. The Audit Committee and Board of Directors have evaluated the appointment of Auditors and are of the opinion that in the best interest of the Company, Messrs. BSR & Associates be appointed as the Company's Auditors. The Directors place on record their appreciation of the services rendered by Messrs. Price Waterhouse.

Messrs. BSR & Associates (BSR) have confirmed that they are eligible for appointment as Auditors. BSR, if appointed, will hold office up to the conclusion of the next Annual General Meeting of the Company.

AUDITORS' COMMENTS

The claims under the Drug Prices Equalization Account and the comments of the Auditors regarding the amount payable into the Drug Prices Equalization Account in respect of De-methyl Chlor Tetracycline, Chlor Tetracycline Hydrochloride, Tetracycline Hydrochloride, Dexamethasone, Amoxycillin Trihydrate, Benzathine Penicillin G and their formulations and claims by the Government regarding non-compliance with respect to prices fixed under para 8 of the Drugs (Prices Control) Order, 1995 for Prednisolone based formulations have been explained in Notes 4(a) and 4(b) of Schedule 17 to the Accounts. An early resolution of this issue will provide much needed clarity for the future.

In response to Note 7 of the Annexure to Auditors' Report, it is clarified that the Company had KPMG, as its Internal Auditors. KPMG, being a member firm of KPMG International, the statutory auditors to Pfizer Inc., and its affiliate and subsidiary companies globally, stepped down as Internal Auditors during the period ended 30th November, 2009. Thereafter, the Company initiated the process of filling the vacancy. Ernst & Young, have since been appointed as Internal Auditors, to ensure that the Company has an Internal Audit system commensurate with the nature and size of its business.

COST AUDITORS

The Directors have, subject to the approval of the Central Government, appointed Messrs. RA & Co., Mumbai, as Cost Auditors to conduct the cost audit of Formulations for the financial year ending 30th November, 2010. The requisite application for approval of their appointment has been submitted to the Central Government.

APPRECIATION

Your Directors take this opportunity to thank the Management of the Parent Company for their valuable guidance and support.

The Directors record their thanks to the Company's employees at all levels for their dedication and commitment throughout the year. The Directors would also like to record their thanks to the Company's shareholders, bankers, financial institutions, Central and State Government officials, medical professionals, hospitals, research institutions, vendors, trade and all customers for their continued support and co-operation.

On behalf of the Board

Place : Mumbai
Date : 19th February, 2009

B. R. Arora **Kewal Handa**
Chairman **Managing Director**

*Registered Trade Mark

ANNEXURE I

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 30th NOVEMBER, 2009.

A. Conservation of Energy:

- | | | | |
|-----|--|---|--|
| (a) | Energy Conservation measures taken | : | Energy conservation by optimum utilization of HVAC system. |
| (b) | Additional investments and proposals, if any, being implemented for reduction of consumption of energy | : | Utilization of additional chiller to reduce furnace oil consumption and Carbon Dioxide emission. |
| (c) | Impact of measures at (a) and (b) | : | Improves operational efficiency and decreases energy utilization and Carbon Dioxide emission. |

FORM A

Form of Disclosure of particulars with respect to conservation of energy

		Unit	April – November, 2009	Year ended 31 st March, 2009
Power and Fuel consumption				
1.	Electricity			
(a)	Purchased Units	Kwh	38,44,719	53,14,310
	Total Amount	Rs. Lakhs	364.07	563.00
	Rate/Unit (average)	Rs.	9.47	10.59
(b)	Own generation			
(i)	Through diesel generator unit	Kwh	4,544	16,864
	— Units per liter of diesel oil	Kwh	0.39	1.41
	— Cost/Unit	Rs.	91.25	25.84
	Note: The cost of own generated electricity is not comparable, as the standby generator unit was operated only for test runs.			
(ii)	Through steam turbine/generator		NIL	NIL
2.	Coal		NIL	NIL
3.	Furnace Oil			
	Quantity	K. Ltrs.	296.40	714.90
	Total Cost	Rs. Lakhs	76.11	216.08
	Average rate	Rs./ltr.	25.68	30.23
4.	Others		NIL	NIL

Consumption per unit of production

Since the Company manufactures several formulations in the same factory, it is not practical to apportion consumption of utilities based on the records.

ANNEXURE I (Contd.)

FORM B

Form of disclosure of particulars with respect to technology absorption

B. Research and Development (R&D):

- I. (a) Specific areas in which R&D carried out by the Company : Research and Development activities carried out by the Company are in the areas of formulation development, process improvement and clinical trials for registration of products.
- (b) Benefits as a result of above R&D : Increase in operating efficiency and new product introduction.
- (c) Future plan of action : The Company will continue to focus on improving operational efficiencies.
- (d) Expenditure on R&D : Rs. Lakhs

	April – November, 2009	Year ended 31st March, 2009
(i) Capital	Nil	Nil
(ii) Recurring	80.41	97.23
(iii) Total	80.41	97.23
(iv) Total R&D expenditure as a percentage of total turnover	0.28%	0.25%

2. Technology absorption, adaptation and innovation:

- (i) Efforts, in brief, made towards technology absorption, adaptation and innovation : 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.
- (ii) 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 are some of the benefits achieved in the current period.
- (iii) Imported technology (imported during the last 5 years reckoned from the beginning of the financial year) : As mentioned in (i) we continue to receive technology, process know-how and technical assistance from time to time from the Parent Company.

C. Foreign Exchange Earnings and Outgoings:

- (i) Efforts : The Company continues to explore possibilities for import substitution.
- (ii) Earnings & Outgoings : During the current financial year the Foreign Exchange earned was Rs. 64.37 lakhs. Foreign Exchange Outgoings were Rs. 6,730.09 lakhs.

CORPORATE GOVERNANCE REPORT

I. MANDATORY REQUIREMENTS

1. Company's philosophy on code of governance :

Wyeth is committed to uphold its core values of Customer Focus, Community, Respect for People, Performance, Collaboration, Leadership, Integrity, Quality and Innovation. The Company also has a strong legacy of fair, transparent and ethical practices which it believes are the essence of good corporate governance. It has been the Company's continuous endeavour to build on its values and practices to effectively meet its financial, social, environmental and statutory obligations.

The requisite standards of corporate governance have been fully complied with by the Company.

2. Board of Directors :

The Board of Directors provide strategic direction and thrust to the operations of the Company.

The Board is headed by the Non-Executive Chairman, Mr. B. R. Arora, and comprises eminent persons with considerable professional experience in varied fields. The present strength of the Board is seven Directors. Of these, two are Executive Directors and five are Non-Executive Directors. Half of the Board consists of Independent Directors. The size and composition of the Board therefore complies with the requirements of corporate governance under the Listing Agreements with the Stock Exchanges, the Articles of Association of the Company and applicable laws.

During the period under review, the Company held four Board Meetings as under :

- | | |
|----------------------------------|--|
| (i) 24 th June, 2009 | (iii) 25 th September, 2009 |
| (ii) 17 th July, 2009 | (iv) 26 th October, 2009 |

The names of the Directors, the number of Board Meetings held, their 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 30th November, 2009, are set out below :

Name of the Director	Category of Directorship [#]	No. of Board Meetings attended out of four held	Attendance at last AGM held on 21 st August, 2009	No. of Directorships in Companies incorporated in India including Wyeth Limited (excluding Private Companies)	Membership/ Chairmanship of Board Committees including Wyeth Limited*
Mr. B. R. Arora (Chairman)	NED	3	Yes	2	Nil
Mr. R. R. Iyer (Managing Director up to 26.10.2009)	WTD	4	Yes	2	2/Nil
Mr. Kewal Handa (Managing Director w.e.f. 26.10.2009)	WTD	1	Appointed after the AGM	3	4/Nil
Mr. S. S. Lalbhai	NED-I	4	Yes	4	3/Nil
Mr. K. K. Maheshwari	NED-I	4	Yes	1	1/1
Mr. D. E. Udawadia	NED-I	4	Yes	13	8/1
Mr. S. N. Talwar (up to 26.10.2009)	NED-I	2	Yes	15	6/4
Mr. A. W. Khandekar	WTD	3	Yes	1	Nil
Mr. P. H. Lele	NED-I	3	Yes	4	3/1

NED – Non-Executive Director

WTD – Whole-time Director

NED-I – Non-Executive Director – Independent

* Includes only Audit Committees and Shareholder Grievance Committees.

3. Reappointment of Directors :

Mr. S. S. Lalbhai :

Mr. Sunil S. Lalbhai, 49, holds a Master of Science degree in Chemistry, Economic Policy and Planning from USA. He has wide experience in the management field. He is presently the Chairman and Managing Director of Atul Limited where he has been working since 1983.

In 2006, he was appointed by the Government of India, Ministry of Chemicals & Fertilizers, Department of Chemicals and Petrochemicals, as Convener of the Sub-Group on Dyestuffs and Dye-intermediates for preparing a draft report for the Chemical Industry for the 11th Five Year Plan (2007-12).

Mr. Lalbhai holds 1,125 shares in the Company. Mr. Lalbhai is also a Director of the following companies and holds membership in their Board Committees as set out below :

A. Public Companies :

1. Atul Limited
2. Navin Fluorine International Limited
3. Atul Bioscience Limited
4. Atul Rajasthan Date Palms Limited
5. Amal Limited

B. Governing Body/Council :

1. Lalbhai Dalpatbhai Institute of Indology
2. Shreevallabh Shikshan Sangeet Ashram

C. Committee Memberships :

- | | |
|---|----------|
| 1. Wyeth Limited : | |
| Shareholders' Grievance Committee | Member |
| 2. Atul Limited : | |
| Share Transfer and Shareholders/ | Member |
| Investors Grievance Committee | |
| Special Committee | Member |
| Disinvestment Sub-Committee | Member |
| Investment & Strategy Committee | Member |
| 3. Navin Fluorine International Limited : | |
| Audit Committee | Member |
| Remuneration Committee | Chairman |

Mr. K. K. Maheshwari :

Mr. Kamlesh Kumar Maheshwari, 66, has been a Director of the Company since 1998. Prior to this he was a Director of John Wyeth (India) Ltd., which was amalgamated with the Company. He was also the Managing Director of Geoffrey Manners & Co. Ltd., prior to its amalgamation with the Company. Mr. Maheshwari has expertise in management and wide and varied experience in the chemical and pharmaceutical fields.

He holds 33,187 equity shares in the Company. Mr. Maheshwari is currently also a Director of the following Companies in India :

1. Universal Chemicals & Industries Private Limited
2. Universal Laboratories Private Limited
3. Jayashree Traders Private Limited
4. Gopal Traders Private Limited
5. Riviera Investors Private Ltd.

Committee Memberships :

- | | |
|-----------------------------------|----------|
| Wyeth Limited : | |
| Shareholders' Grievance Committee | Chairman |
| Audit Committee | Member |
| Remuneration Committee | Member |
| Share Transfer Committee | Member |

Mr. Kewal Handa :

Mr. Kewal Handa, 57, is currently the Managing Director of the Company and also the Managing Director of Pfizer Limited. He is a member of the Institute of Cost and Works Accountants of India and also a member of the Institute of Company Secretaries of India. He holds a Masters Degree in Commerce. He joined Pfizer in June, 1990 and has held various positions of increasing responsibility in the said Company. Mr. Handa is the Chairman of the Pricing Committee of the Organization of Pharmaceutical Producers of India (OPPI) and the Past President of the All India Management Association. He is also a Committee Member of the Confederation of Indian Industry (CII) and the Bombay Chamber of Commerce and Industry (BCCI). He was awarded the 'India CFO 2004 – Excellence in Finance in MNC' by the International Market Assessment Group. Mr. Kewal Handa does not hold any equity shares in the Company.

Mr. Kewal Handa is also a Director of the following Companies :

1. Pfizer Limited
2. Alfa Laval (India) Limited
3. Organization of Pharmaceutical Producers of India

Committee Memberships :

1. Wyeth Limited :

Audit Committee	Member
Shareholders' Grievance Committee	Member
2. Pfizer Limited :

Shareholders' Grievance Committee	Member
-----------------------------------	--------
3. Alfa Laval (India) Limited :

Audit Committee	Member
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4. Audit Committee :

- During the period under review, the Audit Committee held five Meetings, the dates being as follows :

(i) 15 th May, 2009	(iv) 25 th September, 2009
(ii) 24 th June, 2009	(v) 26 th October, 2009
(iii) 17 th July, 2009	
- The details of the composition of the Audit Committee and the attendance of Audit Committee Meetings by each member, are as follows :

Name	Designation	Category	Attendance out of five Meetings held
Mr. P. H. Lele	Chairman	Non-Executive and Independent Director	4
Mr. D. E. Udawadia	Member	Non-Executive and Independent Director	5
Mr. K. K. Maheshwari	Member	Non-Executive and Independent Director	5
Mr. R. R. Iyer (up to 26.10.2009)	Member	Managing Director	5
Mr. Kewal Handa (w.e.f. 26.10.2009)	Member	Managing Director	—

- The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements with the Stock Exchanges and also as required under Section 292A of the Companies Act, 1956.
- The Finance Director, along with the Statutory Auditors and the Cost Auditor of the Company are invited to the Meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.
- The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meetings.

5. Remuneration Committee and Remuneration of Directors :

- During the period under review, the Remuneration Committee held one Meeting on 24th June, 2009.
- The details of the composition of the Remuneration Committee and the attendance of Remuneration Committee Meetings by each member, are as follows :

Name	Designation	Category	Attendance out of one Meeting held
Mr. D. E. Udawadia	Chairman	Non-Executive and Independent Director	I
Mr. K. K. Maheshwari	Member	Non-Executive and Independent Director	I
Mr. P. H. Lele	Member	Non-Executive and Independent Director	I

- The Remuneration Committee inter alia, reviews and recommends the remuneration and commission/ performance incentive of Whole-time Directors based on the performance parameters for the individuals and the Company, subject to the limits approved by the shareholders and as permitted by law. The terms of reference of the Remuneration Committee include the matters specified in Clause 49 of the Listing Agreements with the Stock Exchanges.
- The Board of Directors notes the Minutes of the Remuneration Committee Meetings at Board Meetings.
- The Remuneration Policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber management talent by evaluating their performance based on their potential, leadership skills and actual performance during the year, considering the prevailing internal and external business environment and at the same time giving importance to the prevailing competitive market practices.
- The details of the remuneration paid/payable to the Directors during the period ended 30th November, 2009 are set out below :

(Figures in Rupees)

Directors	Salary (including Performance Incentive, if any) (Rs.)	Perquisites (Rs.)	Contribution to PF, Superannuation and Gratuity (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. S. S. Lalbhai	—	—	—	3,25,000	3,25,000
Mr. K. K. Maheshwari	—	—	—	3,25,000	3,25,000
Mr. D. E. Udawadia	—	—	—	3,25,000	3,25,000
Mr. S. N. Talwar (up to 26.10.2009)	—	—	—	2,00,000	2,00,000
Mr. R. R. Iyer (Managing Director) (up to 26.10.2009)	31,62,990	18,60,445	59,93,458	—	1,10,16,893*
Mr. Kewal Handa (Managing Director) (w.e.f. 26.10.2009)	—	—	—	—	—
Mr. B. R. Arora (Chairman)	—	—	—	—	—
Mr. A. W. Khandekar (WTD)	16,06,344	7,04,225	5,28,865	—	28,39,434
Mr. P. H. Lele	—	—	—	3,25,000	3,25,000

* Excludes ex-gratia payment of Rs. 380 lakhs

Notes :

- The Agreement reappointing Mr. A. W. Khandekar as Whole-time Director of the Company is for the period commencing from 26th October, 2008 up to 31st May, 2010. Either party may terminate the Agreement by giving the other three months prior written notice. In the event of termination by the Company, remuneration for three months shall be payable to the Whole-time Director.

The shareholders approved the reappointment of Mr. A. W. Khandekar as Whole-time Director and his remuneration at the Annual General Meeting of the Company held on 5th September, 2008.

- The draft Agreement to be executed with Mr. Kewal Handa, appointing him as Managing Director of the Company is for a period of three years commencing from 26th October, 2009. Either party may terminate the Agreement by giving the other six months prior written notice. Mr. Handa, also being the Managing Director of Pfizer Limited receives remuneration from the said Company. No remuneration is paid to Mr. Handa as Managing Director of the Company.
- Commission/Performance Incentive is paid to the Whole-time Director based on the performance parameters for the individual and the Company.
- No fees were paid to any of the Directors for their attendance at Meetings of the Board or any Committee thereof during the period under review.

At the ensuing Annual General Meeting, a special resolution is proposed for approval of the shareholders to the payment of sitting fees to resident Indian, Non-Executive Directors, excluding Mr. B. R. Arora. If approved, sitting fees will be paid for Meetings of the Board or any Committee thereof, attended by the said Directors, after the Annual General Meeting.

- The Company does not have a scheme for grant of stock options. Mr. B. R. Arora, Mr. A. W. Khandekar and Mr. Kewal Handa are eligible for stock options granted by the Parent Company.
- The resident Indian Non-Executive Directors, excluding Mr. B. R. Arora, receive compensation in the form of commission on net profits. The commission shall not exceed 3% of the net profits of the Company, subject to a limit of Rs. 20 lakhs per annum in case there is no Managing and/or Whole-time Director at any time. The commission shall not exceed 1% of the net profits of the Company, subject to a limit of Rs. 15 lakhs per annum so long as the Company has a Managing and/or Whole-time Director. The amount of commission is based on the overall financial performance of the Company and is fixed by the Board of Directors.

At the ensuing Annual General Meeting, a special resolution is proposed for approval of the shareholders, for enhancing the limits of commission to be paid to the resident Indian Non-Executive Directors, excluding Mr. B. R. Arora, up to :

- Rs. 75 lacs (Rupees Seventy-five lacs) per annum so long as the Company does not have any Managing Director and/or Whole-time Director, or
- Rs. 50 lacs (Rupees Fifty lacs) per annum so long as the Company has a Managing Director and/or Whole-time Director.
- Mr. D. E. Udawadia is a founder partner of Udawadia & Udeshi, Solicitors and Advocates. Udawadia & Udeshi are the Company's Solicitors and have a professional relationship with the Company. During the period ended 30th November, 2009, the Company paid Rs. 49,420/- to Udawadia & Udeshi, as fees for the professional services provided by the firm to the Company on specific legal matters entrusted to them from time to time. The Board does not consider the aforesaid payment to be a material pecuniary transaction which would affect the independence of judgment of Mr. Udawadia as a Director.

- Mr. B. R. Arora is a Non-Executive Director and is an employee of a subsidiary of Pfizer Inc., USA, subsidiaries of which hold 51.12% of the Company's paid-up capital.
- The shareholding of each of the Non-Executive Directors in the Company as on 30th November, 2009, is as follows :

Sr. No.	Name of the Director	No. of Equity Shares held
1.	Mr. B. R. Arora	15
2.	Mr. S. S. Lalbhai	1,125
3.	Mr. K. K. Maheshwari	33,187
4.	Mr. D. E. Udawadia	Nil
5.	Mr. P. H. Lele	Nil

- Besides dividend on equity shares, if any, held by the Directors, and payments as mentioned above, no other payments have been made nor have transactions of a pecuniary nature been entered into by the Directors with the Company.

6. Shareholders' Committees :

(a) Investors'/Shareholders' Grievance Committee :

- During the period under review, the Investors'/Shareholders' Grievance Committee held two Meetings, on 24th June, 2009 and 25th September, 2009.
- The details of the composition of Investors'/Shareholders' Grievance Committee and the attendance of the Investors'/Shareholders' Grievance Committee Meetings by each member, are as follows :

Name	Designation	Category	Attendance out of two Meetings held
Mr. K. K. Maheshwari	Chairman	Non-Executive and Independent Director	2
Mr. R. R. Iyer (up to 26.10.2009)	Member	Managing Director	2
Mr. S. S. Lalbhai	Member	Non-Executive and Independent Director	2
Mr. Kewal Handa (w.e.f. 26.10.2009)	Member	Managing Director	—

The terms of reference of the Investors'/Shareholders' Grievance Committee cover the matters specified under Clause 49 of the Listing Agreements with the Stock Exchanges.

- Mrs. N. N. Thakore, the Company Secretary & Legal Director, has been designated Compliance Officer. The Company has designated thakorn@wyeth.com as the email id on which investors may register their complaints.
- The Board of Directors notes the Minutes of the Investors'/Shareholders' Grievance Committee Meetings at Board Meetings.

A summary of complaints received, resolved and pending during the period April – November, 2009 is set out below :

Nature of Complaints	Received during the period	Resolved during the period	Pending at the end of the period
Non-receipt of share certificates duly transferred	1	1	Nil
Non-receipt of dividend warrants	13	13	Nil
Miscellaneous requests	222	222	Nil
Letters from Securities and Exchange Board of India	Nil	Nil	Nil
Letters from Stock Exchanges, the Depositories and Ministry of Corporate Affairs	3	3	Nil

(b) Share Transfer Committee :

In addition to the above, the Board also has a Share Transfer Committee.

Members : Mr. R. R. Iyer (up to 26.10.2009)
 Mr. D. E. Udwadia
 Mr. S. N. Talwar (up to 26.10.2009)
 Mr. K. K. Maheshwari
 Mr. P. H. Lele
 Mr. Kewal Handa (w.e.f. 26.10.2009)

The Chairman is elected at each meeting.

The Share Transfer Committee inter alia, deals with matters relating to transfers/transmissions/transposition/consolidation/issue of share certificates in exchange for sub-divided/consolidated/defaced share certificates/issue of duplicate share certificates. The Meetings of the Share Transfer Committee are need based, at intervals not exceeding a fortnight.

The Board of Directors notes the Minutes of the Share Transfer Committee Meetings at Board Meetings.

7. General Body Meetings :

The details of the last three Annual General Meetings of the Company and summary of the Special Resolutions passed thereat are as follows :

Date of AGM	Location	Time	Summary of Special Resolutions
31 st August, 2007	Y. B. Chavan Auditorium, Mumbai-400 021	3.30 p.m.	Nil
5 th September, 2008	Rama Watumull Auditorium, K.C. College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020	3.30 p.m.	Nil
21 st August, 2009	Rama Watumull Auditorium, K.C. College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020	3.30 p.m.	Nil

All Resolutions set out in the respective Notices for the previous three Annual General Meetings of the Company were passed by the requisite majority of members present thereat and entitled to vote.

During the period ended 30th November, 2009, no Resolution was passed through postal ballot. At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by postal ballot.

8. Disclosures :

- (i) There are no materially significant related party transactions, which could have potential conflict with the interests of the Company at large.
- (ii) The details of transactions with related parties are disclosed in Note No. 27 of Schedule 17 – Notes to the Financial Statements.
- (iii) The Company has put in place a mechanism for employees to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the higher levels of supervisors including the Audit Committee.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49C of the Listing Agreement and found them to be not materially significant.

- (iv) The Board has adopted a Code of Conduct including a Business Ethics Policy for its Designated Persons. Designated Persons mean Directors and Officers in Management Cadre – M9 and above. The said Code is available on the Company's website.

The Company has for the period ended 30th November, 2009, received from all Designated Persons, a declaration of compliance with the Code. A certificate from Mr. Kewal Handa, Managing Director, to this effect forms part of this Report.

- (v) The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statements, the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- (vi) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges. The adoption of non-mandatory requirements has been dealt with further on in this Report.

9. Compliances :

The Company has complied with the requirements of the Listing Agreements with the Stock Exchanges as well as the Regulations and Guidelines prescribed by the Securities and Exchange Board of India. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the last three years.

10. Means of Communication :

The Quarterly, Half-Yearly and Annual Financial Results are published in the Mumbai edition of the Loksatta in Marathi and all editions of the Financial Express in English. The said Financial Results are also available on the Company's website – www.wyethindia.com.

No presentations were made to institutional investors or to analysts during the period under review. Official news releases are displayed on the Company's website.

The Management Discussion and Analysis Report forms a part of the Annual Report.

EDIFAR Filing

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

11. Chief Executive Officer (CEO)/Chief Financial Officer (CFO) Certification :

A certificate from the Managing Director and the Finance Director on the integrity of the financial statements and other matters of the Company for the period ended 30th November, 2009, was placed before the Board at its Meeting held on 19th February, 2010.

12. General Shareholder Information :

- Annual General Meeting**

Date and Time : 21st April, 2010 at 11.00 a.m.

Venue : Rama Watumull Auditorium,
K. C. College,
Dinshaw Wachha Road,
Churchgate,
Mumbai-400 020

- Financial Calendar**

(i) First Quarter Results : By end March 2010

(ii) Second Quarter Results : By end June 2010

(iii) Third Quarter Results : By end September 2010

(iv) Last Quarter Results/Results for the year ending 30th November, 2010 : By end February 2010

- Book Closure Dates : 8th April, 2010 to 21st April, 2010
(both days inclusive)

- Dividend Payment Date : On or after 21st April, 2010

- Listing of equity shares on Stock Exchanges and Stock Code : The Bombay Stock Exchange Limited,
Stock Code – 500095
The National Stock Exchange of India
Stock Code – WYETH
Listing Fees have been paid for the year
1st April, 2009 to 31st March, 2010.

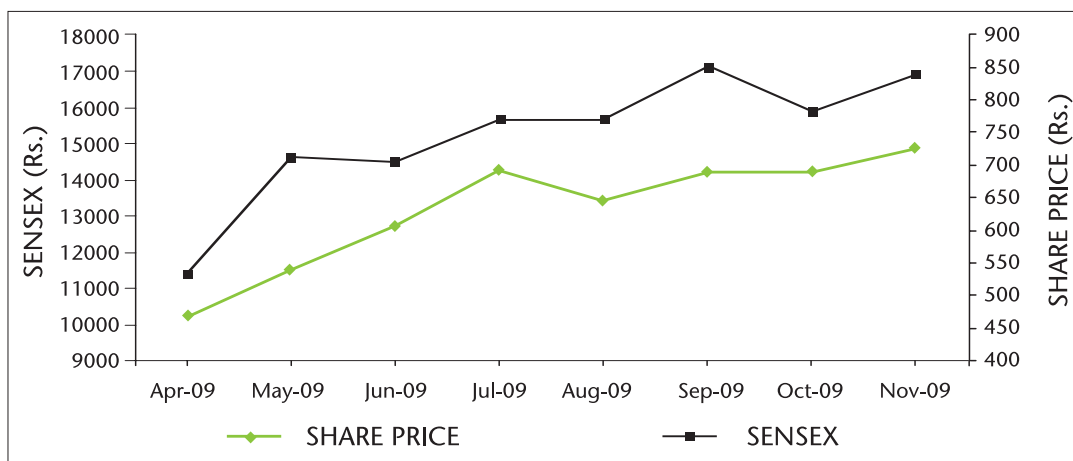
Demat ISIN for NSDL & CDSL : INE 378A 01012.
Custodial Fees have been paid for the year
1st April, 2009 to 31st March, 2010.

- 1,07,10,743 Equity shares, representing 47.14% of the total Equity Capital were held in the dematerialized form as on 30th November, 2009.

- Market Price Data (High/Low) on Bombay Stock Exchange during each month :

Month	High (Rs.)	Low (Rs.)
April 2009	497.00	414.10
May 2009	541.90	464.25
June 2009	619.95	527.00
July 2009	700.00	599.95
August 2009	731.00	568.50
September 2009	710.00	584.00
October 2009	772.90	676.50
November 2009	740.00	654.00

- Performance of the Company in comparison to the Bombay Stock Exchange SENSEX :



- Distribution of Share holding as on 30th November, 2009 :

No. of Equity shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	22,707	96.57	17,09,921	7.53
501 – 1000	392	1.67	3,02,466	1.33
1001 – 2000	165	0.70	2,39,228	1.05
2001 – 3000	67	0.28	1,67,794	0.74
3001 – 4000	42	0.18	1,53,302	0.67
4001 – 5000	18	0.08	80,512	0.35
5001 – 10000	43	0.18	3,11,760	1.37
10001 and above	80	0.34	1,97,55,076	86.96
Total	23,514	100	2,27,20,059	100.00

- Shareholding Pattern as on 30th November, 2009 :

Category	No. of Shares	%
Wyeth, LLC, and Subsidiaries	1,16,14,102	51.12
Insurance Companies & Banks	8,30,509	3.66
Foreign Institutional Investors	5,77,162	2.54
Non-Resident Individuals & Corporate Bodies	76,335	0.33
Mutual Funds	28,82,531	12.69
Domestic Companies	32,78,391	14.43
Resident Individuals	34,61,029	15.23
Total	2,27,20,059	100.00

- Share Registrar and Transfer Agents : Datamatics Financial Services Limited
Plot Nos. A-16 & A-17,
Part B Crosslane,
MIDC, Marol,
Andheri (East),
Mumbai-400 093.
Telephone : 022 6671 2151-56
Fax : 022 2821 3404
E-mail ID : corpequity@dfssl.com

All correspondence pertaining to Equity shares may be addressed to the Registrar & Transfer Agents at the aforesaid address, marked –

Unit : Wyeth Limited

Contact Person : Mr. C. R. Rao
- Share Transfer System : All transfers received are processed and approved by the Share Transfer Committee which normally meets twice a month or more depending upon the volume of transfers.
- Company's Address for correspondence : The Company Secretary & Legal Director
Wyeth Limited
Level 6 & 7, Platina,
Plot No. C - 59, 'G' Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai-400 098.
Tel : 022 2657 4000
Fax : 022 2657 4100
Website : www.wyethindia.com
- Plant Location : The Company has a manufacturing facility at Verna (Goa).

II. NON-MANDATORY REQUIREMENTS :

The Company has implemented the following Non-Mandatory requirements recommended under Clause 49 of the Listing Agreements with the Stock Exchanges :

- Remuneration Committee :
A Remuneration Committee comprising three Non-Executive Directors, reviews and takes decisions on compensation of Executive Directors of the Company. The Chairman of the Remuneration Committee is an Independent Director.
- Financial results of the Company as published in the newspapers are made available to the members on request and are also available on the Company's website.

On behalf of the Board of Directors

Place : Mumbai
Date : 19th February, 2010

Kewal Handa
Managing Director

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

In accordance with Clause 49 I (D) of the Listing Agreements with the Stock Exchanges, I hereby confirm that, all Designated Persons of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the period ended 30th November, 2009.

For the purpose of this declaration, Designated Persons mean Directors and Officers in Management Cadre – M9 and above.

On behalf of the Board of Directors

Place : Mumbai
Date : 19th February, 2010

Kewal Handa
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Members
Wyeth Limited

We have examined the relevant records of Wyeth Limited for the purpose of certifying compliance with the conditions of Corporate Governance for the year ended 30th November, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring 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 Agreements.

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

K. G. Saraf
Proprietor

Saraf and Associates
Practising Company Secretary
FCS : 1596 CP : 642

Place : Mumbai
Date : 19th February, 2010

AUDITORS' REPORT TO THE MEMBERS OF WYETH LIMITED

1. We have audited the attached Balance Sheet of Wyeth Limited, as at 30th November, 2009, and the related Profit and Loss Account and Cash Flow Statement for the period 1st April, 2009 to 30th November, 2009 annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) *The Government of India has demanded amounts aggregating to Rs. 5907.72 lakhs (inclusive of total interest of Rs. 4206.36 lakhs) [Previous year Rs. 5907.72 lakhs (inclusive of total interest of Rs. 4206.36 lakhs)] from the company under the Drugs (Prices Control) Order, 1979. As at 30th November, 2009, the company is carrying cumulative provisions of Rs. 240.50 lakhs [Previous year Rs. 240.50 lakhs] in respect of such demands. Further, the Government of India raised a demand of Rs. 1726.35 lakhs [Previous year Rs. 1726.35 lakhs] on the company under the Drugs (Prices Control) Order, 1995. The company has provided and paid amounts aggregating to Rs. 1287.93 lakhs [Previous year Rs. 1287.93 lakhs] and disputed the balance demand of Rs. 438.42 lakhs (inclusive of interest of Rs. 134.90 lakhs) [Previous year Rs. 438.42 lakhs]. Although the company is contesting all the demands mentioned above, it is not possible to predict the outcome of these demands [Refer Notes 4(a) and 4(b) of Schedule 17];*
 - (b) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (c) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (f) On the basis of written representations received from the directors, as on 30th November, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 30th November, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

(g) In our opinion and to the best of our information and according to the explanations given to us, *subject to the effect of such adjustments, if any, as might have been required had the outcome of the demands stated in paragraph (a) above been known*, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 30th November, 2009;
- (ii) in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Price Waterhouse
Chartered Accountants

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 19th February, 2010

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Wyeth Limited on the financial statements for the period 1st April, 2009 to 30th November, 2009]

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the period and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion, a substantial part of fixed assets has not been disposed of by the company during the period.
2. (a) Inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the company for the current period.
- (b) The company has, in an earlier year, taken an interest free unsecured loan from a party covered in the register maintained under Section 301 of the Act. The maximum amount involved during the period and the period-end balance of such loan was Rs. 250.22 lakhs.
- (c) In our opinion, the terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the company.
- (d) The aforesaid loan is not due for repayment as at the Balance Sheet date.
4. In our opinion, having regard to the explanation that certain items of inventory purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the period, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of certain transactions including for purchases of raw materials, finished goods and services and sale of finished goods, prevailing market prices at the relevant time are not available as these transactions are of a special nature.

6. The company has not accepted any deposits from the public within the meaning of Section 58A of the Act and the rules framed there under.
7. *In our opinion, the scope and coverage of internal audit needs to be enlarged to cover all the business processes of the company in order to make it commensurate with the size of the company and the nature of its business.*
8. We have broadly reviewed the books of account maintained by the company in respect of the products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (I) of Section 209 of the Act 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 with a view to determine whether these are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, wealth-tax, service tax, customs duty and cess which have not been deposited on account of any dispute. The particulars of dues of sales tax and excise duty as at 30th November, 2009 which have not been deposited on account of a dispute, are as follows—

Name of the statute	Nature of dues	Amount* Rs. in Lakhs	Period to which the amount relates	Forum where the dispute is pending
The Bombay Sales Tax Act, 1959	Sales tax (including interest) on sale of Animal Health and Nutrition products and non-submission of exemption forms	30.11	1995-1996 and 1996-1997	Sales tax Tribunal
The Delhi Sales Tax Act, 1975	Sales tax on non-submission of exemption forms	5.26	1998-1999	Additional Commissioner (Appeals)
The Tamil Nadu General Sales Tax Act, 1959	Sales tax (including penalty) on difference in turnover and exempt sales	22.36	2001-2002	Additional Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	Sales tax on stock transfers	53.39	2002-2003	Commissioner (Appeals)
The Central Sales Tax Act, 1956	Sales tax on non-submission of exemption forms	94.40	2001-2002 and 2003-2004	Deputy Commissioner (Appeals)
	Sales tax on non-submission of exemption forms	8.46	2003-2004	Senior Joint Commissioner of Sales Tax
	Sales tax on replacement of damaged stock	1.55	2004-2005	Assistant Commissioner (Appeals)
The Central Excise Act, 1944	Excise duty on disputed classification of goods (Animal Health and Nutrition products)	260.00	1975 to 1982, 1986-1987, 1993 and 1997-1998	Assistant Commissioner of Central Excise
	Excise duty on disputed classification of goods (Animal Health and Nutrition products)	115.34	1988 to 1991, 1994-1995 and 1995-1996	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

* Net of amounts paid including under protest

Name of the statute	Nature of dues	Amount* Rs. in Lakhs	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty on disputed classification of goods (Animal Health and Nutrition products)	660.07	1992 to 1997	Commissioner (Appeals)
	Excise duty on alleged under valuation of goods	1.56	1998	Assistant Commissioner of Central Excise
	Excise duty (including interest and penalty) on rejection of refund claimed	8.55	1999	Assistant Commissioner of Central Excise
	# Alleged short payment of Excise duty (including penalty) on samples	44.60	1999 to 2002	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

* Net of amounts paid including under protest

These dues pertain to goods manufactured for third parties at the company's facility. The ultimate liability, if any, shall be borne by the said parties.

10. The company has no accumulated losses as at 30th November, 2009 and has not incurred any cash losses in the financial period ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
14. The company is not a dealer or trader in shares, securities, debentures and other investments.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
16. In our opinion, the company has not obtained any term loans that were not applied for the purposes for which these were raised.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the period.

19. The company has not issued any debentures.
20. The company has not raised any money by public issues during the period.
21. During the course of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company, noticed or reported during the period, nor have we been informed of such case by the management.

For Price Waterhouse
Chartered Accountants

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 19th February, 2010

BALANCE SHEET AS AT 30TH NOVEMBER, 2009

	Schedules	As at 30 th November, 2009		As at 31 st March, 2009	
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Sources of Funds					
Shareholders' Funds					
Capital	1	2272.01		2272.01	
Reserves and Surplus	2	25480.41		24896.07	
			27752.42		27168.08
Loan Funds					
Unsecured Loans	3		250.22		250.22
Total			28002.64		27418.30
Application of Funds					
Fixed Assets	4				
Gross Block		8077.42		8053.52	
Less: Depreciation and Impairment Loss		4978.21		4233.82	
Net Block		3099.21		3819.70	
Capital Work-in-Progress (including advances for capital expenditure)		164.61		67.24	
			3263.82		3886.94
Deferred Taxation	5				
Deferred Tax Assets		788.45		772.72	
Less: Deferred Tax Liability		95.05		218.70	
			693.40		554.02
Current Assets, Loans and Advances					
Inventories	6	5969.03		5599.36	
Sundry Debtors	7	1950.36		2449.94	
Cash and Bank Balances	8	20552.45		22396.23	
Loans and Advances	9	7980.50		8333.77	
		36452.34		38779.30	
Less: Current Liabilities and Provisions					
Liabilities	10	5271.28		5960.93	
Provisions	11	7135.64		9841.03	
		12406.92		15801.96	
Net Current Assets			24045.42		22977.34
Total			28002.64		27418.30
Notes to the Financial Statements	17				

Schedules I to II and 17 referred to above form an integral part of the Balance Sheet.

In terms of our report of even date

For and on behalf of
Price Waterhouse
Chartered Accountants

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 19th February, 2010

Chairman : B. R. Arora
Directors : K. K. Maheshwari
S. S. Lalbhai
D. E. Udwadia
P. H. Lele
A. W. Khandekar
Managing Director : Kewal Handa
Company Secretary & : N. N. Thakore
Legal Director

Mumbai, 19th February, 2010

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST APRIL, 2009 TO 30TH NOVEMBER, 2009

	Schedules	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Income					
Gross Sales		29436.86		40209.21	
Less: Excise Duty on Sales		800.87		1943.74	
Net Sales		28635.99		38265.47	
Other Income	12	1004.10		2151.20	
			29640.09		40416.67
Expenditure					
Materials Cost	13	9571.18		11526.79	
Personnel Cost	14	3769.45		4538.29	
Manufacturing and Other Expenses	15	7423.43		9390.83	
Interest	16	27.96		39.52	
Depreciation		676.12		684.96	
			21468.14		26180.39
Profit before Taxation			8171.95		14236.28
Provision for Taxation					
For the period/year					
Current Tax		2425.00		4000.00	
Deferred Tax		(139.38)		179.29	
Fringe Benefits Tax		—		90.00	
		2285.62		4269.29	
For earlier year – Current Tax		(14.29)		—	
			2271.33		4269.29
Profit after Taxation			5900.62		9966.99
Balance brought forward from previous year			16129.86		15798.50
			22030.48		25765.49
Appropriations					
Transfer to General Reserve			590.06		996.70
Proposed Dividend			4544.02		7384.02
Tax on Proposed Dividend			772.26		1254.91
Balance Carried to Balance Sheet			16124.14		16129.86
			22030.48		25765.49
Earnings per Share – Basic and Diluted (Rs. per Equity Share of Rs. 10 each) [Refer Note 29 of Schedule 17]			25.97		43.87
Notes to the Financial Statements	17				
Schedules 12 to 17 referred to above form an integral part of the Profit and Loss Account.					

Schedules 12 to 17 referred to above form an integral part of the Profit and Loss Account.

In terms of our report of even date

For and on behalf of
Price Waterhouse
Chartered Accountants

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 19th February, 2010

Chairman : B. R. Arora
Directors : K. K. Maheshwari
S. S. Lalbhai
D. E. Udwardia
P. H. Lele
A. W. Khandekar
Managing Director : Kewal Handa
Company Secretary & : N. N. Thakore
Legal Director

Mumbai, 19th February, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH NOVEMBER, 2009

Capital

23,000,000 Equity Shares of Rs. 10 each

22,720,059 Equity Shares of Rs. 10 each fully paid-up

(a) 440,930 shares were allotted as fully paid-up pursuant to contracts without payments being received in cash.

(b) 3,858,030 shares were allotted as fully paid-up bonus shares by capitalisation of Share Premium and General Reserve.

(c) 13,294,059 shares were allotted as fully paid-up pursuant to the Scheme of Amalgamation with Wyeth Laboratories Limited, John Wyeth (India) Limited and Wyeth (India) Private Limited without payments being received in cash.

(d) 4,176,000 shares were allotted as fully paid-up pursuant to the Scheme of Amalgamation with Geoffrey Manners & Co. Limited without payments being received in cash.

(e) 11,614,102 shares are held by the holding company Wyeth, LLC, USA and its subsidiaries. Pfizer Inc., USA is the ultimate holding company.

Reserves and Surplus

Balance as per last Balance Sheet

Balance as per last Balance Sheet

Add: Transfer from Profit and Loss Account

Profit and Loss Account

Unsecured Loans

From John Wyeth & Brother Limited, India Branch

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH NOVEMBER, 2009

Schedule 4

Fixed Assets

(Rs. in lakhs)

Description	Gross Block (at cost)			Depreciation					Impairment Loss for the period*	Net Block	
	As at 1.4.2009	Additions	Deductions	As at 30.11.2009	As at 1.4.2009	For the period	On Deductions	As at 30.11.2009		As at 30.11.2009	As at 31.3.2009
Leasehold Land	222.62	—	—	222.62	15.83	5.21	—	21.04	—	201.58	206.79
Buildings	67.89	—	—	67.89	37.51	1.33	—	38.84	—	29.05	30.38
Buildings on Leasehold Land	1959.00	5.82	—	1964.82	520.23	65.82	—	586.05	—	1378.77	1438.77
Plant and Machinery	4982.91	38.28	19.82	5001.37	3207.91	465.38	17.71	3655.58	15.81	1329.98	1775.00
Computer Software	133.84	5.74	—	139.58	82.13	57.45	—	139.58	—	—	51.71
Furniture and Fittings	398.92	1.03	0.94	399.01	229.47	43.80	0.83	272.44	77.21	49.36	169.45
Vehicles	288.34	—	6.21	282.13	140.74	37.13	6.21	171.66	—	110.47	147.60
Total	8053.52	50.87	26.97	8077.42	4233.82	676.12	24.75	4885.19	93.02	3099.21	3819.70
Previous year	7679.62	607.69	233.79	8053.52	3767.97	684.96	219.11	4233.82	—	3819.70	

* Refer Note 6 of Schedule 17.

Notes:

1. Net Block includes book value of assets held for sale:

Description	(Rs. in lakhs)	
	As at 30.11.2009	As at 31.3.2009
Plant and Machinery	5.04	—
Furniture and Fittings	24.96	—
Total	30.00	—

2. Buildings include Rs. 0.01 lakh being cost of shares in co-operative housing societies.
3. Computer Software is other than internally generated.

Schedule 5

Deferred Taxation

Deferred Tax Assets

	As at 30 th November, 2009		As at 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Provision for Gratuity	110.75		19.88	
Provision for Leave Encashment and Compensated Absences	388.14		291.72	
Compensation under Voluntary Retirement Schemes	115.28		270.05	
Provision for Doubtful Debts	70.22		71.02	
Provision for Doubtful Advances and Deposits	41.05		41.05	
Others	63.01		79.00	
		788.45		772.72
Less: Deferred Tax Liability — Depreciation		95.05		218.70
		693.40		554.02

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH NOVEMBER, 2009

Schedule 6

Inventories

(At lower of cost and net realisable value)

	As at 30 th November, 2009		As at 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Stores and Spare Parts		0.71		0.71
Raw Materials		667.31		817.31
Packing Materials		168.48		240.99
Work-in-Progress		108.41		83.54
Finished Goods		4945.79		4378.10
Samples		78.33		78.71
		<u>5969.03</u>		<u>5599.36</u>

Schedule 7

Sundry Debtors

Debts outstanding for a period exceeding six months

Considered Good				
Secured	1.29		1.60	
Unsecured	<u>2.22</u>		<u>2.22</u>	
	3.51		3.82	
Considered Doubtful	<u>206.58</u>		<u>208.96</u>	
		210.09		212.78
Other Debts — Considered Good				
Secured	309.14		356.60	
Unsecured	<u>1637.71</u>		<u>2089.52</u>	
		1946.85		2446.12
		2156.94		2658.90
Less: Provision for Doubtful Debts		<u>206.58</u>		<u>208.96</u>
		<u>1950.36</u>		<u>2449.94</u>

Schedule 8

Cash and Bank Balances

Cash on Hand		1.15		1.21
Remittance in Transit		0.60		—
Balances with Scheduled Banks				
on Current Accounts	2050.70		1706.60	
on Deposit Accounts	<u>18500.00</u>		<u>20688.42</u>	
		20550.70		22395.02
		<u>20552.45</u>		<u>22396.23</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH NOVEMBER, 2009
Schedule 9
Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

Considered Good

Secured [Refer Note 8 of Schedule 17]

Unsecured

**As at
30th November, 2009**

Rs. in lakhs Rs. in lakhs

153.26

855.46

1008.72

78.22

1086.94

78.22

1008.72

**As at
31st March, 2009**

Rs. in lakhs Rs. in lakhs

143.15

1238.53

1381.68

78.22

1459.90

78.22

1381.68

Deposits

Considered Good@

Considered Doubtful

4135.83

42.54

4178.37

42.54

4135.83

3303.76

42.54

3346.30

42.54

3303.76

Balances with Customs and Excise

Current Taxation (Net of Provision)

Fringe Benefits Tax (Net of Provision)

464.54

2371.41

—

7980.50

449.50

3193.83

5.00

8333.77

@ Includes Rs. 1753.53 lakhs (Previous year Rs. 1753.53 lakhs) deposited in respect of demands under the Drugs (Prices Control) Order, 1979 [Refer Note 4(a)(i) and (ii) of Schedule 17]

Schedule 10
Liabilities

Sundry Creditors

Micro and Small Enterprises [Refer Note 10 of Schedule 17]

Others

24.98

4457.28

4482.26

93.25

695.77

5271.28

14.05

5184.57

5198.62

78.65

683.66

5960.93

Unpaid Dividend*

Other Liabilities

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH NOVEMBER, 2009

Schedule 11

Provisions

	As at 30 th November, 2009		As at 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Provision for Fringe Benefits Tax (Net of Payments)		66.24		—
Proposed Dividend		4544.02		7384.02
Tax on Proposed Dividend		772.26		1254.91
Provision for Gratuity		325.82		58.49
Provision for Leave Encashment and Compensated Absences		1141.93		858.24
Provision for Disputed Demands [Refer Note 5(a) of Schedule 17]				
Central Excise	37.21		37.21	
Sales tax	7.66		7.66	
		44.87		44.87
Provision for Demands under the Drugs (Prices Control) Order, 1979 [Refer Note 5(b) of Schedule 17]		240.50		240.50
		7135.64		9841.03

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST APRIL, 2009 TO 30TH NOVEMBER, 2009

Schedule 12

Other Income

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Interest				
on Deposits with Banks (Gross)				
[Tax deducted at source Rs. 138.95 lakhs (Previous year Rs. 411.63 lakhs)]	661.65		1833.94	
on Overdue Debts	9.59		11.74	
on Income-tax Refund	55.70		118.21	
on Others	3.31		6.02	
		730.25		1969.91
Sale of Scrap [Net of Excise Duty Rs. 0.14 lakhs (Previous year Rs. 0.34 lakhs)]		3.39		9.87
Profit on Sale/Disposal of Fixed Assets (Net)		2.35		1.39
Provision for Doubtful Debts written back		—		5.46
Exchange Gain (Net)		155.52		—
Liabilities no longer required written back		62.11		33.95
Gain on Disposal of Investment in Subsidiary Company [Refer Note 7 of Schedule 17]		—		7.62
Miscellaneous Income		50.48		123.00
		1004.10		2151.20

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST APRIL, 2009 TO 30TH NOVEMBER, 2009

	As at 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Schedule 13				
Materials Cost				
Raw Materials Consumed				
Opening Stock	817.31		621.98	
Add: Purchases	2749.52		3575.83	
	3566.83		4197.81	
Less: Closing Stock	667.31		817.31	
		2899.52		3380.50
Packing Materials Consumed				
Opening Stock	240.99		227.36	
Add: Purchases	1074.05		1368.66	
	1315.04		1596.02	
Less: Closing Stock	168.48		240.99	
		1146.56		1355.03
Purchases of Finished Goods		6117.28		8233.58
(Increase)/Decrease in Stocks				
Opening Stock				
Work-in-Progress	83.54		97.73	
Finished Goods	4378.10		2911.61	
Samples	78.71		88.69	
	4540.35		3098.03	
Closing Stock				
Work-in-Progress	108.41		83.54	
Finished Goods	4945.79		4378.10	
Samples	78.33		78.71	
	5132.53		4540.35	
		(592.18)		(1442.32)
		9571.18		11526.79
Schedule 14				
Personnel Cost				
Salaries, Wages and Bonus		2655.34		3373.28
Contribution to Provident and Other Funds		329.19		461.66
Gratuity		292.01		132.18
Compensation under Voluntary Retirement Schemes		—		51.37
Leave Encashment and Compensated Absences		298.05		204.26
Staff Welfare Expenses		194.86		315.54
		3769.45		4538.29

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST APRIL, 2009 TO 30TH NOVEMBER, 2009

Schedule 15

Manufacturing and Other Expenses

	As at 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Consumption of Stores and Spare Parts		9.06		15.87
Power and Fuel		444.97		794.05
Rent		1006.70		1077.58
Repairs and Maintenance				
Buildings	25.30		27.79	
Plant and Machinery	148.37		167.47	
Others	12.27		19.27	
		185.94		214.53
Insurance		69.17		94.98
Rates and Taxes				
Excise Duty	133.80		40.32	
Others	56.73		84.54	
		190.53		124.86
Processing Charges		367.84		494.17
Legal and Professional Charges		157.47		188.90
Travelling		685.20		1061.18
Communication		84.59		118.56
Printing and Stationery		24.39		37.76
Auditors' Remuneration		45.10		53.54
Advertisement and Sales Promotion		2328.83		2705.14
Shipping Supplies and Expenses		703.53		1018.56
Cash Discount (Net)		57.14		68.88
Bad Debts written off	11.39		7.16	
Less: Provision	11.39		7.16	
		—		—
Provision for Doubtful Debts		9.01		—
Provision for Doubtful Deposits		—		12.10
Commission to Non-whole time Directors		15.00		10.75
Impairment Loss on Fixed Assets [Refer Note 6 of Schedule 17]		93.02		—
Exchange Loss (Net)		—		407.04
Investment written off		—		0.01
Miscellaneous Expenses		945.94		892.37
		7423.43		9390.83

Schedule 16

Interest

Security Deposits	27.82	38.65
Others	0.14	0.87
	27.96	39.52

**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST APRIL, 2009 TO 30TH NOVEMBER, 2009**

Schedule 17

Notes to the Financial Statements

1. Background

Wyeth Limited (the 'Company') was incorporated on 20th September, 1947 as Lederle Laboratories (India) Limited and was renamed as Cyanamid India Limited on 31st October, 1962.

On 1st January, 1998, pursuant to a Scheme of Arrangement, the Company transferred the Agricultural Products division to Cyanamid Agro Limited. On the same day, pursuant to a Scheme of Amalgamation, the assets, liabilities and reserves of Wyeth Laboratories Limited, John Wyeth (India) Limited and Wyeth (India) Private Limited were transferred to the Company with retrospective effect from 1st April, 1996 and the name of the Company was changed to Wyeth Lederle Limited.

On 1st April, 2003, pursuant to a Scheme of Amalgamation, the assets, liabilities and reserves of Geoffrey Manners & Co. Limited were transferred to the Company with retrospective effect from 1st April, 2002 and the name of the Company was changed to Wyeth Limited.

2. Significant Accounting Policies

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the 'Act') and the other relevant provisions of the Act. The significant accounting policies are as follows;

(a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Fixed Assets

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss.

Depreciation is provided on Straight Line Method, pro-rata to the period of use, at the rates specified in Schedule XIV of the Act or the rates based on useful lives of the assets as estimated by the management, whichever are higher. The annual depreciation rates are as under:

Asset Description	Depreciation Rate (%)
Buildings	3.34
Plant and Machinery	10.34
Pollution Control Equipment	25.00
Office Equipment	10.34
Data Processing Equipment	33.33
Computer Software	33.33
Furniture and Fittings	10.00
Vehicles	20.00

Leasehold Land and Leasehold Improvements are amortised over the period of the lease.

Fixed assets costing Rs. 5,000 or less are fully depreciated in the period/year of acquisition. Fixed assets costing more than Rs. 5,000 but up to USD 5,000 are fully depreciated in the period/year of acquisition except for:

"multiple-like items" the cost of which is over USD 10,000 in aggregate; and

"unlike items of capital nature within an asset category" for large scale projects the aggregate cost of which exceeds USD 10,000 are considered as one asset and depreciated in accordance with the accounting policy and depreciation rate specified above.

Computer Software costing USD 1 million or less is fully amortised in the period/year of acquisition.

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's 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 an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

- (c) **Inventories**
Inventories are valued at lower of cost and net realisable value. Cost is determined on First-in-First-out basis. Cost of work-in-progress and finished goods includes labour and manufacturing overheads, where applicable.
- (d) **Foreign Currency Transactions**
Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognised in the Profit and Loss Account.
- (e) **Sales**
Sales are recognised when goods are supplied to customers and are recorded net of excise duty, sales tax, rebates and trade discounts.
- (f) **Employee Benefits**
 - (i) **Long-term Employee Benefits**
 - (a) **Defined Contribution Plans**
The Company has Defined Contribution Plans for post employment benefits in the form of Provident Fund, Superannuation Fund and Employees' Pension Scheme which are administered through Government of India and/or Life Insurance Corporation of India (LIC). Provident Fund, Superannuation Fund (which constitutes an insured benefit) and Employees' Pension Scheme are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as incurred.
 - (b) **Defined Benefit Plans**
The Company has Defined Benefit Plans for post employment benefits in the form of Gratuity and Leave Encashment. Gratuity schemes of the Company are administered through LIC. Gratuity in respect of the employees of erstwhile Geoffrey Manners & Co. Limited is paid to the fund as per the rules of the fund approved by the Commissioner of Income-tax on the assumption that all employees retire at the period/year-end, subject to the same not exceeding 8.33% of salary. The employees of the Company are entitled to Leave Encashment as per the policy of the company. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.
 - (c) **Other Long-term Employee Benefit**
The employees of the Company are entitled to Compensated Absences as per the policy of the Company. Liability for Compensated Absences is provided on the basis of valuations, as at the Balance Sheet date, carried out by independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.
 - (ii) Termination benefits in the form of Compensation under Voluntary Retirement Schemes are recognised as an expense as and when incurred.
 - (iii) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.
- (g) **Expenditure on Research and Development**
Revenue expenditure is recognised as an expense in the period/year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.
- (h) **Taxes on Income**
Current tax is determined as the amount of tax payable in respect of estimated taxable income for the period.
Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period/year and are capable of reversal in one or more subsequent years.

(i) Incentive Plan

As a part of the employee retention strategy of the Company, the eligible employees are entitled to receive:

- (i) An incentive based on the price of shares of Wyeth, USA. An amount equal to one-third of the aggregate approximate value of the incentive is recognised as expense each period/year based on the fair value of such shares.
- (ii) Shares of Wyeth, USA. An amount equal to the value of the incentive is recognised as expense based on the fair value of such shares on the date of vesting.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 113.89 lakhs (Previous year Rs. 11.57 lakhs) after adjusting advances of Rs. 78.84 lakhs (Previous year Rs. 3.55 lakhs).

4. Contingent Liabilities

(a) Disputed claims under the Drugs (Prices Control) Order, 1979

- (i) Consequent to the Hon'ble Supreme Court Judgements dated 10th April, 1987 and 1st May, 1987 regarding price fixation under the Drugs (Prices Control) Order, 1979, the Government of India (the 'Government') made tentative demands against Cyanamid India Limited (CIL), now known as Wyeth Limited of Rs. 492 lakhs and against erstwhile John Wyeth (India) Limited (JWIL) of Rs. 166.87 lakhs for the period ended 31st December, 1983 without disclosing the basis thereof. CIL vide its letter dated 16th December, 1987 and JWIL vide its letter dated 1st February, 1988 had disputed these liabilities inter-alia on the grounds that the review as directed by the Hon'ble Supreme Court Judgements had not been completed. Subsequently, the Government on public record, revised the demand for the said period ended 31st December, 1983 to Rs. 389.06 lakhs for CIL and to Rs. 133.46 lakhs for JWIL.

In May 1988, the Government appointed a Price Review Committee (Murthy Committee) to consider revision of bulk drug prices from 1984 onwards. After considerable deliberations, the Murthy Committee accepted some of the claims of CIL and JWIL. Based on discussions with the Murthy Committee during the review of prices effective 1984, and having regard to all known facts and circumstances, CIL made a provision in the accounts for the period ended March 1989 for Rs. 200 lakhs in respect of the period 1981 to 1987. Out of this provision, CIL to show its good faith and bonafides and without prejudice to its rights and contentions, deposited a sum of Rs. 100 lakhs into the Drug Prices Equalisation Account. JWIL had also under protest and without prejudice to its rights and contentions deposited jointly with Geoffrey Manners and Co. Limited (GM), a total sum of Rs. 45 lakhs into the Drug Prices Equalisation Account. JWIL was given to understand that the payment of Rs. 45 lakhs would be in full and final settlement of the demands against GM and JWIL for the period 1981 to May 1987. A provision of Rs. 40.50 lakhs has been made in the books of account.

In June 1990, CIL received a tentative demand from the Government of Rs. 536.91 lakhs for the period 1981 to 1983 which was revised by the Government vide its letter dated 12th June, 1991 to Rs. 490.47 lakhs and JWIL received a demand of Rs. 177.67 lakhs for the period 1981 to 1983 [including approximately Rs. 22.03 lakhs for the period October 1983 to December 1983]. Both the companies once again disputed these liabilities inter-alia on the grounds that previous submissions on review against the price fixation orders have not been considered by the Government. However, the Government made a further tentative demand of Rs. 830.06 lakhs on CIL and Rs. 299.95 lakhs on JWIL for the period January 1984 to November 1987. CIL and JWIL along with GM, submitted representations to the Government contesting the demands and requested the Government to dispose of all pending review applications as directed by the Hon'ble Supreme Court of India and as decided by the Government in February 1988, before requesting companies to make payments of any amount. Both companies also urged the Government that the liability must be determined only after disposal of the review applications in accordance with the directions given by the Hon'ble Supreme Court of India, and after giving due set offs or adjustments for the period 1984 to 1987.

The Government vide its Notification dated 21st March, 1994, constituted a Three Member Committee to determine the liabilities of drug companies on the alleged overcharged amounts between 1981 and 1987 in accordance with the recommendations of the Murthy Committee and the line of action as determined by the Government in 1990.

CIL has had several hearings before the said Committee wherein it made its presentations and has been repeatedly reiterating its request for disclosure of the basis and criteria for the prices fixed in 1981 for their bulk drugs and formulations. The Committee disclosed some selective data in respect of the price fixation of the bulk drugs which has been disputed by CIL as incorrect, and CIL sought disclosure in accordance with the Hon'ble Supreme Court Judgement dated 10th April, 1987. CIL also requested the Committee to disclose the Murthy Committee recommendations and the line of action determined by the Government in 1990 to enable it to make effective representation. The hearings before the Drug Prices Liabilities Review Committee (DPLRC) have been concluded. JWIL has submitted detailed written submissions to the said Committee relating to the price fixation of the bulk drugs in 1981 and also had a personal hearing thereafter in October 1995.

During the year ended 31st March, 2007, the Government of India raised a revised demand of Rs. 347.52 lakhs (net of Rs. 45 lakhs paid as deposit earlier) [as against the earlier demand of Rs. 477.62 lakhs (including Rs. 45 lakhs paid as a deposit)], in respect of Benzathine Penicillin G formulations along with interest thereon of Rs. 832.47 lakhs (calculated up to 31st August, 2006). The Company filed a Writ Petition against the said demand and interest thereon in the Hon'ble Bombay High Court.

During the year ended 31st March, 2008, the Government of India raised a further demand for interest of Rs. 3186.55 lakhs for the period of 8th June, 1990 to 2nd November, 2007 on the demand of Rs. 1320.52 lakhs less Rs. 100 lakhs deposited earlier in respect of De-Methyl-Chloro-Tetracycline Hydrochloride (DMCTC HCL) formulations. The Company filed a Writ Petition disputing the said demand and interest thereon in the Hon'ble Bombay High Court.

The Hon'ble Bombay High Court vide its interim orders dated 10th June, 2008 and 10th July, 2008 in the matters of De-Methyl-Chloro-Tetracycline Hydrochloride and Benzathine Penicillin G respectively, directed the Company to deposit the principal amounts and furnish security for the interest thereon. Accordingly, the Company has deposited the principal amounts aggregating to Rs. 1568.03 lakhs with the Prothonotary & Senior Master, High Court, Bombay and furnished corporate bonds for amounts aggregating to Rs. 4019.02 lakhs for interest thereon in favour of the Prothonotary & Senior Master, High Court, Bombay. The matters are pending adjudication before the Hon'ble Bombay High Court.

Having regard to all relevant facts and circumstances, the Company has considered it not necessary to revise the provision of Rs. 200 lakhs in respect of the period 1981 to 1987 for the demands against CIL and the provision of Rs. 40.50 lakhs in the books for the demands against JWIL. The amount of provision so calculated by the Company is based on the data derived from the records of the Company and understanding by the management during discussions from time to time with the officials of Government of India. The management of the Company is of the opinion that the demands in respect of these cases are disputed and would not exceed Rs. 245 lakhs being the amount paid for and/or provided in the accounts of CIL and JWIL. Further, JWIL took over the business from John Wyeth and Brother Limited, India Branch, effective 1st October, 1983. The liability, if any, pertaining to the period up to 30th September, 1983 will be to the account of John Wyeth and Brother Limited, India Branch.

- (ii) In April 1985, the Government issued a Show Cause Notice to the Company directing it to pay into the Drug Prices Equalisation Account (DPEA) an amount of Rs. 90.05 lakhs on the ground that the prices of two bulk drugs, namely Dexamethasone 21 Phosphate and Dexamethasone Pure allowed to the Company in the formulations Wymesone injections and Wymesone tablets respectively were higher than the landed cost of imports.

The Company replied to the said Show Cause Notice and requested for certain clarifications. There was no response from the Government till 1996. Thereafter, the Company submitted the information called for by the Department from time to time. A personal hearing was granted to the Company on 2nd July, 1996 and 13th February, 1997 by the Three Member Committee appointed by the Government.

By an Order dated 27th August, 1998, the Government rejected all the submissions made by the Company and called upon it to pay Rs. 90.05 lakhs and interest of Rs. 187.34 lakhs (calculated up to 25th August, 1998) into the DPEA. Being aggrieved with the findings/recommendations of the Three Member Committee and the Order/demand notice issued by the Government, the Company filed a Writ Petition in the Hon'ble Bombay High Court challenging the demand notice as well as findings of the said Committee.

The Hon'ble Bombay High Court vide its Order dated 24th March, 1999 admitted the Writ Petition and granted a stay against the operation, implementation and effect of the Government Order dated 27th August, 1998 subject to the Company depositing 50% of the principal amount of demand (Rs. 90.05 lakhs) within 6 weeks from the date of the Order. Accordingly, the Company has deposited Rs. 45 lakhs on 4th May, 1999. The matter is pending final adjudication in the Hon'ble Bombay High Court.

- (iii) The Government issued two notices dated 27th March, 1995 and 10th October, 1995 under the Drugs (Prices Control) Order (DPCO) calling upon the Company to pay Rs. 53.90 lakhs being the difference between the price of the bulk drug Amoxycillin Trihydrate allowed in the formulation prices thereof and the actual procurement price paid by the Company during the currency of DPCO 1979.

The Organisation of Pharmaceutical Producers of India (OPPI) along with another association, Indian Drug Manufacturers Association (IDMA) filed a Writ Petition in 1996 in the Hon'ble Bombay High Court challenging the action of the Government in attempting to recover the amount for the first time under the provisions of DPCO 1995, for the period covered by DPCO 1979. The Hon'ble Bombay High Court vide its Orders dated 16th December, 1996 and 30th June, 1997 restrained the Government from taking any action whatsoever against the members of OPPI and IDMA relating to the implementation of such notices.

At the hearing before the Three Member Committee appointed by the Government, the Company made representations drawing attention to the aforesaid Orders of the Hon'ble Bombay High Court by which the Company's case was squarely covered.

In response to an application filed by the Company in the pending Writ Petition filed by OPPI/IDMA, the Hon'ble Bombay High Court vide its Order dated 23rd December, 1998 restrained the Three Member Committee and the Government from proceeding with the matter/hearing of the Company's case. The matter is pending final hearing and disposal before the Hon'ble Bombay High Court and the Three Member Committee.

The demands stated in (i) to (iii) above aggregate to Rs. 5907.72 lakhs (inclusive of total interest of Rs. 4206.36 lakhs) [Previous year Rs. 5907.72 lakhs (inclusive of total interest of Rs. 4206.36 lakhs)].

(b) Disputed claim under the Drugs (Prices Control) Order, 1995

National Pharmaceutical Pricing Authority (NPPA) raised a demand of Rs. 1726.35 lakhs (inclusive of interest of Rs. 134.90 lakhs) on the Company towards the alleged non compliance of the Order issued under paragraph 8 of DPCO 1995 in respect of the production of Prednisolone based formulations during the period June 2000 to March 2001 and April 2003 to August 2004. The Company has provided and paid amounts aggregating to Rs. 1287.93 lakhs and disputed the balance demand of Rs. 438.42 lakhs (inclusive of interest of Rs. 134.90 lakhs).

During the year ended 31st March 2007, the Government of India called upon the Company to make payment of the disputed balance amount. The Company has disputed its liability to make such payment and has filed a Writ Petition against the same in the Hon'ble Bombay High Court. An ad interim relief by way of stay has been granted by the Hon'ble Bombay High Court vide its Order dated 23rd January, 2007. The matter is pending adjudication before the Hon'ble Bombay High Court.

(c) Other claims against the Company not acknowledged as debts

	As at 30 th November, 2009		As at 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Central Excise		1056.81		1057.86
Income-tax		455.85		467.48
Sales tax		265.16		284.86
Others		0.64		0.64

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

5. Provisions

(a) Provision for Disputed Demands

Central Excise

Sales tax

(b) Provision for Demands under the Drugs (Prices Control) Order, 1979

[Refer Note 4(a)(i)]

As at 1 st April, 2009	Provision made during the period	Amounts used during the period	As at 30 th November, 2009
Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
37.21	—	—	37.21
7.66	—	—	7.66
44.87	—	—	44.87
240.50	—	—	240.50

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

6. In pursuance of Accounting Standard 28 – Impairment of Assets (AS 28), notified under sub-section (3C) of Section 211 of the Act, the Company has accounted for the impairment loss of Rs. 93.02 lakhs (Previous year - Nil) on certain fixed assets situated at its erstwhile corporate office at Mahindra Towers, Worli, Mumbai. The carrying amount of the said assets is their net selling price which has been determined on the basis of the current bid price.
7. The members of Wyeth Lederle (Exports) Limited (WLEL) approved the voluntary winding up of WLEL and appointed a liquidator at the extraordinary general meeting held on 5th March, 2007. Pursuant to provisions of the Act for voluntary winding up, net assets of WLEL were transferred to the Company during the year ended 31st March, 2009 resulting in a gain of Rs. 7.62 lakhs. The matter is pending before the Hon'ble Bombay High Court for final disposal and accordingly, the financial statements of WLEL and the consolidated financial statements of the Company and WLEL have not been prepared for the period ended 30th November, 2009.
8. Loans and Advances include due from a director Rs. 0.74 lakh (Previous year Rs. 1.72 lakhs). Maximum amount outstanding at any time during the period/year Rs. 1.72 lakhs (Previous year Rs. 3.20 lakhs).
9. Materials Cost includes cost of samples distributed, free of cost replacements and write-off of broken, damaged and date expired goods.
10. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
(a) The principal amount and the interest due thereon remaining unpaid to suppliers				
(i) Principal		24.84		14.05
(ii) Interest due thereon		0.14		—
		24.98		14.05
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting period/year		25.38		142.57
(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006		—		2.83

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
(c) (i) Normal Interest accrued during the period/ year, for all the delayed payments, as per the agreed terms		—		—
(ii) Normal Interest payable for the period/year of delay in making payment, as per the agreed terms		—		—
(d) (i) Total Interest accrued during the period/year		0.14		0.78
(ii) Total Interest accrued during the period/year and remaining unpaid		0.14		—
(e) Included in (d) above is - Nil (Previous year - Nil) being interest on amounts outstanding as at the beginning of the accounting period/year.				

The above information and that given in Schedule 10 – Liabilities regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

		Unit	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
			Quantity	Rs. in lakhs	Quantity	Rs. in lakhs
11. Sales*						
Drugs and Pharmaceuticals						
Formulations						
Tablets and Capsules	Million Nos.	1,480	16409.10	2,111	23658.48	
Liquids	Kilo Litres	1,232	2961.67	1,802	4034.30	
Parenterals	Vials	440,047	6809.07	544,164	7500.55	
Injections	Million Nos.	—	35.55	6	470.66	
Injectibles	Kilo Litres	—	13.37	—	34.28	
Ointments	Kilograms	501	65.31	645	83.47	
Cosmetics and Toiletries						
Liquids and Lotions	Litres	379,682	2336.25	429,745	2474.85	
	Kilograms	2,355	5.67	4,186	8.88	
			28635.99		38265.47	

*Sales quantities include free issues.

12. Purchases of Finished Goods					
Tablets and Capsules	Million Nos.	183	957.83	241	1576.73
Ointments	Kilograms	483	60.51	937	119.87
Parenterals	Vials	503,520	4920.33	706,438	6348.78
Liquids	Kilo Litres	84	178.61	82	188.20
			6117.28		8233.58

13. Consumption of Raw Materials

	Unit	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
		Quantity	Rs. in lakhs	Quantity	Rs. in lakhs
Prednisolone	Kilograms	4,438	1341.03	4,730	1233.84
Levonogestrel/Norgestrel	Kilograms	26	224.34	50	357.71
Benzathine Penicillin G	Kilograms	—	—	3,032	119.49
Oxetacaine	Kilograms	2,616	107.77	3,693	146.17
Premarin Tablets	Million Nos.	9	362.20	12	420.87
Others	—		864.18		1102.42
			2899.52		3380.50
		% of total	Rs. in lakhs	% of total	Rs. in lakhs
Imported		71	2049.78	64	2177.33
Indigenous		29	849.74	36	1203.17
		100	2899.52	100	3380.50

- Notes: (a) Consumption of Raw Materials include consumption by third parties under contract with the Company and consumption in respect of samples.
- (b) Components and spare parts referred to in Para 4D(c) of Part II of Schedule VI of the Act are assumed to be those forming part of the finished goods produced and not those used for maintenance of plant and machinery.

	Unit	As at		As at	
		30 th November, 2009	31 st March, 2009	30 th November, 2009	31 st March, 2009
		Licensed Capacity		Installed Capacity@	
		Quantity	Quantity	Quantity	Quantity
14. Licensed and Installed Capacity					
Drugs and Pharmaceuticals					
Formulations					
Tablets and Capsules	Million Nos.	*	*	1,300	1,300

* Licensed Capacity is not applicable as industrial licensing has been abolished in respect of these products vide notification No. SO-477(E) dated 25th July, 1991 as amended vide Press Release Note no. 4 of the 1994 series dated 25th October, 1994 issued by the Department of Industrial Development, Ministry of Industry, Government of India.

@ Installed Capacity (formulations at Goa plant on single shift basis) being a technical matter, is certified by the management and relied upon by the auditors.

	Unit	Period ended 30 th November, 2009	Year ended 31 st March, 2009
		Quantity	Quantity
15. Production#			
Drugs and Pharmaceuticals			
Formulations			
Tablets and Capsules	Million Nos.	1,464	1,961
Liquids	Kilo Litres	1,255	1,788
Injections	Million Nos.	—	3
Injectibles	Kilo Litres	—	2
Cosmetics and Toiletries			
Liquids and Lotions	Litres	405,243	450,330
	Kilograms	2,336	6,963

Includes goods manufactured at third party manufacturing facilities.

	Unit	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
		Quantity	Rs. in lakhs	Quantity	Rs. in lakhs
16. Opening Stock					
Formulations					
Tablets and Capsules	Million Nos.	256	1288.38	229	1249.12
Liquids	Kilo Litres	311	265.51	297	232.67
Parenterals	Vials	227,818	2388.38	118,578	786.81
Injections	Million Nos.	—	24.93	3	212.10
Injectibles	Kilo Litres	1	34.63	—	0.03
Ointments	Kilograms	503	67.49	248	26.53
Cosmetics and Toiletries					
Liquids and Lotions	Litres	75,026	161.92	64,421	111.76
	Kilograms	1,166	1.79	—	—
Excise duty on goods manufactured			223.78		381.28
			<u>4456.81</u>		<u>3000.30</u>
17. Closing Stock*					
Formulations					
Tablets and Capsules	Million Nos.	384	1406.55	256	1288.38
Liquids	Kilo Litres	388	320.21	311	265.51
Parenterals	Vials	286,205	2742.63	227,818	2388.38
Injections	Million Nos.	—	1.72	—	24.93
Injectibles	Kilo Litres	1	32.21	1	34.63
Ointments	Kilograms	465	58.22	503	67.49
Cosmetics and Toiletries					
Liquids and Lotions	Litres	96,640	194.27	75,026	161.92
	Kilograms	1,094	1.97	1,166	1.79
Excise duty on goods manufactured			266.34		223.78
			<u>5024.12</u>		<u>4456.81</u>
*Quantities are net of samples distributed, free of cost replacements and write-off of broken, damaged and date expired goods.					
18. CIF Value of Imports					
Raw Materials			1785.55		2170.43
Goods for Resale			4493.55		5883.96
Capital Goods			—		26.94
Others			2.76		5.50

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
19. Expenditure in Foreign Currency (on payment basis)				
Travelling		32.56		62.18
Others		415.67		397.76
20. Earnings in Foreign Exchange				
FOB Value of Exports [excluding exports of Rs. 93.54 lakhs to Nepal (Previous year Rs. 93.01 lakhs)]		61.60		84.13
Freight		1.61		1.64
Insurance		0.10		0.06
Others		1.06		1.86
21. Remittance of Dividend to Non-resident Shareholders				
Number of Shareholders		3		3
Number of Equity Shares held		11,614,102		11,614,102
Amount remitted (Rs. in lakhs)		3774.58		3484.23
Year to which the dividend related		31 st March, 2009		31 st March, 2008
22. Auditors' Remuneration				
Audit Fees		33.64		33.64
Tax Audit Fees		—		4.41
Other Services		9.04		14.78
Reimbursement of Expenses		2.42		0.71
		45.10		53.54
23. Managerial Remuneration*				
Salary and Allowances		58.83		129.17
Contribution to Provident and Other Funds		65.22		28.42
Perquisites		14.51		30.56
Commission to Directors		15.00		37.99
		153.56		226.14
*Managerial Remuneration excludes:				
(a) An amount of Rs. 380 lakhs (Previous year - Nil) paid to Mr. R. R. Iyer, subsequent to his resignation as Managing Director, as ex-gratia in recognition of his long service with the Company of over 28 years and his valuable contribution to the Company.				
(b) Provision for incentive based on the price of shares of Wyeth, USA.				

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Computation of Net Profit in accordance with Section 349 and Section 309(5) of the Act				
Profit before Taxation as per Profit and Loss Account		8171.95		14236.28
Add: Depreciation as per Profit and Loss Account	676.12		684.96	
Provision for Doubtful Deposits	—		12.10	
Investment written off	—		0.01	
Managerial Remuneration	153.56		226.14	
		829.68		923.21
		9001.63		15159.49
Less: Depreciation under Section 350 of the Act	676.12		684.96	
Gain on Disposal of Investment in Subsidiary Company	—		7.62	
Provision for Doubtful Debts (Net)	2.38		12.62	
		678.50		705.20
Net Profit under Section 349 of the Act		8323.13		14454.29
Maximum remuneration permissible under the Act @ 10% of the Net Profit under Section 349 of the Act		832.31		1445.43
Commission restricted by the Board of Directors to		—		27.24
Commission payable to Non-whole time Directors @1% of the Net Profit under Section 349 of the Act		83.23		144.54
Restricted by the Board of Directors to		15.00		10.75
24. Expenditure on Research and Development				
Revenue		80.41		97.23
25. Employee Benefits				
The Company has classified various employee benefits as under:				
	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
(A) Defined Contribution Plans				
The Company has recognised the following amounts in the Profit and Loss Account:				
(i) Contribution to Provident Fund		131.12		168.95
(ii) Contribution to Superannuation Fund		165.95		235.17
(iii) Contribution to Employees' Pension Scheme		29.41		52.30
(iv) Contribution to Employees' State Insurance Scheme		2.71		5.24
		329.19		461.66

(B) Defined Benefit Plans

Valuations in respect of Gratuity, Leave Encashment and Compensated Absences have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
(a) Discount Rate (per annum)		7.50%		7.75%
(b) Rate of increase in Compensation Levels				
— Officers		8%		4%
— Others		5%		4%
(c) Rate of Return on Plan Assets		8%		9.40%
(d) Expected Average remaining working lives of employees in number of years		16		20

(i) Changes in the Present Value of Obligation

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Gratuity Rs. in lakhs	Leave Encashment and Compensated Absences Rs. in lakhs	Gratuity Rs. in lakhs	Leave Encashment and Compensated Absences Rs. in lakhs
(a) Opening Present Value of Obligation	1117.77	858.24	988.57	691.28
(b) Interest Cost	49.16	44.09	67.05	53.80
(c) Past Service Cost	—	—	—	—
(d) Current Service Cost	95.68	175.14	85.19	146.65
(e) Curtailment Cost/(Credit)	—	—	—	—
(f) Settlement Cost/(Credit)	—	—	—	—
(g) Benefits Paid	(97.23)	(14.36)	(75.84)	(37.30)
(h) Actuarial Loss/(Gain)	204.36	78.82	52.80	3.81
(i) Closing Present Value of Obligation	1369.74	1141.93	1117.77	858.24

(ii) Changes in the Fair value of Plan Assets

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
(a) Opening Fair Value of Plan Assets	1083.96	—	886.39	—
(b) Expected Return on Plan Assets	52.49	—	68.88	—
(c) Actuarial Gain/(Loss)	4.70	—	3.98	—
(d) Employers' Contributions	—	—	200.55	—
(e) Benefits Paid	(97.23)	—	(75.84)	—
(f) Closing Fair Value of Plan Assets	1043.92	—	1083.96	—

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences
		Rs. in lakhs		Rs. in lakhs
(iii) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at the Balance Sheet date				
(a) Bank Deposits (Special Deposit Scheme, 1975)	—	—	—	—
(b) Administered by Life Insurance Corporation of India	100%	—	100%	—
(iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
(a) Closing Present Value of Funded Obligation	1369.74	—	1117.77	—
(b) Closing Fair Value of Plan Assets	1043.92	—	1083.96	—
(c) Funded (Asset)/Liability recognised in the Balance Sheet (Net)	325.82	—	33.81	—
(d) Closing Present Value of Unfunded Obligation	—	1141.93	—	858.24
(e) Unrecognised Past Service Cost	—	—	—	—
(f) Unrecognised Actuarial (Gains)/Losses	—	—	—	—
(g) Unfunded Net Liability recognised in the Balance Sheet	—	1141.93	—	858.24
(v) Amount recognised in the Balance Sheet				
(a) Closing Present Value of Obligation	1369.74	1141.93	1117.77	858.24
(b) Closing Fair Value of Plan Assets	1043.92	—	1083.96	—
(c) (Asset)/Liability recognised in the Balance Sheet (Net)	325.82	1141.93	33.81	858.24
(vi) Expenses recognised in the Profit and Loss Account				
(a) Current Service Cost	95.68	175.14	85.19	146.65
(b) Past Service Cost	—	—	—	—
(c) Interest Cost	49.16	44.09	67.05	53.80
(d) Expected Return on Plan Assets	(52.49)	—	(68.88)	—
(e) Curtailment Cost/(Credit)	—	—	—	—
(f) Settlement Cost/(Credit)	—	—	—	—
(g) Net actuarial (Gain)/Loss	199.66	78.82	48.82	3.81
(h) Total Expenses recognised in the Profit and Loss Account	292.01	298.05	132.18	204.26

26. Segment Information

(A) Information in respect of Primary Segments

(I) Segment Revenue

Pharmaceuticals

Revenue from External Customers

Inter-segment Revenue

**Period ended
30th November, 2009**

Rs. in lakhs Rs. in lakhs

**Year ended
31st March, 2009**

Rs. in lakhs Rs. in lakhs

25481.68

34326.26

—

—

25481.68

34326.26

Others

Revenue from External Customers

Inter-segment Revenue

3428.16

4120.50

—

—

3428.16

4120.50

Eliminations

—

—

28909.84

38446.76

(II) Segment Result

Pharmaceuticals

7696.21

12297.67

Others

(226.55)

8.22

Operating Profit

7469.66

12305.89

Interest Expense

(27.96)

(39.52)

Interest Income

730.25

1969.91

Provision for Taxation

(2271.33)

(4269.29)

Profit after Taxation

5900.62

9966.99

(III) Other Information

(a) Segment Assets

Pharmaceuticals

17811.43

17728.73

Others

1033.32

1050.26

18844.75

18778.99

Unallocated Corporate Assets

21659.86

24659.97

40504.61

43438.96

(b) Segment Liabilities

Pharmaceuticals

6309.42

6619.94

Others

714.98

543.09

7024.40

7163.03

Unallocated Corporate Liabilities

5727.79

9107.85

12752.19

16270.88

(c) Capital Expenditure

Pharmaceuticals

146.76

384.76

Others

1.48

8.90

148.24

393.66

(d) Depreciation and Impairment Loss

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Pharmaceuticals		750.06		667.19
Others		19.08		17.77
		<u>769.14</u>		<u>684.96</u>

Note: There are no non-cash expenses other than Depreciation and Impairment Loss.

(B) Information in respect of Secondary Segments

(I) Segment Revenue (Sales to External Customers)

India	28754.70	38269.62
Other Countries	155.14	177.14
	<u>28909.84</u>	<u>38446.76</u>

(II) Carrying amount of Segment Assets

India	40504.61	43438.96
Other Countries	—	—
	<u>40504.61</u>	<u>43438.96</u>

(III) Capital Expenditure

India	148.24	393.66
Other Countries	—	—
	<u>148.24</u>	<u>393.66</u>

Notes:

- (a) The primary reporting of the Company is based on the business segments. The businesses of the Company comprise of Pharmaceuticals and Other businesses. The operational performance of the business is reviewed by the management based on such segregation.
- (i) Pharmaceuticals segment comprise of Formulations. Formulations comprise of Oral Contraceptives, Hormone Replacement Therapy, Antibiotics, Vaccines, Steroids and other prescription medicines.
- (ii) Others comprise of OTC pharmaceuticals, Cosmetics and other allied consumer products.
- (b) Secondary segment reporting is based on the geographical location of customers. Revenue is segregated into two segments namely India (sales to customers within India) and Other Countries (sales to customers outside India) for the purpose of reporting geographical segments.

(c) Segment Revenue comprises of

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Sales		28635.99		38265.47
Other Income	1004.10		2151.20	
Interest Income	(730.25)		(1969.91)	
		<u>273.85</u>		<u>181.29</u>
		<u>28909.84</u>		<u>38446.76</u>

- (d) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 2 above.

27. Related Party Disclosures

(A) Enterprises where control exists

(a) Ultimate Holding Company

Pfizer Inc, USA (w.e.f. 15th October, 2009)

(b) Holding Company

Wyeth LLC, USA

(c) Subsidiary Company

Refer Note 7 above

(B) Other Related Parties with whom the Company had transactions during the period

(a) Fellow Subsidiaries

AHP Manufacturing BV

John Wyeth & Brother Limited

Pharmaceuticals Division of Wyeth

Wyeth (Thailand) Limited

Wyeth Australia Pty. Ltd.

Wyeth Ayerst (Asia) Limited

Wyeth Ayerst International Inc.

Wyeth Ayerst Lederle Inc.

Wyeth Canada

Wyeth Holdings Corporation

Wyeth Medica Ireland

Wyeth Medica Ireland – Grange Castle

Wyeth Pharmaceutical Co.

Wyeth Pharmaceuticals

Wyeth Regional Manufacturing (Singapore) Pte. Limited

Wyeth Singapore Pte. Limited

(b) Key Management Personnel

R. R. Iyer (up to 26th October, 2009)

A. W. Khandekar

Disclosure of transactions between the Company and related parties and outstanding balances as at the period/year end:

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
	Rs. in lakhs	Rs. in lakhs
(a) Holding Company		
Dividend paid	2608.22	2407.59
Reimbursement of Expenses	43.98	36.74
Recovery of Expenses	294.29	—
Balance as at the period/year end		
Outstanding Receivable	20.35	—
Outstanding Payable	92.28	44.21
(b) Fellow Subsidiaries		
Dividend paid		
John Wyeth & Brother Limited	409.50	378.00
Wyeth Holdings Corporation	756.86	698.64
	<u>1166.36</u>	<u>1076.64</u>

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
	Rs. in lakhs	Rs. in lakhs
Purchases of Raw Materials		
Wyeth Ayerst International Inc.	25.79	230.48
Wyeth Medica Ireland	320.35	419.55
Wyeth Pharmaceutical Co.	45.91	163.56
	<u>392.05</u>	<u>813.59</u>
Purchases of Finished Goods		
Wyeth Ayerst Lederle Inc.	1364.76	2211.45
Wyeth Medica Ireland – Grange Castle	698.42	753.58
Wyeth Pharmaceuticals	2359.70	2738.10
Others	70.67	180.83
	<u>4493.55</u>	<u>5883.96</u>
Reimbursement of Expenses		
Pharmaceuticals Division of Wyeth	172.60	—
Wyeth Regional Manufacturing (Singapore) Pte. Limited	274.16	305.77
Others	37.20	42.85
	<u>483.96</u>	<u>348.62</u>
Recovery of Expenses		
Wyeth Ayerst International Inc.	154.11	267.79
Wyeth (Malaysia) Sdn. Bhd.	—	39.04
Others	21.95	49.04
	<u>176.06</u>	<u>355.87</u>
Balances as at the period/year end		
Outstanding Receivables		
John Wyeth & Brother Limited	8.95	9.78
Wyeth Ayerst International Inc.	84.33	76.07
Others	2.67	13.23
	<u>95.95</u>	<u>99.08</u>
Outstanding Payables		
John Wyeth & Brother Limited	250.22	250.22
Wyeth Ayerst Lederle Inc.	588.87	1215.10
Wyeth Pharmaceuticals	1131.56	783.00
Wyeth Medica Ireland – Grange Castle	265.59	383.63
Others	211.59	546.41
	<u>2447.83</u>	<u>3178.36</u>

(c) Key Management Personnel

Remuneration

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
	Rs. in lakhs	Rs. in lakhs
R. R. Iyer	110.17	123.46
A. W. Khandekar	28.39	46.31
A. K. Sharma	—	45.62
	<u>138.56</u>	<u>215.39</u>

Balance as at the period/year end

Outstanding Receivables
Loans and Advances

A. W. Khandekar	0.74	1.72
-----------------	------	------

28. Disclosures in respect of office premises, warehouses and residential premises taken on lease

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
	Rs. in lakhs	Rs. in lakhs
(a) Operating lease payments recognised in the Profit and Loss Account	1004.40	1068.17
(b) Significant leasing arrangements		
(i) The Company has given refundable interest free security deposits under certain agreements.		
(ii) Certain agreements contain provision for renewal.		

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
	Rs. in lakhs	Rs. in lakhs
(c) Future minimum lease payments under non-cancellable agreements		
(i) Not later than one year	1065.41	—
(ii) Later than one year and not later than five years	—	—
(iii) Later than five years	—	—

29. Basic earnings per share has been calculated by dividing profit for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year. The Company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Earnings per Share has been computed as under:

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
Profit after Taxation (Rs. in lakhs)	5900.62	9966.99
Weighted average number of shares	22,720,059	22,720,059
Earnings per Share (Rs. per Equity Share of Rs. 10 each) – Basic and Diluted	25.97	43.87

	Period ended 30 th November, 2009	Year ended 31 st March, 2009
	Rs. in lakhs	Rs. in lakhs
30. Incentive based on the price of shares of Wyeth, USA		
(a) Amount recognised as expense for the period/year	(96.98)	21.88
(b) Total carrying amount of the corresponding liability at the period/year end	—	47.05

31. During the period, the Company has retrospectively changed its accounting policy in respect of:

- (a) Fixed assets costing more than Rs. 5,000 but up to USD 5,000 which are fully depreciated in the period/year of acquisition except for "multiple-like items" the cost of which is over USD 10,000 in aggregate; and "unlike items of capital nature within an asset category" for large scale projects the aggregate cost of which exceeds USD 10,000.
- (b) Computer software costing USD 1 million or less which is fully amortised in the period/year of acquisition.

Accordingly, depreciation has been recalculated in accordance with such revised accounting policy from the date such assets were put to use. Consequent to such change in accounting policy, the depreciation charge for the period and the accumulated depreciation as at the period end are higher by Rs. 193.23 lakhs and the profit for the period is lower by the said amount.

32. The Company has changed its accounting year from 1st April - 31st March to 1st December – 30th November with effect from the current period. Accordingly, the current period's financial statements are for eight months from 1st April, 2009 to 30th November, 2009. The previous year's figures relate to twelve months ended 31st March, 2009 and accordingly, the current period's figures are not comparable to those of the previous year. Previous year figures have been regrouped where necessary.

Signatures to Schedules I to I7

In terms of our report of even date

For and on behalf of
Price Waterhouse
Chartered Accountants

Himanshu Goradia
Partner
Membership No. 45668

Chairman : B. R. Arora
Directors : K. K. Maheshwari
S. S. Lalbhai
D. E. Udawadia
P. H. Lele
A. W. Khandekar

Managing Director : Kewal Handa
Company Secretary & : N. N. Thakore
Legal Director

Mumbai, 19th February, 2010

Mumbai, 19th February, 2010

CASH FLOW STATEMENT FOR THE PERIOD 1ST APRIL, 2009 TO 30TH NOVEMBER, 2009

	Period ended 30 th November, 2009		Year ended 31 st March, 2009	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
A. Cash flow from operating activities				
Net Profit before Taxation		8171.95		14236.28
Adjustments for:				
Depreciation	676.12		684.96	
Impairment Loss on Fixed Assets	93.02		—	
Interest Expense	27.96		39.52	
Unrealised Exchange Gain (Net)	(54.45)		(0.79)	
Interest Income	(730.25)		(1969.91)	
Profit on Sale/Disposal of Fixed Assets (Net)	(2.35)		(1.39)	
Gain on Disposal of Investment in Subsidiary Company	—		(7.62)	
Investment written off	—		0.01	
		10.05		(1255.22)
Operating profit before working capital changes		8182.00		12981.06
Adjustments for:				
Trade and Other Receivables	(391.71)		(2533.02)	
Inventories	(369.67)		(1647.45)	
Trade and Other Payables	(62.41)		1928.08	
		(823.79)		(2252.39)
Cash generated from operations		7358.21		10728.67
Direct Taxes paid (including Fringe Benefits Tax and net of refund of taxes)		(1583.29)		(4704.24)
Net cash from operating activities		5774.92		6024.43
B. Cash flow from investing activities				
Purchase of Fixed Assets (including advances for capital expenditure)	(147.93)		(379.54)	
Sale of Fixed Assets	4.57		16.07	
Disposal of Investment	—		31.12	
Interest received	1149.45		1747.06	
Net cash from investing activities		1006.09		1414.71
C. Cash flow from financing activities				
Interest paid	(0.46)		(39.79)	
Dividend paid	(7369.42)		(6807.01)	
Tax paid on Dividend	(1254.91)		(1158.38)	
Net cash used in financing activities		(8624.79)		(8005.18)
Net decrease in cash and cash equivalents		(1843.78)		(566.04)
Cash and Cash Equivalents – Opening Balance		22396.23		22962.27
Cash and Cash Equivalents – Closing Balance		20552.45		22396.23

- Notes: 1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements, notified under sub-section (3C) of Section 211 of the Companies Act, 1956 of India.
2. Cash and Cash Equivalents include balances aggregating to Rs. 93.25 lakhs (Previous year Rs. 78.65 lakhs) with scheduled banks on current accounts in respect of unpaid dividend, which are not available for use by the Company.
3. Previous year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of
Price Waterhouse
Chartered Accountants

Himanshu Goradia
Partner
Membership No. 45668

Mumbai, 19th February, 2010

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Mumbai, 19th February, 2010

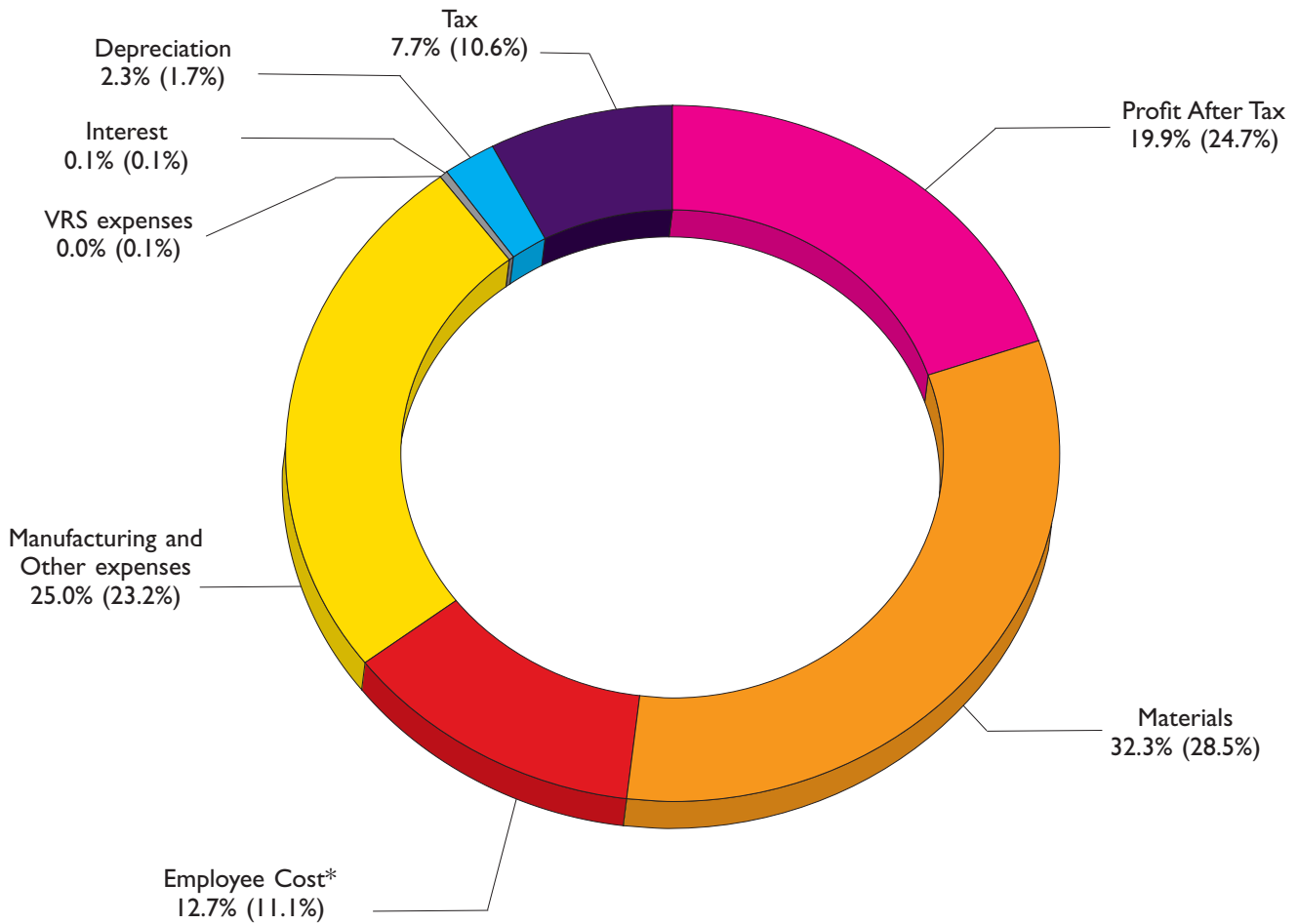
SELECTED FINANCIAL DATA

(Rs. Lakhs)

Description	April- November 2009	March 2009	2008	2007	2006	2005	2004	2003	2002	2001
SALES & EARNINGS										
Sales	28636	38265	33132	28813	28729	25550	31351	29728	27450	29474
Other Income	1004	2151	1900	1509	2030	4302	892	906	1368	1052
Profit before Tax	8172	14236	11776	11111	8387	4604	6791	4695	6451	4979
Profit after Tax	5901	9967	8148	9243	6874	4296	5674	3040	4289	3176
Prior year expenses & tax adjustments	—	—	—	7	102	396	(217)	16	68	—
Dividend	4544	7384	6816	6816	5680	4544	2272	1363	1184	888
Balance in Profit and Loss Account	16124	16130	15799	16440	16102	16484	18161	15432	13883	11271
ASSETS										
Fixed Assets — Gross	8077	8054	7680	7554	7654	8963	11333	11324	6816	4633
— Net	3264	3887	4193	4403	4736	5264	6762	7420	6714	2251
Investments	—	—	24	24	24	24	24	24	24	24
Net current Assets	24045	22977	21140	20408	18653	17348	17979	14376	11269	12468
Deferred tax Assets — Net	693	554	733	1082	1381	1863	1020	637	367	390
Miscellaneous expenditure	—	—	—	—	—	—	—	—	114	319
Total Assets — Net	28002	27418	26090	25916	24794	24499	25785	22457	18488	15452
REPRESENTED BY										
Net Worth	27752	27168	25840	25666	24544	24249	25535	22207	18238	15202
Share Capital	2272	2272	2272	2272	2272	2272	2272	2272	1974	1974
Reserves & Surplus	25480	24896	23568	23394	22272	21977	23263	19935	16264	13228
Borrowings	250	250	250	250	250	250	250	250	250	250
Long Term	250	250	250	250	250	250	250	250	250	250
Short Term	—	—	—	—	—	—	—	—	—	—
Total Funds	28002	27418	26090	25916	24794	24499	25785	22457	18488	15452
RATIOS										
Profit before tax to Sales (%)	28.54	37.20	35.54	38.56	29.19	18.02	21.66	15.79	23.50	16.89
Profit after tax to Sales (%)	20.61	26.05	24.59	32.08	23.93	16.81	18.10	10.23	15.62	10.78
Earnings per equity share (Rs.)	25.97	43.87	35.86	40.65	29.80	17.17	25.93	13.03	21.38	16.09
Book value of equity share (Rs.)	122.15	119.58	113.73	112.97	108.03	106.70	112.39	97.74	92.40	77.01
Dividend per equity share (Rs.)	20.00	32.50	30.00	30.00	25.00	20.00	10.00	6.00	6.00	4.50
Net Fixed Assets to Net Worth (%)	11.76	14.31	16.23	17.15	19.30	21.71	26.48	33.41	36.81	14.81

Revenue Distribution

Total Income Rs. 29640.09 Lakhs (Rs. 40416.67 Lakhs)



(Previous year figures are given in brackets)

* Number of Employees		
Category	30.11.2009	31.3.2009
Sales and Marketing	572	582
Manufacturing and Quality Assurance	173	172
General Management	68	71
Total	813	825

