

Wyeth Limited

Annual Report 2011-12

Dear Shareholders,

I am proud to report that the Company's State-of-the-Art Plant at Goa celebrated its 10th Anniversary during the year. The Plant excelled its previous year's record by bagging the prestigious India Manufacturing Excellence Platinum Award from Economic Times and Frost & Sullivan for manufacturing excellence in 2011. It also received the PGS Annual Silver President's Award for 2011 from the Parent Company.

I am happy to inform you that your Company is making rapid strides, thanks to investments in key therapy areas during the last two years.

Increasing lifespan, growing number of working women and rising health awareness have led to renewed focus on women's health across the country. Your Company has built a great reputation among physicians, thanks to an enviable portfolio of heritage brands in Women's Healthcare. We continue to lead the market in oral contraceptives and hormone therapy.

The last two years have seen launch of new products as well as branded value offerings (BVOs) in therapies where we play a leadership role. The first BVO, launched in 2010, has entered the list of top 25 brands in its market segment.

Your Company is expanding its presence on the vaccine front. Prevenar 13, our pneumococcal conjugate vaccine, has expanded its reach in the country and is India's largest selling toddler vaccine.

You will be happy to know that Prevenar 13 has now been launched for protecting adults 50 years and older in India, following the approval received from the Drugs Controller General (India).

As I hand over the baton of Managing Director of your Company to Aijaz Tobacconwalla, I wish to say, this is not the end of the journey but the beginning of a new path. I am grateful for your support and good wishes over the years. I know you are committed to your Company and I cherish that commitment. I look forward to your dedication and support in ensuring your Company continues the progress story in the years to come.

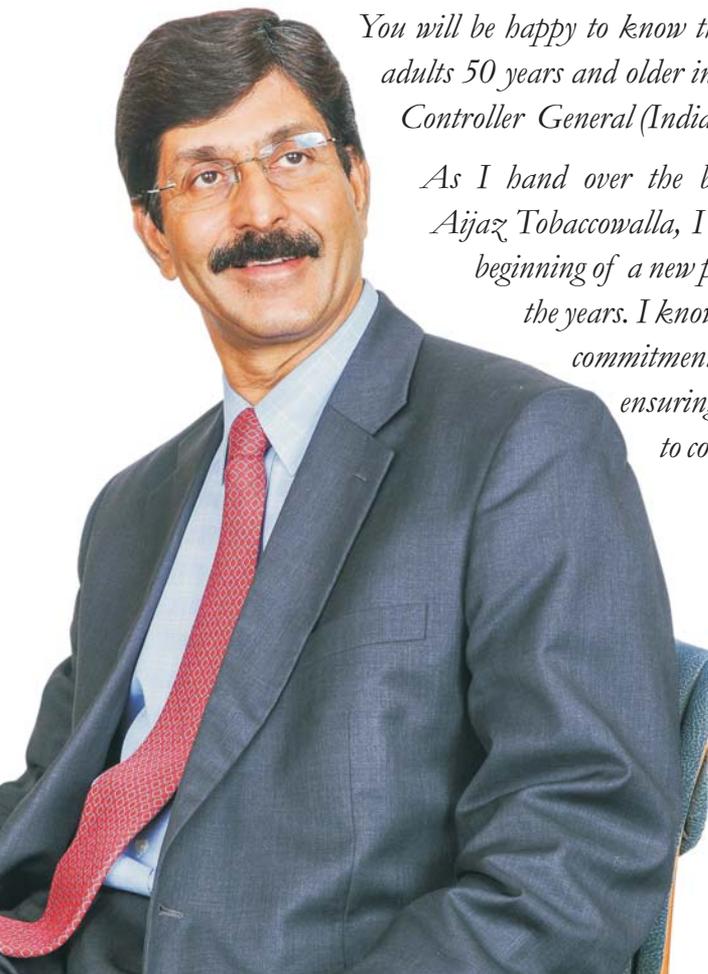
Regards,



Kewal Handa

Managing Director

Wyeth Limited



Board of Directors (as on 28th June, 2012)

Pradip Shah	Chairman
Kewal Handa	Managing Director
Darius Udvardia	
Kamalesh Kumar Maheshwari	
Sunil Lalbhai	
Vivek Dhariwal	
Sekhar Natarajan	
S. Sridhar	
Aijaz Tobaccowalla	

Management Committee

Kewal Handa	Managing Director
Suresh Muddana	Business Unit Head
Partha Ghosh	Business Unit Head
Alex Rajan	Human Resources
Neema Thakore	Company Secretary & Legal
Vishwanath Iyer	Commercial
Shyam Kumar	Public Affairs
Pragnesh Shah	Acting Chief Financial Officer
Dr. Mangesh Borkar	Plant Operations

Auditors

B S R & Associates

Cost Auditors

RA & Co.

Solicitors & Advocates

Udvardia Udeshi & Argus Partners

Registrar & Share Transfer Agent

Datamatics Financial Services Limited
Plot No. B - 5, Part B Cross Lane,
Marol, MIDC, Andheri (E),
Mumbai - 400 093.

Bankers

Citibank N.A.
Standard Chartered Bank
ICICI Bank

Manufacturing Plant

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

Registered Office

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

Contents

Notice	2
Directors' Report	10
Corporate Governance Report	16
Management Discussion & Analysis Report	31
Auditors' Report	33
Balance Sheet	38
Profit & Loss Account	39
Cash Flow Statement	40
Notes to the Financial Statements	41
Select Financial Data	72

SIXTY-FOURTH ANNUAL GENERAL MEETING

Thursday, 2nd August, 2012, 11.00 a.m.
Yashwantrao Chavan Pratishthan Auditorium,
General Jagannathrao Bhosale Marg,
Next to Sachivalaya Gymkhana,
Mumbai – 400 021.

MEMBERS / PROXIES ARE REQUESTED
TO BRING THEIR COPY OF
THE ANNUAL REPORT AT THE
ANNUAL GENERAL MEETING
ALONG WITH DULY FILLED IN
ATTENDANCE SLIPS.

NOTICE

NOTICE is hereby given that the Sixty-fourth Annual General Meeting of the Members of Wyeth Limited will be held at Yashwantrao Chavan Pratishthan Auditorium, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021, on Thursday, 2nd August, 2012 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 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. K. K. Maheshwari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. S. Lalbhai, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs. B S R & 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. Sekhar Natarajan, who was appointed by the Board of Directors as an Additional Director of the Company under Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for appointment and in respect of whom a notice in writing has been received at the Registered Office of the Company from a Member, signifying the intention to propose Mr. Sekhar Natarajan as a candidate for the office of Director under Section 257 of the said Act.
7. To appoint a Director in place of Mr. S. Sridhar, who was appointed by the Board of Directors as an Additional Director of the Company under Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for appointment and in respect of whom a notice in writing has been received at the Registered Office of the Company from a Member, signifying the intention to propose Mr. S. Sridhar as a candidate for the office of Director under Section 257 of the said Act.
8. To appoint a Director in place of Mr. Aijaz Tobaccowalla, who was appointed by the Board of Directors as an Additional Director of the Company under Article 110 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for appointment and in respect of whom a notice in writing has been received at the Registered Office of the Company from a Member, signifying the intention to propose Mr. Aijaz Tobaccowalla as a candidate for the office of Director under Section 257 of the said Act.
9. 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, and subject to the approval of the Central Government, Mr. Aijaz Tobaccowalla, be and is hereby appointed as Managing Director of the Company for a period of three years with effect from commencement of business, 16th August, 2012, on the terms and conditions set out in the draft Agreement to be executed between the Company and Mr. Aijaz Tobaccowalla, 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. Aijaz Tobaccowalla, 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. Aijaz Tobaccowalla 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 with power to settle all questions, difficulties or doubts that may arise in regard to the said draft Agreement as it may in its sole discretion deem fit."

10. 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 the Directors resident outside India, the Managing 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 ₹ 1 crore (Rupees One crore only) per annum, so long as the Company does not have a Managing 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 ₹ 75 lacs (Rupees Seventy-five lacs only) per annum so long as the Company has a Managing 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 April, 2012;

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."

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

"RESOLVED THAT in supersession of the Special Resolution passed at the Fiftieth Annual General Meeting of the Company held on 24th September, 1998, and pursuant to Section 163 of the Companies Act, 1956, consent of the Company be and is hereby accorded to keep the Register of Members, the Index of Members and copies of all the Annual Returns prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto under Section 161 thereof or any one or more of them at the Office of the Registrar and Share Transfer Agent of the Company, Karvy Computershare Private Limited, Plot No. 17-24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad - 500 081 with effect from such date as may be decided by the Managing Director.

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."

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

By Order of the Board of Directors

N. N. Thakore
Company Secretary &
Legal Director

Date: 28th June, 2012

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 DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. MEMBERS MAY PLEASE NOTE THAT A PROXY CAN VOTE ONLY ON A POLL.

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, (“the Act”) with respect to Item Nos. 6 to 11 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 Friday, 20th July, 2012 to Thursday, 2nd August, 2012 (both days inclusive).
3. Dividend, for the year ended 31st March, 2012, as recommended by the Directors of the Company, if sanctioned at the Meeting, will be paid to:
 - i) those Members whose names appear on the Register of Members of the Company on Thursday, 2nd August, 2012, and
 - ii) those Members whose names appear as beneficial owners as at the close of business hours on Thursday, 19th July, 2012, 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.

The said dividend will be paid to the Members on **13th August, 2012.**

4. Pursuant to Section 205A read with Section 205C of the Act, all unclaimed/unpaid dividends up to the Financial Year ended 31st March, 2004 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 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 Agent:

Datamatics Financial Services Limited

Plot No. B - 5, Part B Cross Lane,
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. In compliance with Clause 5A.II of the Listing Agreements with the Stock Exchanges, the Company had sent three reminders to all shareholders whose shares had remained unclaimed with the Company. In certain cases no response was received to the said reminders and accordingly, the Company has transferred 23,017 unclaimed shares held by 600 shareholders to an Unclaimed Suspense Account and dematerialized the same on 12th March, 2012.

9. 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.**
10. Members holding shares in physical form, are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (N-ECS), they should submit their details to the Company's Registrar & Transfer Agent by 19th July, 2012. The details required are the Core Banking Account number allotted by Member's Bank along with a blank cancelled cheque of the concerned account. The requisite application form can be obtained from the Company's Registrar & Transfer Agent. Alternatively, Members may provide details of their bank account quoting their folio numbers by the said date, to the Company's Registrar & Transfer Agent to enable them to print such details on the dividend warrants.
11. Members who hold shares in 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 Agent on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
12. In compliance with the Securities and Exchange Board of India (SEBI) circular dated 7th January, 2010, it is mandatory for Members holding shares in the physical form to furnish a copy of PAN in the following cases:
 - i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - ii) Transmission of shares to the legal heir(s), where the deceased shareholder was the sole holder of shares.
 - iii) Transposition of shares, where there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
13. The Ministry of Corporate Affairs has announced a "Green Initiative in Corporate Governance" thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send Notices for General Meetings/Annual Reports/ Other Shareholder Communication through electronic mode to the e-mail addresses which are registered for the purpose from time to time.

To avail of this initiative, Members are requested to fill in the form enclosed and submit to:-
 - i) Wyeth Limited for shares held in physical form.
 - ii) Wyeth Limited and also register their email ID with the Depository Participant where their Demat account is maintained, for shares held in the electronic form.
14. In view of Clause 49 of the Listing Agreements with the Stock Exchanges, additional information pertaining to Directors proposed for appointment / re-appointment at the Annual General Meeting is contained in the Corporate Governance Report.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, FOR ITEM NOS. 6 to 11:

ITEM NO. 6:

The Board of Directors of the Company (“the Board”) at its Meeting, held on 5th August, 2011, appointed Mr. Sekhar Natarajan as an Additional Director of the Company, effective the same date. He was also appointed as Chairman of the Audit Committee and a Member of the Remuneration Committee with effect from 5th August, 2011.

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. Natarajan holds office up to 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 the intention to propose Mr. Natarajan as a candidate for the office of Director, along with a deposit of ₹ 500/- (Rupees five hundred only) which amount shall be refunded to the Member, if Mr. Natarajan is appointed as a Director.

Mr. Sekhar Natarajan is a Chartered Accountant and a Cost Accountant.

Mr. Natarajan has several years of corporate experience and substantial expertise in the Finance field. He is the Managing Partner of S N Consultants and is also Chairman of Monsanto India Limited.

The Board of Directors of the Company recommends the appointment of Mr. Natarajan as a Director and the approval of the Members of the Company is sought to his appointment.

Mr. Natarajan is interested in this item of business since it relates to his appointment. No other Director is interested in this item of business.

ITEM NO. 7:

The Board of Directors of the Company (“the Board”) at its Meeting held on 21st May, 2012, appointed Mr. S. Sridhar as an Additional Director of the Company, effective the same date.

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. Sridhar holds office up to 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 the intention to propose Mr. Sridhar as a candidate for the office of Director, along with a deposit of ₹ 500/- (Rupees five hundred only) which amount shall be refunded to the Member, if Mr. Sridhar is appointed as a Director.

Mr. Sridhar is a Chartered Accountant and has substantial expertise and experience in the Finance field. He is currently the Finance Director at Pfizer Limited.

The Board of Directors of the Company recommends the appointment of Mr. Sridhar as a Director and the approval of the Members of the Company is sought to his appointment.

Mr. Sridhar is interested in this item of business since it relates to his appointment. No other Director is interested in this item of business.

ITEM NOS. 8 & 9:

The Board of Directors of the Company (“the Board”) at its Meeting held on 28th June, 2012, appointed Mr. Aijaz Tobaccowalla as an Additional Director with effect from the same date.

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. Tobaccowalla holds office up to 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 the

intention to propose Mr. Tobaccowalla as a candidate for the office of Director, along with a deposit of ₹ 500/- (Rupees five hundred only) which amount shall be refunded to the Member, if Mr. Tobaccowalla is appointed as a Director.

The current Managing Director, Mr. Kewal Handa has resigned effective end of day, 15th August, 2012. The Board has appointed Mr. Tobaccowalla, as the Managing Director of the Company effective commencement of business, 16th August, 2012. This appointment is subject to the approval of the Members at the forthcoming Annual General Meeting. Mr. Tobaccowalla is not a resident of India, hence an application will have to be made to the Central Government for approval to the said appointment.

Mr. Aijaz Tobaccowalla, 45, is a Science graduate with a major in Computer Science and a minor in Mathematics. He also holds a Masters Degree in Business Administration from the Stern School of Business, New York University. He is an experienced global leader and has worked in the United States, Europe and Asia supporting established and emerging markets.

Mr. Tobaccowalla has expertise in the area of Business Technology and is a strategist with global capability. He has designed and delivered consistent results in a global marketplace including areas of Business Intelligence, Sales Force Automation, R&D systems, ERP, e-Business and Manufacturing Systems.

Mr. Tobaccowalla has held positions of increasing responsibility in Pfizer Inc., USA, the latest being the position of Senior Vice President, Worldwide Biopharmaceutical and Commercial Business Technology, where he was inter alia responsible for the Global, Commercial and Clinical Information Organization supporting all Pfizer Business Units and Pfizer's Digital and Mobile team. He is currently on the Board of Directors of Pfizer Limited and has also been appointed Managing Director of the said company effective commencement of business, 16th August, 2012.

The material provisions of the draft Agreement with Mr. Tobaccowalla referred to in the resolution at Item No. 9 of the Notice are as under:

- A. TERM :** Three years from 16th August, 2012 to 15th August, 2015 (both days inclusive).
- B. NATURE OF DUTIES :** Subject to the superintendence, control and direction of the Board, Mr. Tobaccowalla 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, inter alia, discharge all such duties and responsibilities which may be assigned or entrusted to him from time to time by the Board.
- C. REMUNERATION :** Mr. Tobaccowalla, also being the Managing Director of Pfizer Limited, will receive remuneration from Pfizer Limited. No remuneration to be paid by the Company to Mr. Tobaccowalla as its Managing Director.

D. OTHER TERMS AND CONDITIONS :

Mr. Tobaccowalla :

- (i) shall not be paid any sitting fees for attending meetings of the Board or any Committee(s) of the Board.
- (ii) shall 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) shall not during his employment as Managing Director, directly or indirectly engage himself in any other business or employment or occupation whatsoever, save and except as Managing Director of

Pfizer Limited. Mr. Tobaccowalla may hold any directorship(s) of any other company or companies with the sanction of the Board.

E. TERMINATION :

The Company to be entitled to terminate Mr. Tobaccowalla'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. Tobaccowalla's employment as Managing Director without any notice or compensation in lieu of notice or otherwise in case he commits any act of dishonesty, gross negligence, moral turpitude 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 three 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. 8 & 9 of the Notice. The approval of the Members is being sought to Mr. Tobaccowalla's appointment as Director in terms of the resolution at Item No. 8 of the Notice and as Managing Director in terms of the resolution at Item No. 9 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. Tobaccowalla, pursuant to Section 302 of the Act.

A copy of the draft Agreement to be entered into between the Company and Mr. Tobaccowalla referred to in the resolution at Item No. 9 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. Tobaccowalla is interested in the resolutions at Item Nos. 8 and 9 of the Notice since they relate to his appointment as a Director and as the Managing Director of the Company, respectively.

ITEM NO. 10:

The Members, at their Meeting held on 21st April, 2010, 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 and/or Whole-time Director/s) for a period of five years commencing from 1st December, 2009 subject to the maximum limits specified therein. The aforesaid approval was obtained pursuant 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 April, 2012.

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) ₹ 1 crore (Rupees One crore) per annum so long as the Company does not have any Managing and/or Whole-time Director, or
- b) ₹ 75 lacs (Rupees Seventy-five lacs) per annum so long as the Company has a Managing 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 April, 2012.

Mr. Pradip Shah, Mr. K. K. Maheshwari, Mr. S. S. Lalbhai, Mr. D. E. Udewadia and Mr. Sekhar Natarajan, 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. 11:

The Board of Directors at its Meeting held on 21st May, 2012, appointed Karvy Computershare Private Limited as the Registrar and Share Transfer Agent of the Company with effect from a date to be decided by the Managing Director. Karvy Computershare Private Limited is registered with the Securities and Exchange Board of India as Category I Registrar & Share Transfer Agent. Approval of the Members is being sought pursuant to Section 163 of the Companies Act, 1956, to keep the Register of Members, Index of Members and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, or any one or more of them at Karvy Computershare Private Limited at Plot No. 17-24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad - 500 081 with effect from such date as may be decided by the Managing Director.

A copy of the above proposed Resolution will be sent in advance to the Registrar of Companies, Mumbai, Maharashtra, as required under Section 163 of the Companies Act, 1956.

Registered Office:

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

By Order of the Board of Directors

N. N. Thakore
Company Secretary &
Legal Director

Date: 28th June, 2012

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Sixty-fourth Annual Report of the Company together with the audited accounts for the year ended 31st March, 2012. The audited figures given hereunder for the financial year under review and the previous period are not comparable, as the current period is for 12 (twelve) months from 1st April, 2011 up to 31st March, 2012, while the previous period was for a period of 16 (sixteen) months from 1st December, 2009 to 31st March, 2011.

FINANCIAL HIGHLIGHTS

	Apr 2011- Mar 2012	(₹ in Lakhs)	
		Dec 2009- Mar 2011	
Revenue from Operations (Net)	58406.53	63648.41	
Operating and Other Income	3841.32	2468.05	
Profit before non-recurring expenses	20537.59	23798.73	
Voluntary Retirement Scheme	45.90	230.98	
Profit before Taxation	20491.69	23567.75	
Provision for Tax	6022.29	7038.45	
Net Profit	14469.40	16529.30	
Balance brought forward from previous period	25195.62	16124.14	
Profit available for appropriation	39665.02	32653.44	
Dividend			
- Interim	-	3408.01	
- Proposed	4089.62	1590.40	4998.41
Tax on Dividend			
- Interim	-	548.47	
- Proposed	663.44	258.01	806.48
Transfer to General Reserve	1446.94		1652.93
Balance carried to next year	33465.02		25195.62

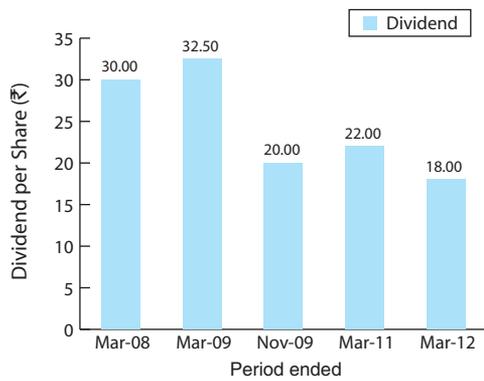
DIVIDEND

Your Directors recommend a dividend of ₹ 18.00 (180%), previous year ₹ 22.00 (220%) per equity share. If the proposed dividend is approved by the Shareholders at the Annual General Meeting, the total dividend payout will be ₹ 4089.62 lakhs. Tax on dividend payout to be borne by the Company will aggregate ₹ 663.44 lakhs.

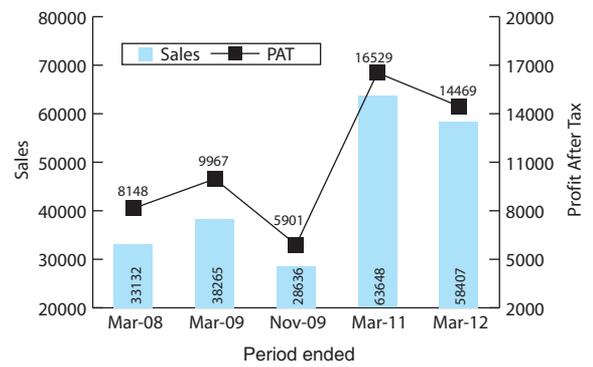
The dividend will not suffer tax in the hands of the Shareholders.

KEY STATISTICS

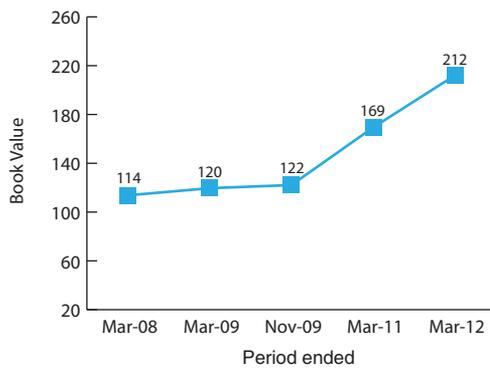
Dividend (₹)



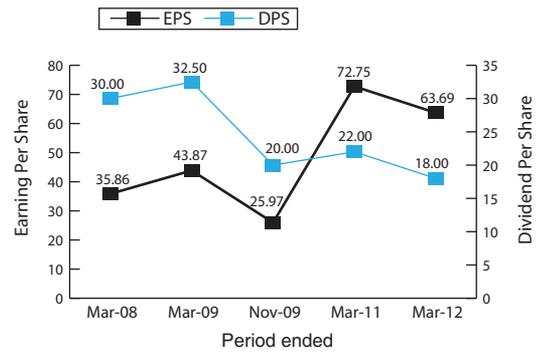
Sales & Profit After Tax (₹ in Lakhs)



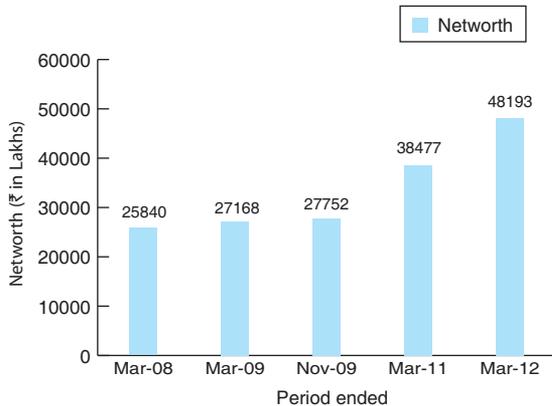
Book Value Per Share (₹)



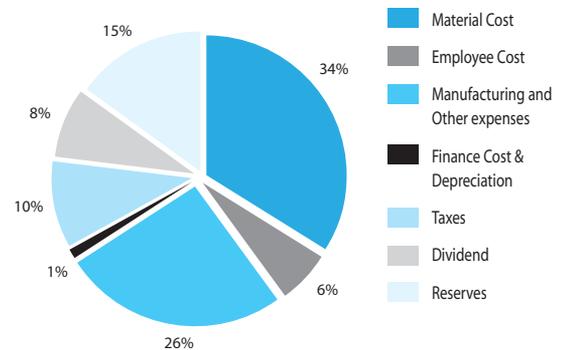
EPS & DPS (₹)



Networth (₹ in Lakhs)



How Rupee Earned was spent



DIRECTORS

Mr. K. K. Maheshwari and Mr. S. S. Lalbhai retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Sekhar Natarajan was appointed as Additional Director of the Company with effect from 5th August, 2011. In terms of Section 260 of the Companies Act, 1956, the term of office of Mr. Natarajan expires on the date of the forthcoming Annual General Meeting and he is eligible for appointment.

Mr. S. Sridhar was appointed as Additional Director of the Company with effect from 21st May, 2012. In terms of Section 260 of the Companies Act, 1956, the term of office of Mr. Sridhar expires on the date of the forthcoming Annual General Meeting and he is eligible for appointment.

Mr. Aijaz Tobaccowalla was appointed as Additional Director of the Company with effect from 28th June, 2012. In terms of Section 260 of the Companies Act, 1956, the term of office of Mr. Tobaccowalla expires on the date of the forthcoming Annual General Meeting and he is eligible for appointment.

Mr. Kewal Handa has resigned as the Managing Director and Director of the Company with effect from end of day, 15th August, 2012. Your Directors wish to place on record their appreciation of the valuable contribution made by Mr. Handa.

The Board has appointed Mr. Aijaz Tobaccowalla as Managing Director with effect from commencement of business, 16th August, 2012, subject to the approval of the Members at the forthcoming Annual General Meeting and also subject to the approval of the Central Government.

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 31st March, 2012, and of the profit of the Company for the period 1st April, 2011 to 31st March, 2012;
- 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'.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

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.

CORPORATE GOVERNANCE

The Management Discussion and Analysis Report and a Report on Corporate Governance along with a Certificate from Messrs. B S R & Associates, regarding compliance with the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges are 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.

AUDITORS

The Auditors, Messrs. B S R & Associates, retire at the conclusion of this Annual General Meeting and offer themselves for re-appointment. Messrs. B S R & Associates have confirmed their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956.

Messrs. B S R & Associates, 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, Amoxicillin 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 26(i)(a) and (b) to the Accounts. An early resolution of this issue will provide much needed clarity for the future.

COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956, companies are required to file their Cost Audit Reports within 180 days from the close of the financial year.

The Cost Audit Report for Formulations for the financial year ended 31st March, 2011, was filed on 26th September, 2011.

The Directors have appointed Messrs. RA & Co., Mumbai, as Cost Auditors to conduct the cost audit of Formulations for the year ended 31st March, 2012.

ACKNOWLEDGEMENTS

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 of Directors

Place: Mumbai
Date: 28th June, 2012

Kewal Handa
Managing Director

Sekhar Natarajan
Director

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 31st MARCH, 2012

A. Conservation of Energy:

- | | |
|---|---|
| a) Energy Conservation measures taken | <ol style="list-style-type: none"> 1) Intermittent switching off of HVAC system during non productive hours. 2) Installation of 146 TR Screw Chiller to minimize usage of steam operated VAM Chillers. 3) Introduction of VFD drive in Cooling Water circulation pump. |
| b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy | <ol style="list-style-type: none"> 1) Installation of Screw Chiller. 2) Installation of VFD drive. |
| c) Impact of measures at (a) and (b) | <ol style="list-style-type: none"> 1) Reduction of annual electricity consumption. 2) Reduction of annual furnace oil consumption. 3) Reduction in carbon emission. |

FORM A

Form of Disclosure of particulars with respect to conservation of energy

	Unit	Apr 2011- Mar 2012	Dec 2009- Mar 2011
A. Power and Fuel consumption			
1. Electricity			
a) Purchased Units	Kwh	45,26,640	63,75,754
Total Amount	₹ lakhs	569.23	668.28
Rate / Unit (average)	₹	12.58	10.48
b) Own generation through diesel generator unit	Kwh	4,493	3,350
— Units per litre of diesel oil	Kwh	2.95	1.26
— Cost / Unit	₹	14.36	34.84
Note The cost of own generated electricity is not comparable, as the standby generator unit was operated only for test runs.			
2. Furnace Oil			
Quantity	K. ltrs.	338.83	576.38
Total Cost	₹ lakhs	132.32	155.22
Average rate	₹ / ltr.	39.05	26.93

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 : (₹ in Lakhs)

	Apr 2011- Mar 2012	Dec 2009- Mar 2011
i) Capital	Nil	23.02
ii) Recurring	150.67	203.47
iii) Total	150.67	226.49
iv) Total R&D expenditure as a percentage of total turnover	0.26%	0.36%

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 of increasing exports in the area of oral contraceptives.
- ii) Earnings & Outgoings : During the financial year ended 31st March, 2012, the Foreign Exchange earned was ₹ 104.77 lakhs. Foreign Exchange Outgoings were ₹ 17011.16 lakhs.

CORPORATE GOVERNANCE REPORT

I. MANDATORY REQUIREMENTS

1. Company's philosophy on code of governance:

Wyeth Limited 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 provides strategic direction and thrust to the operations of the Company.

➤ Composition of Board of Directors:

The Board is headed by the Non-Executive Chairman, Mr. Pradip Shah, and comprises of eminent persons with considerable professional experience in varied fields. The present strength of the Board is nine Directors. Of these, one is an Executive Director and eight are Non-Executive Directors. More than 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.

➤ Board Meetings:

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

- | | |
|-----------------------------------|--------------------------------------|
| (i) 3 rd May, 2011 | (iii) 24 th October, 2011 |
| (ii) 5 th August, 2011 | (iv) 27 th January, 2012 |

The names of the Directors, the number of Board Meetings held, their attendance there at 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 31st March, 2012, 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 19 th July, 2011	No. of Directorships in Companies incorporated in India including Wyeth Limited (excluding Private Companies)	Memberships/ Chairmanships of Board Committees including Wyeth Limited *
Mr. Pradip Shah (Chairman)	NED-I	4	Yes	13	6/1
Mr. Kewal Handa	MD	4	Yes	4	4/Nil
Mr. S. S. Lalbhai	NED-I	2	Yes	6	3/Nil
Mr. K. K. Maheshwari	NED-I	3	Yes	1	1/1
Mr. D. E. Udawadia	NED-I	4	Yes	12	9/1
Mr. Vivek Dhariwal (w.e.f. 03.05.2011)	NED	3	Yes	1	Nil
Mr. Sekhar Natarajan (w.e.f. 05.08.2011)	NED-I	3	N.A.	4	1/2

Directors appointed after 31st March, 2012:

Mr. S. Sridhar (w.e.f. 21.05.2012)	NED	N.A.	N.A.	1	Nil
Mr. Aijaz Tobacowalla (w.e.f. 28.06.2012)	NED	N.A.	N.A.	2	Nil

NED – Non-Executive Director MD - Managing Director

NED-I - Non-Executive Director – Independent

* Includes only Audit Committees and Shareholder Grievance Committees.

3. Re-appointment of Directors:

Mr. K. K. Maheshwari:

Mr. Kamalesh Kumar Maheshwari, 68, holds a Masters degree in Commerce and is a Doctor of Philosophy and 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.

Mr. Maheshwari does not hold any shares in the Company. He is currently also a Director of the following Companies in India:

1. Universal Chemicals & Industries Private Limited
2. Jayashree Traders Private Limited
3. Riviera Investors Private Limited

Committee Memberships:

Wyeth Limited:

Shareholders' Grievance Committee	- Chairman
Audit Committee	- Member
Remuneration Committee	- Member
Share Transfer Committee	- Member

Mr. S. S. Lalbhai:

Mr. Sunil S. Lalbhai, 52, holds an MS degree in Chemistry from the University of Massachusetts and MS degree in Economic Policy and Planning from Northeastern University. He has expertise and wide experience in the Management field. He is presently the Chairman and Managing Director of Atul Limited, a diversified Chemical Company where he has been working since 1983.

He has been on different occasions, a Member or Chairman of Committees formed by the State and Central Governments.

Mr. Lalbhai holds 1,125 shares in the Company in his individual capacity/as a trustee. He 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

C. Trustee:

1. BAIF Development Research Foundation

B. Governing Body/Council:

1. Lalbhai Dalpatbhai Institute of Indology
2. Shree Vallabh Shikshan Sangeet Ashram

D. Committee Memberships:

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

4. Appointment of Directors:

Mr. Sekhar Natarajan:

Mr. Sekhar Natarajan, 58, is a Chartered Accountant and a Cost Accountant.

Mr. Natarajan has several years of corporate experience and substantial expertise in the Finance field. Mr. Natarajan is the Managing Partner of S N Consultants and is also Chairman of Monsanto India Limited.

Mr. Natarajan does not hold any shares in the Company. He is currently also a Director of the following Companies in India:

1. Monsanto India Limited
2. Maharashtra Hybrid Seed Company Limited
3. Kale Consultants Limited

Committee Memberships:

Wyeth Limited:

- | | |
|------------------------|------------|
| Audit Committee | - Chairman |
| Remuneration Committee | - Member |

Kale Consultants Limited:

- | | |
|------------------------------|------------|
| Audit Committee | - Chairman |
| Investor Grievance Committee | - Member |
| Remuneration Committee | - Member |

Maharashtra Hybrid Seed Company Limited:

- | | |
|------------------------|----------|
| Remuneration Committee | - Member |
|------------------------|----------|

Mr. S. Sridhar:

Mr. S. Sridhar, 44, is a Chartered Accountant and has substantial expertise and experience in the Finance field. He is currently the Finance Director at Pfizer Limited.

Mr. Sridhar does not hold any shares in the Company. He does not hold Directorship in any other Company.

Mr. Aijaz Tobaccowalla:

Mr. Aijaz Tobaccowalla, 45, is a Science graduate with a major in Computer Science and a minor in Mathematics. He also holds a Masters Degree in Business Administration from the Stern School of Business, New York University. He is an experienced global leader and has worked in the United States, Europe and Asia supporting established and emerging markets.

Mr. Tobaccowalla has expertise in the area of Business Technology and is a strategist with global capability. He has designed and delivered consistent results in a global marketplace including areas of Business Intelligence, Sales Force Automation, R&D systems, ERP, e-Business and Manufacturing Systems.

Mr. Tobaccowalla has held positions of increasing responsibility in Pfizer Inc., USA, the latest being the position of Senior Vice President, Worldwide Biopharmaceutical and Commercial Business Technology, where he was inter alia responsible for the Global, Commercial and Clinical Information Organization supporting all Pfizer Business Units and Pfizer’s Digital and Mobile team.

Mr. Tobaccowalla does not hold any shares in the Company. He is currently on the Board of Directors of Pfizer Limited and has also been appointed Managing Director of the said company effective commencement of business, 16th August, 2012.

5. Audit Committee:

- ◆ During the period under review, the Audit Committee held four Meetings, the dates being as follows:
 - (i) 3rd May, 2011
 - (ii) 5th August, 2011
 - (iii) 24th October, 2011
 - (iv) 27th January, 2012
- ◆ 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 four Meetings held
Mr. Sekhar Natarajan (w.e.f. 05.08.2011)	Chairman	Non-Executive and Independent Director	3
Mr. D. E. Udawadia	Member	Non-Executive and Independent Director	4
Mr. K. K. Maheshwari	Member	Non-Executive and Independent Director	3
Mr. Kewal Handa	Member	Managing Director	4

- ◆ The earlier Chairman of the Audit Committee, Mr. P. H. Lele resigned on 6th April, 2011. The new Chairman, Mr. Sekhar Natarajan was appointed on 5th August, 2011.
- ◆ 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 Acting Chief Financial Officer, along with the Statutory Auditors, Internal 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.

6. Remuneration Committee and Remuneration of Directors:

- ◆ During the year under review, the Remuneration Committee held one Meeting on 3rd May, 2011.
- ◆ 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	1
Mr. K. K. Maheshwari	Member	Non-Executive and Independent Director	1
Mr. Sekhar Natarajan (w.e.f. 05.08.2011)	Member	Non-Executive and Independent Director	N.A.

- ◆ The Remuneration Committee inter alia, reviews and recommends the remuneration and commission/ performance incentive of Managing/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 current Managing Director does not receive any remuneration from the Company. Further, the Company does not have a Whole-time Director at present.
- ◆ 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 for the year ended 31st March, 2012, are set out below:

(Figures in ₹)

Directors	Salary and Performance Incentive	Perquisites	Contribution to PF, Superannuation and Gratuity	Sitting Fees	Commission	Total
Mr. D. E. Udawadia	—	—	—	90,000	10,00,000	10,90,000
Mr. K. K. Maheshwari	—	—	—	90,000	10,00,000	10,90,000
Mr. S. S. Lalbhai	—	—	—	40,000	10,00,000	10,40,000
Mr. Kewal Handa (Managing Director)	—	—	—	—	—	—
Mr. Pradip Shah (Chairman)	—	—	—	40,000	10,00,000	10,40,000
Mr. A. W. Khandekar (up to 03.05.2011)	10,63,019*	29,329	92,277	—	—	11,84,625
Mr. Vivek Dhariwal ¹ (w.e.f. 03.05.2011)	—	—	—	—	—	—
Mr. Sekhar Natarajan (w.e.f. 05.08.2011)	—	—	—	60,000	7,00,000	7,60,000

¹Mr. Vivek Dhariwal is an employee of Pfizer Limited. No remuneration is paid to him by the Company.

* Includes Performance Incentive ₹ 7,29,600.

◆ **Executive Directors**

The Agreement appointing Mr. Kewal Handa as Managing Director of the Company is for a period of three years commencing from 26th October, 2009 upto 25th October, 2012. As per the terms of the Agreement, either party may terminate the contract by giving six months 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. In case of early termination of the Agreement, there is no provision for payment of severance fees. Mr. Handa has resigned as Managing Director and Director of the Company with effect from end of day, 15th August, 2012.

The Board has appointed Mr. Aijaz Tobaccowalla as Managing Director, effective commencement of business, 16th August, 2012, on the terms and conditions as per the draft agreement to be executed with him. The appointment as Managing Director is for a period of three years. Either party may terminate the Agreement by giving the other three months prior written notice. No remuneration will be paid to Mr. Tobaccowalla as Managing Director of the Company. Mr. Tobaccowalla, will receive remuneration from Pfizer Limited on his appointment as Managing Director of Pfizer Limited.

◆ **Performance Linked Incentive**

Performance Incentive for the year 2011-12 was paid to Mr. A. W. Khandekar, based on the performance parameters for him and the Company.

◆ **Employees Stock Option Scheme**

The Company does not have a scheme for grant of stock options. Mr. A. W. Khandekar was eligible for stock options granted by the Parent Company. Mr. Kewal Handa, Mr. Vivek Dhariwal, Mr. S. Sridhar and Mr. Aijaz Tobaccowalla are eligible for stock options granted by the Parent Company.

◆ **Non-Executive Directors**

➤ Criteria for payment of remuneration to the Non-Executive Directors:

The remuneration to Non-Executive Directors comprises of sitting fees and fixed commission. The criteria for payment of remuneration are time spent by the Non-Executive Directors at Committee and Board Meetings, and advice given by these Directors to the Management from time to time on strategic matters etc., even outside the Board Meetings.

➤ The Resident Indian Non-Executive Directors, 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 ₹ 75 lacs 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 ₹ 50 lacs 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, as under:

- such sum not exceeding 3% of the net profits of the Company, subject to an aggregate limit of ₹ 1 crore (Rupees One crore) per annum so long as the Company does not have any Managing and/or Whole-time Director, or
- such sum not exceeding 1% of the net profits of the Company, subject to an aggregate limit of ₹ 75 lacs (Rupees Seventy-five lacs) per annum so long as the Company has a Managing and/or Whole-time Director.

- During the year ended 31st March, 2012, the Company paid ₹ 1,43,354/- to the law firm of Udwadia & Udeshi as fees for professional services that were provided by them on specific legal matters entrusted by the Company to them for legal advice from time to time. Mr. D. E. Udwadia is a founder partner of the above firm. With effect from 1st April, 2012, the above law firm was reconstituted with the merger of Argus Partners with it. The reconstituted law firm changed its name to Udwadia Udeshi and Argus Partners effective 1st April, 2012. The Board does not consider the firm's association with the Company to be of a material nature so as to affect the independence of judgment of Mr. Udwadia as a Director of the Company.
- The shareholding of each of the Non-Executive Directors in the Company in their individual capacity/as a trustee as on 31st March, 2012 was as follows:

Sr. No.	Name of the Director	No. of Equity Shares held
1.	Mr. S. S. Lalbhai	1,125
2.	Mr. K. K. Maheshwari	Nil
3.	Mr. D. E. Udwadia	Nil
4.	Mr. Pradip Shah	Nil
5.	Mr. Vivek Dhariwal	Nil
6.	Mr. Sekhar Natarajan	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.

7. Shareholders' Committees:

(a) Investors'/Shareholders' Grievance Committee:

- During the period under review, the Investors'/Shareholders' Grievance Committee held two Meetings, on 5th August, 2011 and 27th January, 2012.
- The details of the composition of the 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. S. S. Lalbhai	Member	Non-Executive and Independent Director	2
Mr. Kewal Handa	Member	Managing Director	2

- 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 year 1st April, 2011 – 31st March, 2012 is set out below:

Nature of Complaints	Number of Complaints		
	Received during the year	Resolved during the year	Pending at the end of the year
Non-receipt of share certificates sent for transfer, deletion of name, transmission, transposition, consolidation of folios & share certificates, correction of name etc.	7	7	Nil
Non-receipt of dividend warrants	9	9	Nil
Letters from Securities and Exchange Board of India.	Nil	Nil	Nil
Letters from Stock Exchanges, the Depositories and Ministry of Corporate Affairs.	1	1	Nil
Non-receipt of Annual Reports.	1	1	Nil

No investor grievance remained pending for more than 30 days and no request for share transfers/dematerialization received during the financial year was pending for more than 30/21 days respectively.

(b) Share Transfer Committee:

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

Members :

- Mr. D. E. Udawadia
- Mr. K. K. Maheshwari
- Mr. P. H. Lele (up to 06.04.2011)
- Mr. Kewal Handa
- Mr. Pradip Shah (w.e.f. 03.05.2011)

The Chairman is elected at each meeting.

The Share Transfer Committee inter alia, deals with matters relating to transfers / transmissions / transposition / consolidation / rematerialization / 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. The Company Secretary has been empowered by the Board to approve transfers / transmissions of shares, split / consolidation and other allied matters up to a limit of 1000 shares per individual item. At each meeting, the Board is apprised of the details of transfer / transmission of shares.

The Company's Registrar, Datamatics Financial Services Limited, have adequate infrastructure to process the share transfers. The share transfers received are processed within 30 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Dematerialization requests are processed within 21 days from the date of receipt, to give credit of the shares through the Depositories. In compliance with the listing guidelines, every six months, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

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

8. General Body Meetings:

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

Date of AGM	Location	Time	Summary of Special Resolutions
21 st August, 2009	Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020	3.30 p.m.	Nil
21 st April, 2010	Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020	11.00 a.m.	1. Payment of Commission to Non-Executive Directors 2. Alteration of Article 112(3) of the Articles of Association of the Company
19 th July, 2011	Yashwantrao Chavan Pratishthan Auditorium, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021	11.00 a.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 there at and entitled to vote.

During the year ended 31st March, 2012, 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.

9. Disclosures:

i) Related Party Transactions:

- There have been no materially significant related party transactions, which could have potential conflict with the interests of the Company at large.
- The details of transactions with related parties are disclosed in Note No. 34 of Notes forming part of the Financial Statements.
- The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49 II (D) of the Listing Agreements with the Stock Exchanges. The transactions are in the ordinary course of business and at arms' length basis.

ii) Code of Conduct:

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 - www.wyethindia.com.

The Company has for the year ended 31st March, 2012, 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. Employees of the Company also affirm compliance with the Code of Conduct as applicable to them.

iii) Risk Management Mechanism:

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

iv) Adherence to Accounting Standards:

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.

v) Mandatory Requirements:

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.

10. 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.

11. Means of Communication:**◆ Financial Results:**

The Quarterly, Half-Yearly and Annual Financial Results were published in all editions of the Financial Express in English and in Marathi, in the Mumbai edition of the Loksatta (till the quarter ended 30th September, 2011) and in Navshakti (from the quarter ended 31st December, 2011) respectively. The said Financial Results are also available on the Company's website - www.wyethindia.com. These are made available to Members on request.

◆ Presentation to Institutional Investors / Analysts:

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

◆ Management Discussion and Analysis Report:

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

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

As required under Clause 49(V) of the Listing Agreements with the Stock Exchanges, a certificate from the Managing Director and the Acting Chief Financial Officer on the integrity of the Financial Statements and the Cash Flow Statement and the Internal Control Systems for financial reporting for the year ended 31st March, 2012, was placed before the Board at its Meeting held on 21st May, 2012.

13. General Shareholder Information:

◆ Annual General Meeting

Date and Time	:	2 nd August, 2012 at 11.00 a.m.
Venue	:	Yashwantrao Chavan Pratishtan Auditorium, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.

◆ **Financial Year** : The year under review was from 1st April, 2011 to 31st March, 2012.

◆ Financial Calendar (tentative) :

i) First Quarter Results	:	By 14 th August, 2012
ii) Second Quarter Results	:	By 14 th November, 2012
iii) Third Quarter Results	:	By 14 th February, 2013
iv) Last Quarter Results / Results for the year ending 31 st March, 2013	:	By 31 st May, 2013

◆ **Book Closure Dates** : 20th July, 2012 to 2nd August, 2012 (both days inclusive)

◆ **Dividend Payment Date** : 13th August, 2012

◆ **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, 2012 to 31st March, 2013.

◆ **International Securities Identification Number (ISIN)** : INE 378A 01012
Custodial Fees have been paid for the year 1st April, 2012 to 31st March, 2013.

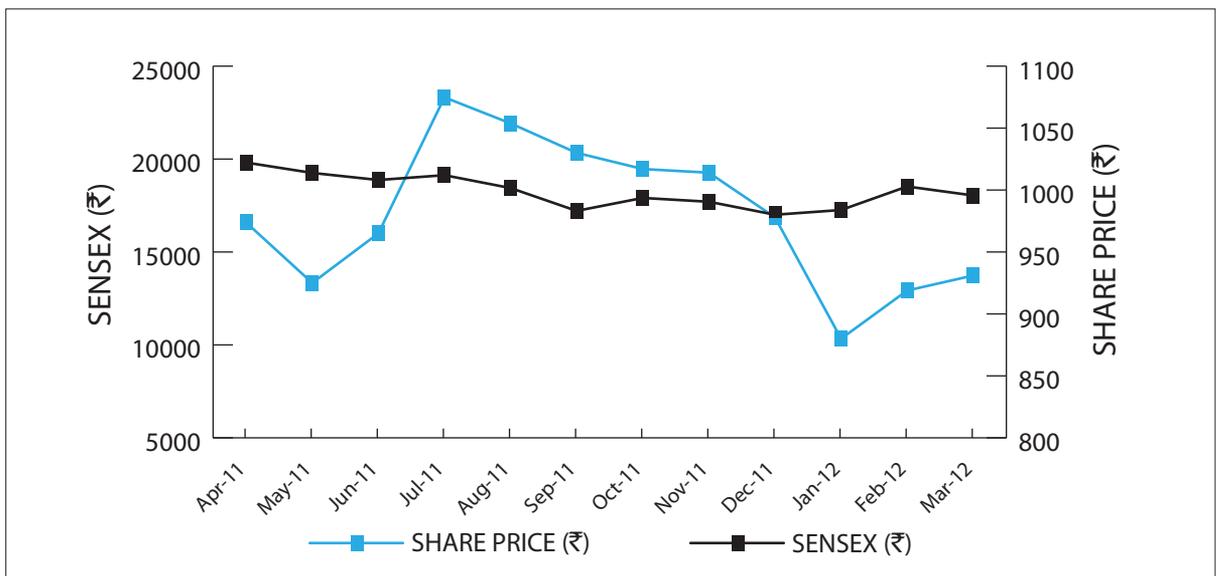
◆ **Corporate Identity Number (CIN)** : The Ministry of Corporate Affairs, Government of India, has allotted the Company, CIN L85190MH1947PLC005963. The Company is registered at Mumbai in the State of Maharashtra, India.

◆ 2,24,04,921 Equity Shares, representing 98.61% of the total Equity Capital were held in the dematerialized form as on 31st March, 2012.

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

Month	High (₹)	Low (₹)
April 2011	973.80	845.10
May 2011	925.00	857.00
June 2011	965.00	870.25
July 2011	1,074.80	945.00
August 2011	1,053.80	948.25
September 2011	1,030.00	959.00
October 2011	1,016.95	905.55
November 2011	1,014.00	951.00
December 2011	977.95	801.10
January 2012	880.00	794.05
February 2012	918.90	805.45
March 2012	931.00	830.00

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



- ◆ Distribution of Share holding as on 31st March, 2012:

No. of Equity shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	22,584	96.16	16,53,371	7.28
501 – 1000	438	1.86	3,29,868	1.45
1001 – 2000	219	0.93	3,17,623	1.40
2001 – 3000	80	0.34	2,02,464	0.89
3001 – 4000	35	0.15	1,26,712	0.56
4001 – 5000	18	0.08	84,166	0.37
5001 – 10000	38	0.16	2,82,519	1.24
10001 and above	76	0.32	1,97,23,336	86.81
TOTAL	23,488	100.00	2,27,20,059	100.00

◆ Shareholding Pattern as on 31st March, 2012:

Category	No. of Shares	%
Wyeth LLC, Wyeth Holdings Corporation and John Wyeth & Brother Limited (subsidiaries of Pfizer Inc., USA)	1,16,14,102	51.12
Insurance Companies & Banks	8,24,267	3.63
Foreign Institutional Investors	11,37,494	5.01
Non-Resident Individuals & Corporate Bodies	1,02,335	0.44
Mutual Funds	21,15,064	9.31
Domestic Companies	34,60,460	15.23
Resident Individuals	34,66,337	15.26
Total	2,27,20,059	100.00

- ◆ Outstanding GDRs / ADRs / Warrants or : As of date, the Company has not issued these any convertible instruments etc. types of securities.
- ◆ Registrar and Share Transfer Agent : Datamatics Financial Services Limited
Plot No. B - 5,
Part B Cross Lane,
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 Agent at the aforesaid address, marked -
Unit : Wyeth Limited
Contact Person : Mr. C. R. Rao
- The Board has appointed Karvy Computershare Private Limited as the Registrar and Share Transfer Agent of the Company with effect from a date to be decided by the Managing Director. This date will be informed to the members in due course.
- At the ensuing Annual General Meeting, a Special Resolution is proposed for approval of the shareholders, pursuant to Section 163 of the Companies Act, 1956, to keep the Register of Members, the Index of Members and copies of all the Annual Returns prepared under Section 159 of the Companies Act, 1956, together with the copies of certificates and documents required to be annexed thereto under Section 161 thereof or any one or more of them at the Office of the Registrar and

Share Transfer Agent of the Company, Karvy Computershare Private Limited, Plot No. 17-24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad - 500 081.

A copy of the above proposed Resolution will be sent in advance to the Registrar of Companies, Mumbai, Maharashtra as required under Section 163 of the Companies Act, 1956.

- ◆ Share Transfer System : The Company Secretary / Share Transfer Committee process and approve the transfers received. The average time for processing of share transfers including dispatch of share certificates was less than 30 days, if relevant documents were complete in all respects. The time taken to process dematerialization of shares was 21 days.
- ◆ Company's Address for correspondence : The Company Secretary & Legal Director
Wyeth Limited
Level 6, 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 Plot No. L-137, Phase III, Verna Industrial Estate, 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 reviews and takes decisions on compensation of Executive Directors of the Company. The Chairman of the Remuneration Committee is an Independent Director.

- ◆ **Whistle Blower Policy:**

The Company has a mechanism for employees to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguards against victimization of employees who avail of the mechanism.

On behalf of the Board of Directors

Place: Mumbai
Date: 28th June, 2012

Kewal Handa
Managing Director

Sekhar Natarajan
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 year ended 31st March, 2012.

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: 28th June, 2012

Kewal Handa
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Wyeth Limited

We have examined the compliance of conditions of Corporate Governance by Wyeth Limited ("the Company") for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

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

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

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

For **B S R & Associates**
Chartered Accountants
Firm's Registration No: 116231W

Place : Mumbai
Date : 28 June 2012

Sanjay Aggarwal
Partner
Membership No: 40780

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE PHARMACEUTICAL INDUSTRY – AN OVERVIEW & OUTLOOK

The pharmaceutical industry continues to grow at a healthy rate despite signs of deceleration in the larger economy. India's Gross Domestic Product (GDP) was projected to dip to 6.9% in 2011-12, down from 8.4% growth achieved during the two preceding years. India continues to battle inflation.

In 2011-12, the total audited pharmaceutical market in India grew by 16.3% to reach USD 13.3 billion. Volumes contributed 8.6%, while new products contributed 6.4% and price contributed 1.3% to the growth of 16.3% achieved by the Indian pharmaceutical market during 2011-12. The retail sector accounted for USD 11.2 billion and grew at 15%, while the hospital sector accounted for USD 1.3 billion and grew by 28.3% (Source: IMS MAT March 2012). According to IMS, currently the Indian pharmaceutical market ranks 14th globally in terms of value and 3rd in volume (January-December 2011). Ernst & Young has forecast that India will be one of the top 10 pharmaceutical markets in the world by 2015, along with Brazil and China.

Out of pocket payments by patients continue to account for the lion's share of healthcare spending in India (68% of total healthcare spending as per World Health Statistics 2011). Private providers continue to deliver most of the care, both at primary and secondary level.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

A variety of factors like rising lifestyle diseases, heightened health awareness, growing private investment in healthcare infrastructure, and efforts to improve accessibility all point to sustained growth opportunities for the pharmaceutical industry.

While the pharmaceutical industry remains committed to creating access beyond cities to smaller towns, threats of restrictive policy measures continue to hamper investment and growth prospects. The curbs on Foreign Direct Investment / M&A in the pharmaceutical sector, inadequate budgetary allocation to healthcare sector, uncertainty over the draft drug pricing policy, and the deceleration in the India growth story are expected to dampen the growth prospects.

The research based pharmaceutical industry is also concerned over the uncertainty surrounding the pharmaceutical policy and Intellectual Property regime and its likely impact on innovation.

FINANCIAL AND OPERATIONAL PERFORMANCE

The Company's sales for the period under review were ₹ 584 crores (April 2010 – March 2011, ₹ 494 crores) which represents a growth of 18%. The Company continues to maintain its leadership position in Oral Contraceptives, Hormone Therapy, Folic Acid, Liquid Antacids and Pneumococcal Vaccine markets. The sales for the pharmaceutical segment were ₹ 546 crores showing a growth of 21% over the previous year. The sales for the Consumer Healthcare segment was ₹ 38 crores showing a negative growth of 8% over the previous year.

The Company's strategy to expand its presence in its key therapies by launching new Branded Value Offerings (BVOs) has started showing good results. Warclav, the Company's first BVO launched in 2010, has entered the list of top 25 brands of co-amoxycylav market as per IMS data and was ranked the best launch among the 25 new products launched from September 2010 to October 2011.

The Company launched Menocare (Natural Micronised Progesterone), Pausera (Tranexamic Acid Tablets — an original research product of Pfizer Inc.), Doris (Drospirinone / Ethynyl Estradiol tablets – Oral Contraceptive) and Folvite MB (Folic Acid with Vitamin B6 and Methyl Cobalamine) during the year with a view to strengthening its Women's Healthcare portfolio.

The Company established an Advisory Board engaging Key Opinion Leaders in Obstetrics and Gynecology. The Advisory Board provides insights into therapy areas that are relevant to the Company.

Prevenar 13, the pneumococcal conjugate vaccine which protects children from 13 types of disease-causing *Streptococcus pneumoniae* bacteria, expanded its reach during the year. It continues to be the market leader. Prevenar 13, is now approved for active immunization of adults aged 50 years and above to provide protection against invasive pneumococcal disease, and has been launched recently.

Strengthening consumer franchise through launch of new products, new packaging and new formulations and communication specific to value-added benefits were the focus for the Company's Consumer Healthcare brands, Anne French and Anacin. New variants of Anne French were test marketed in certain markets and will be launched nationally in 2012. Increasing media costs and rising cost of materials remain a concern area for the Company's Consumer Healthcare Division.

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.

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. Additionally, the Company has in place a Standard Operating Procedure for identifying and mitigating the risks faced by it. The major risks are periodically reviewed and mitigation plans are developed to tackle these risks. The senior management team assumes responsibility for the major risks and their mitigation plans.

Ernst & Young (the Internal Auditors) have 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.

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 519 employees on its rolls as on 31st March, 2012.

MEDICAL AFFAIRS DIVISION

The Company's Medical Affairs Division undertakes a host of activities, which include scientific presentations to the medical community, conducting medical advisory board meetings, expert group meetings in therapy areas, investigator-initiated research, providing medical information, design and conduct of local clinical studies, scientific engagements with physicians, product training of sales force and new product evaluations and assisting with their launches. Additionally, the medical team is responsible for ensuring compliance of promotional practices according to international and local industry standards as well as regulatory requirements. The team also provides medical support to regulatory registration as well as safety review and labeling activities.

During the year under review, the Company reiterated its commitment to help patients overcome the stigma attached to Psoriasis by organizing a program on television featuring some top Indian Dermatologists who dispelled the myths of Psoriasis.

MANUFACTURING OPERATIONS

During the year, the Company's State-of-the-Art Plant at Goa celebrated its 10th anniversary of manufacturing high quality medicines for Indian patients. The Plant is highly productive with dedicated facilities for handling tablets as well as potent and sensitizing compounds like hormones and steroids. Wyeth's continued focus on Quality of its products makes it one of the most trusted companies. Quality is one of the nine core values of the Company and its products are subject to the most stringent processes and systems. Wyeth products impact and improve lives of millions of patients and their families across the country. During the year, the Plant commenced procurement of power from the Goa Electricity Board, which is expected to result in reduction of costs. The Plant is focused on reducing cost of goods without compromising on quality and safety with optimum utilization of plant capacity.

The Plant received the Economic Times and Frost & Sullivan Platinum Award in 2011. The Plant also received the PGS Annual Silver President's Award for 2011 from the Parent Company.

The Company's commitment to safety and adherence to environment norms continued during the year under review. Pollutants in wastewater and air are regularly monitored at the Plant. Safety audits are conducted and training in general safety, industrial hygiene and basic fire fighting is imparted to employees on a regular basis.

On behalf of the Board of Directors

Place: Mumbai
Date: 28th June, 2012

Kewal Handa
Managing Director

Sekhar Natarajan
Director

AUDITORS' REPORT TO THE MEMBERS OF WYETH LIMITED

We have audited the attached balance sheet of Wyeth Limited ('the Company') as at 31 March 2012 and also the related statement of profit and loss and cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Government of India has demanded amounts aggregating to ₹ 5907.72 lakhs (inclusive of total interest of ₹ 4206.36 lakhs) [previous year ₹ 5907.72 lakhs (inclusive of total interest of ₹ 4206.36 lakhs)] from the Company under the Drugs (Prices Control) Order, 1979. As at 31 March 2012, the Company is carrying a cumulative provision of ₹ 240.50 lakhs [previous year ₹ 240.50 lakhs] in respect of such demands. Further the Government of India raised a demand of ₹ 1726.35 lakhs [previous year ₹ 1726.35 lakhs] on the Company under Drugs (Prices Control) Order, 1995. The Company has provided and paid amounts aggregating to ₹ 1287.93 lakhs [previous year ₹ 1287.93 lakhs] and disputed the balance demand of ₹ 438.42 lakhs (inclusive of interest of ₹ 134.90 lakhs) [previous year ₹ 438.42 lakhs (inclusive of interest of ₹ 134.90 lakhs)]. Although the Company is contesting all the demands mentioned above, it is not possible to predict the outcome of these demands [Refer Notes 26(i)(a) and (b)]. This was a subject matter of qualification in the auditors' report for the period ended 31 March 2011 also.

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

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e) on the basis of written representations received from directors of the Company as at 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; and

- f) in our opinion, and to the best of our information and according to the explanations given to us, *subject to the effect of such adjustments, if any, as might have been required had the outcome of the demands stated above been known*, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the balance sheet, of the state of affairs of the company as at 31 March 2012;
 - ii) in the case of the statement of profit and loss, of the profit of the company for the year ended on that date;
and
 - iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No: 116231W

Sanjay Aggarwal
Partner
Membership No: 40780

Place : Mumbai
Date : 21 May 2012

ANNEXURE TO THE AUDITORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

(Referred to in our audit report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. All stocks lying with third parties at the year-end have been confirmed.
- (b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been dealt with in the books of account.
- (iii) (a) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases and sales of certain items of inventories are for the Company's and buyers' specialised requirements respectively and similarly certain services are rendered and purchased for the specialised requirements of the buyers and the Company respectively and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register required to be maintained under Section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in relation to products manufactured and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Investor Education and Protection fund, Income tax, Sales tax, Value added tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material

statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Investor Education and Protection fund Income tax, Sales tax, Service tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues set out in Appendix I in respect of Sales tax and Excise duty have not been deposited by the Company with the appropriate authorities on account of disputes.
- (x) The Company does not have any accumulated losses as at 31 March 2012 and has not incurred cash losses in the current financial year and in the immediately preceding financial period.
- (xi) The Company did not have any outstanding dues to any financial institution, banks, or debentureholders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xiv) In our opinion and According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

For **BSR & Associates**

Chartered Accountants

Firm's Registration No: 116231W

Sanjay Aggarwal

Partner

Membership No: 40780

Place : Mumbai

Date : 21 May 2012

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

Name of the Statute	Nature of Dues	Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Bombay Sales Tax Act, 1959	Sales Tax (Including interest) on sales 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) difference in turnover and exempt sales	22.36	2001-2002	Additional Commissioner on (Appeals)
The West Bengal Sales Tax Act, 1994	Sales Tax on stock transfers	53.39	2002-2003	Commissioner (Appeals)
The Andhra Pradesh Value Added Tax Act	VAT including penalty	7.00	2006-2007	Appellate Authority
	Disallowance of input tax credit	20.00	2008-2009	Assistant Commissioner
	VAT on non-submission of exemption forms	662.00	2007-2008	Commercial Tax Officer
Orissa Entry Tax	Tax on assessed value of goods at MRP	17.87	2005-2006 to 2008-2009	Appellate Authority
The Central Sales Tax Act, 1956	Sales Tax on non-submission of exemption forms	52.59	2001-2002	Deputy Commissioner (Appeals)
	Sales Tax on non-submission of exemption forms	41.81	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)
	Sales Tax on replacement of damaged stock, free issue of goods	4.67	2005-2006	Appellate Authority
	Sales Tax on non-submission of exemption forms	579.25	2007-2008	Assistant Commissioner (Appeals)
	Sales Tax on non-submission of exemption forms	6.98	2006-2007	Assistant Commissioner (Appeals)
	Sales Tax on non-submission of exemption forms	866.10	2008-2009	Appellate Authority
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
		115.34	1988 to 1991, 1994-1995 and 1995-1996	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		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)

BALANCE SHEET AS AT 31 MARCH 2012

Currency: ₹ in lakhs

	Note	31 March 2012	31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2272.01	2272.01
Reserves and surplus	4	45921.16	36204.82
		<u>48193.17</u>	<u>38476.83</u>
Non-current liabilities			
Long-term borrowings	5	250.22	250.22
Other long-term liabilities	6	861.82	873.26
Long-term provisions	7	1329.15	1152.19
		<u>2441.19</u>	<u>2275.67</u>
Current liabilities			
Trade payables	8	8076.83	6343.66
Other current liabilities	9	871.74	686.54
Short-term provisions	10	5343.23	2156.69
		<u>14291.80</u>	<u>9186.89</u>
TOTAL		<u>64926.16</u>	<u>49939.39</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	2389.24	2559.90
Intangible assets	11	-	-
Capital work-in-progress		181.31	151.02
		<u>2570.55</u>	<u>2710.92</u>
Deferred tax assets (net)	12	607.84	662.62
Long-term loans and advances	13	5037.44	5243.01
		<u>8215.83</u>	<u>8616.55</u>
Current assets			
Inventories	14	11998.42	7462.08
Trade receivables	15	5447.91	3408.48
Cash and bank balances	16	36339.20	27445.25
Short-term loans and advances	17	2675.64	2720.40
Other current assets	18	249.16	286.63
		<u>56710.33</u>	<u>41322.84</u>
TOTAL		<u>64926.16</u>	<u>49939.39</u>
Significant accounting policies	2		
Other notes to the financial statements	3-39		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W

Sanjay Aggarwal
Partner
Membership No: 40780

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

Chairman : Pradip Shah
Managing Director : Kewal Handa
Directors : K. K. Maheshwari
: D. E. Udewadia
: S. S. Lalbhai
: Sekhar Natarajan
: Vivek Dhariwal
: S. Sridhar

Company Secretary &
Legal Director : N. N. Thakore

Mumbai, 21 May 2012

Mumbai, 21 May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Note	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Revenues			
Revenue from operations (gross)		60097.40	65302.94
Less: Excise duty		1690.87	1654.53
Revenue from operations (net)	19	58406.53	63648.41
Other operating income	20	1000.07	477.30
Other income	21	2841.25	1990.75
Total revenues		62247.85	66116.46
Expenses			
Cost of materials consumed	22a&b	7265.22	7431.58
Purchases of stock-in-trade	22c	17336.99	14214.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22d	(3467.47)	(335.03)
Employee benefits	23	3744.95	5523.57
Finance costs	24	95.89	125.28
Depreciation and amortisation	11	588.40	898.73
Other expenses	25	16192.18	14690.02
Total expenses		41756.16	42548.71
Profit before tax		20491.69	23567.75
Tax expense:			
Current tax expense		5967.51	7007.65
Deferred tax		54.78	30.80
Profit for the year/period		14469.40	16529.30
Earnings per share (of ₹10/- each): Basic and Diluted (Not annualised for the previous period)		63.69	72.75

Significant accounting policies 2

Other notes to the financial statements 3-39

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W

Sanjay Aggarwal
Partner
Membership No: 40780

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

Chairman : Pradip Shah
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: S. S. Lalbhai
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: Vivek Dhariwal
: S. Sridhar

Company Secretary &
Legal Director : N. N. Thakore

Mumbai, 21 May 2012

Mumbai, 21 May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
A. Cash flow from operating activities		
Net Profit before Taxation	20491.69	23567.75
Adjustments for -		
Depreciation and amortisation	588.40	898.73
Bad trade and other receivables, loans and advances written off	29.43	3.41
Finance costs	95.89	62.42
Unrealised exchange gain (net)	(8.14)	(28.38)
Interest income	(2841.25)	(1990.75)
Profit on sale/disposal of fixed assets (net)	(539.14)	(22.91)
	<u>(2674.81)</u>	<u>(1077.48)</u>
Operating profit before working capital changes	17816.88	22490.27
Adjustments for -		
Trade and other receivables	(1391.86)	(1970.96)
Inventories	(4536.34)	(1493.05)
Trade and other payables	2356.76	2349.96
	<u>(3571.44)</u>	<u>(1114.05)</u>
Cash generated from operations	14245.44	21376.22
Direct taxes paid (net of refund of taxes)	(6396.79)	(6275.76)
Net cash from operating activities	<u>7848.65</u>	<u>15100.46</u>
B. Cash flow from investing activities		
Purchase of fixed assets	(451.06)	(632.18)
Sale of fixed assets	542.17	57.09
Interest received	2878.72	1728.29
Net cash from investing activities	<u>2969.83</u>	<u>1153.20</u>
C. Cash flow from financing activities		
Finance costs	(80.60)	(87.49)
Dividend	(1585.92)	(7952.64)
Tax paid on dividend	(258.01)	(1320.73)
Net cash used in financing activities	<u>(1924.53)</u>	<u>(9360.86)</u>
Net increase in cash and cash equivalents	<u>8893.95</u>	<u>6892.80</u>
Cash and Cash Equivalents - Opening Balance	27445.25	20552.45
Cash and Cash Equivalents - Closing Balance	<u>36339.20</u>	<u>27445.25</u>

Notes:

- 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.
- Cash and cash equivalents include balances aggregating to ₹ 97.12 lakhs (previous period ₹ 92.64 lakhs) with scheduled banks on current accounts in respect of unpaid dividend, which are not available for use by the Company.
- Previous period figures have been regrouped where necessary.

As per our report of even date attached.

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W

Sanjay Aggarwal
Partner
Membership No: 40780

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

Chairman : Pradip Shah
Managing Director : Kewal Handa
Directors : K. K. Maheshwari
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: S. S. Lalbhai
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: Vivek Dhariwal
: S. Sridhar

Company Secretary &
Legal Director : N. N. Thakore

Mumbai, 21 May 2012

Mumbai, 21 May 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

I 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.

On 15th October, 2009, Wyeth, USA (Wyeth) 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. As a result of the merger, Pfizer Inc, is now the parent Company of Wyeth and hence the ultimate parent of the Company.

2 Significant Accounting Policies

(a) Basis of Accounting

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

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

(b) Use of estimates

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

Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(c) Fixed Assets

Tangible 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:

<u>Asset Description</u>	<u>Depreciation Rate (%)</u>
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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Leasehold Land and Leasehold Improvements are amortised over the period of the lease. Fixed assets costing ₹ 5,000 or less are fully depreciated in the period/year of acquisition. Fixed assets costing more than ₹ 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.

Intangible Assets

Computer Software are recorded at its acquisition cost and is amortised on straight-line basis over 3 to 5 years, which in management’s estimate represents the period during which economic benefits will be derived from their use. Cost of computer software not exceeding ₹ 50 lakhs is fully amortised in the period / year of acquisition.

(d) Impairment of Assets

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

(e) 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 cost of materials, direct labour and manufacturing overheads, where applicable. Stores and Spares are valued at cost. The net realisable value of work-in-process is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. Finished goods expiring within 90 days (near-expiry inventory) as at the balance sheet date have been fully provided for.

(f) Samples

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

(g) Foreign Currency Transactions

Transactions in foreign exchange are accounted for at the standard exchange rates as determined by the Company on a monthly basis. The exchange differences arising on foreign exchange transactions settled during the year are recognized in the of statement of profit and loss of the year. Monetary assets and liabilities in foreign exchange, which are outstanding as at the year end, are translated at year end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

(h) Revenue Recognition

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

(i) 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 statement of profit and loss 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. 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 an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under Defined Benefit Plan, are based on the market yields on Government securities as at the balance sheet date.

(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 an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The discount rates used for determining the present value of the obligation under Defined Benefit Plan, are based on the market yields on Government securities as at the balance sheet date.

(ii) Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss as income or expense.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**(j) Leases**

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

(k) Voluntary Retirement Scheme (VRS)

Liability under the VRS is accrued on the acceptance of the applications of the employees under the VRS scheme issued by the Company. Compensation paid during the current year and previous year under the VRS is charged to the statement of profit and loss.

(l) 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.

(m) Taxes on Income

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

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

(n) Earnings per Share

Basic and diluted earnings per share are computed by dividing the net profit after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

(o) Provisions and Contingent Liabilities

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

3 Share capital

	31 March 2012		31 March 2011	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ₹10 each	23,000,000	2300.00	23,000,000	2300.00
Issued, Subscribed and fully paid up				
Equity shares of ₹10 each	22,720,059	2272.01	22,720,059	2272.01
Total	22,720,059	2272.01	22,720,059	2272.01

Notes:

- 3.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

	31 March 2012		31 March 2011	
	Number of shares	Amount	Number of shares	Amount
Balance at the commencement of the year/period	22,720,059	2272.01	22,720,059	2272.01
Additions	-	-	-	-
Deletions	-	-	-	-
Balance at the end of the year/period	22,720,059	2272.01	22,720,059	2272.01

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

	31 March 2012		31 March 2011	
	Number of shares	Amount	Number of shares	Amount
Ultimate Holding Company				
Pfizer Inc, USA	-	-	-	-
Subsidiaries of ultimate holding Company				
Wyeth LLC, USA (holding company)	8,025,296	802.53	8,025,296	802.53
Wyeth Holding Corpn., USA (subsidiary of holding company)	2,328,806	232.88	2,328,806	232.88
John Wyeth & Brother Ltd., UK (subsidiary of holding company)	1,260,000	126.00	1,260,000	126.00

- 3.3 Details of equity shares held by each shareholder holding more than 5% shares:

Name of shareholder	31 March 2012		31 March 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Wyeth LLC, USA	8,025,296	35.32%	8,025,296	35.32%
Wyeth Holding Corpn., USA	2,328,806	10.25%	2,328,806	10.25%
John Wyeth & Brother Ltd., UK	1,260,000	5.54%	1,260,000	5.54%
Atul Ltd.	1,369,895	6.03%	1,369,895	6.03%
Bajaj Allianz Life Insurance Company Ltd.	1,252,065	5.51%	1,237,324	5.45%

- 3.4 During the five reporting periods immediately preceeding the reporting date, no shares have been issued by capitalization of reserves as bonus shares or for consideration other than cash.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

4 Reserves and surplus

	31 March 2012	31 March 2011
Securities premium account		
At the commencement and end of the year/period	245.20	245.20
General reserve		
At the commencement of the year/period	10764.00	9111.07
Add: Transferred from surplus	1446.94	1652.93
At the end of the year/period	12210.94	10764.00
Surplus		
At the commencement of the year/period	25195.62	16124.14
Add: Profit for the year/period	14469.40	16529.30
Less: Appropriations		
Interim dividend [Nil per share (March 2011: ₹ 15 per share)]	-	3408.01
Proposed dividend [₹18 per share (March 2011: ₹ 7 per share)]	4089.62	1590.40
Tax on dividend	663.44	806.48
Transferred to general reserve	1446.94	1652.93
At the end of the year/period	33465.02	25195.62
Total	45921.16	36204.82
5 Long-term borrowings (Unsecured)		
Loans and advances from related parties		
John Wyeth & Brother Limited, India Branch	250.22	250.22
Total	250.22	250.22

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

6 Other long-term liabilities

	31 March 2012	31 March 2011
Security deposits	504.07	515.51
Payable to related parties		
Pfizer Limited	357.75	357.75
Total	861.82	873.26

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

7 Long-term provisions

	31 March 2012	31 March 2011
Provision for Employee benefits		
Compensated absences [Refer note 23.1]	781.04	815.02
Other provisions		
Central Excise and Sales Tax [Refer note 7.1]	44.87	44.87
Demands under the Drugs (Prices Control) Order, 1979 [Refer note 7.1]	240.50	240.50
Sales return [Refer note 7.1]	212.50	-
Fringe benefit tax (Net of taxes paid)	50.24	51.80
Total	1329.15	1152.19

7.1 Additional disclosure relating to certain provisions

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

	Opening	Additions	Utilisation	Reversal	Closing
a) Central Excise					
31 March 2012	37.21	-	-	-	37.21
31 March 2011	37.21	-	-	-	37.21
b) Sales Tax					
31 March 2012	7.66	-	-	-	7.66
31 March 2011	7.66	-	-	-	7.66
c) Provision for Demands under the Drugs (Prices Control) Order, 1979					
31 March 2012	240.50	-	-	-	240.50
31 March 2011	240.50	-	-	-	240.50
d) Sales Return					
31 March 2012	-	212.50	-	-	212.50
31 March 2011	-	-	-	-	-
Total					
31 March 2012	285.37	212.50	-	-	497.87
31 March 2011	285.37	-	-	-	285.37

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

8 Trade payables

	31 March 2012	31 March 2011
Micro and small enterprises [Refer Note 8.1]	30.31	10.91
Other trade payables	8046.52	6332.75
Total	8076.83	6343.66

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

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	26.35	8.48
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	3.96	2.43
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

9 Other current liabilities

	31 March 2012	31 March 2011
Unpaid dividends [Refer note 9.1]	97.12	92.64
Creditors for capital expenditure	4.88	4.54
Statutory remittances	270.98	23.42
Interest accrued on deposits	13.76	-
Employee benefits	485.00	565.94
Total	871.74	686.54

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

10 Short-term provisions

	31 March 2012	31 March 2011
Provision for employee benefits		
Employee wages and bonus [Refer note 10.1]	141.01	75.63
Compensated absences [Refer note 23.1]	203.79	167.33
Gratuity [Refer note 23.1]	32.87	65.32
Other provisions		
Sales return [Refer note 10.1]	212.50	-
Proposed dividend [Refer note 10.2]	4089.62	1590.40
Tax on proposed dividend	663.44	258.01
Total	5343.23	2156.69

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

10.1 Additional disclosure relating to certain provisions

	Opening	Additions	Utilisation	Reversal	Closing
a) Employee wages and bonus					
31 March 2012	75.63	79.26	(13.88)	-	141.01
31 March 2011	19.82	74.13	(18.32)	-	75.63
b) Sales Return					
31 March 2012	-	212.50	-	-	212.50
31 March 2011	-	-	-	-	-
Total					
31 March 2012	75.63	291.76	(13.88)	-	353.51
31 March 2011	19.82	74.13	(18.32)	-	75.63

10.2 Proposed dividend

	31 March 2012	31 March 2011
Amount per share (in ₹)	18	7
Number of shares	22,720,059	22,720,059
Amount (₹ in lakhs)	4089.62	1590.40

II Fixed Assets

Description	Gross Block				Depreciation/Amortisation				Net Block	
	April 1, 2011	Additions	Deletions/Adjustments	March 31, 2012	April 1, 2011	Depreciation/Amortisation	Deletions/Adjustments	March 31, 2012	March 31, 2012	March 31, 2011
Tangible Assets										
Land - Leasehold	222.62	-	-	222.62	23.95	2.18	-	26.13	196.49	198.67
Building - (Residential) [Refer note 11.1]	67.89	-	11.49	56.40	41.86	2.25	8.76	35.35	21.05	26.03
Building - (Lease Hold Land)	1901.09	23.01	-	1924.10	569.65	62.67	-	632.32	1291.78	1331.44
Plant and machinery	4547.42	290.03	-	4837.45	3,703.34	398.13	-	4101.47	735.98	844.08
Furniture and fixtures	123.33	5.71	-	129.04	111.12	12.00	-	123.12	5.92	12.21
Vehicles	273.13	58.90	43.86	288.17	233.36	46.73	43.55	236.54	51.63	39.77
Office equipment	117.30	26.13	-	143.43	102.91	11.83	-	114.74	28.69	14.39
Computers	558.51	16.99	78.78	496.72	465.20	52.61	78.79	439.02	57.70	93.31
Total	7811.29	420.77	134.13	8097.93	5251.39	588.40	131.10	5708.69	2389.24	2559.90
31 March 2011	7937.84	367.30	493.85	7811.29	4838.63	872.43	459.67	5251.39	2559.90	3099.21
Intangible Assets										
Computer software	165.69	-	-	165.69	165.69	-	-	165.69	-	-
Total	165.69	-	-	165.69	165.69	-	-	165.69	-	-
31 March 2011	139.58	26.30	0.19	165.69	139.58	26.30	0.19	165.69	-	-
Grand Total	7976.98	420.77	134.13	8263.62	5417.08	588.40	131.10	5874.38	2389.24	2559.90
31 March 2011	8077.42	393.60	494.04	7976.98	4978.21	898.73	459.86	5417.08	2559.90	3099.21

11.1 Building includes investment in shares of ₹ 0.01 lakhs (31 March 2011: ₹ 0.01 lakhs) in co-operative housing societies in 2 (31 March 2011: 4) residential premises.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

12 Deferred tax

	31 March 2012	31 March 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	97.48	68.25
Gratuity	48.80	53.29
	<u>146.28</u>	<u>121.54</u>
Tax effect of items constituting deferred tax assets		
Provision for compensated absences and other employee benefits	319.58	326.33
Provision for doubtful debts / advances and deposits	116.88	109.88
Composition under voluntary retirement schemes	60.22	68.21
Others	257.44	279.74
	<u>754.12</u>	<u>784.16</u>
Net deferred tax	<u><u>607.84</u></u>	<u><u>662.62</u></u>

13 Long-term loans and advances

(Unsecured, considered good unless otherwise stated)

Capital advances	96.15	252.17
Deposits and other advances (considered good) [Refer note 13.1]	2577.96	2983.29
Considered doubtful	120.76	120.76
	<u>2698.72</u>	<u>3104.05</u>
Less: Provision for doubtful deposits and other advances	<u>(120.76)</u>	<u>(120.76)</u>
	2577.96	2983.29
Advance income tax (net of provisions)	2052.78	1625.07
Balance with Customs authorities	73.68	73.68
Employee related :		
Loans and advances	86.08	83.04
Contribution in excess of employee benefits liabilities	150.79	225.76
Total	<u><u>5037.44</u></u>	<u><u>5243.01</u></u>

13.1 Includes ₹1753.53 lakhs (March 2011: ₹1753.53 lakhs) deposited in respect of demands under the Drugs (Prices Control) Order, 1979 [Refer Note 26(a)(i) and (ii)]

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

14 Inventories

(At lower of cost and net realisable value)

	31 March 2012	31 March 2011
Raw materials	2695.22	1732.67
Goods-in transit included above ₹ 153.86 Lakhs (March 2011: ₹ 667.37 Lakhs)		
Packing materials	361.83	261.85
Work-in-progress	124.08	159.53
Finished goods [Refer note 14.1]	2464.22	1895.12
Goods-in transit included above ₹ 214.79 Lakhs (March 2011: ₹ 118.75 Lakhs)		
Stock-in-trade [Refer note 14.1]	6172.95	3293.33
Goods-in transit included above ₹ 373.94 Lakhs (March 2011: ₹ 1016.85 Lakhs)		
Samples [Refer note 14.1]	173.78	119.58
Stores and spares (at cost)	6.34	-
Total	11998.42	7462.08

14.1 Finished goods, stock-in-trade and samples comprises of :

	31 March 2012	31 March 2011
Formulations		
Tablets and Capsules	2749.47	2190.72
Liquids	482.11	324.77
Parenterals	4793.50	2334.14
Injections	324.51	2.83
Injectibles	3.32	37.93
Ointments	33.04	153.05
Cosmetics and Toileteries		
Liquid and Lotions	425.00	264.59
	8810.95	5308.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

15 Trade receivables

	31 March 2012	31 March 2011
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
Secured, considered good	11.66	3.23
Unsecured, considered good	20.08	8.94
Doubtful	228.09	197.18
	<u>259.83</u>	<u>209.35</u>
Less: Provision for doubtful trade receivables	(228.09)	(197.18)
	<u>31.74</u>	<u>12.17</u>
Other Trade receivables		
Secured, considered good	418.36	408.00
Unsecured, considered good	4997.81	2988.31
Doubtful	11.32	12.81
	<u>5427.49</u>	<u>3409.12</u>
Less: Provision for doubtful trade receivables	(11.32)	(12.81)
	<u>5416.17</u>	<u>3396.31</u>
Total	<u><u>5447.91</u></u>	<u><u>3408.48</u></u>

16 Cash and bank balances

Cash and cash equivalents		
Cash on hand	0.41	0.95
Balances with banks		
In current accounts	1716.70	1807.44
In EEFC account	21.34	44.22
In deposit accounts	34503.63	25500.00
Other bank balances		
Unpaid dividend accounts	97.12	92.64
Total	<u><u>36339.20</u></u>	<u><u>27445.25</u></u>

17 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

Security deposits	195.98	1210.28
Balance with Customs and Excise authorities	773.79	639.89
Advance to suppliers	1166.57	308.78
Employee related :		
Contribution in excess of employee benefits liabilities	32.46	-
Other advances	143.60	123.62
Prepaid expenses	342.25	383.06
Other loans and advances	20.99	54.77
Total	<u><u>2675.64</u></u>	<u><u>2720.40</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

18 Other current assets

	31 March 2012	31 March 2011
Interest accrued on time deposits	249.16	286.63
Total	249.16	286.63

19 Revenue from operations

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Sale of products [Refer note 19.1]	60097.40	65302.94
Less: Excise duty	1690.87	1654.53
Total	58406.53	63648.41

19.1 Sale of products comprises:

Formulations		
Tablets and Capsules	30847.35	34772.56
Liquids	5412.75	6344.44
Parenterals	18968.45	18542.38
Injections	297.46	-
Injectibles	0.96	36.29
Ointments	266.75	206.36
Cosmetics and Toileteries		
Liquid and Lotions	2612.81	3746.38
	58406.53	63648.41

20 Other operating income

Sale of services	438.06	334.90
Sale of scrap	7.99	8.24
Net gain on sale of Fixed Assets	539.14	22.91
Net gain on foreign currency transactions and translation	-	98.64
Miscellaneous income	14.88	12.61
Total	1000.07	477.30

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

21 Other income

Interest income :-

From banks on deposits (Gross)

On overdue trade receivables

On income tax refund

On loans to employees

Total

22 Cost of materials consumed

22a Raw materials consumed [Refer note 22a(i)]

Opening stock

Add: Purchases

Less: Closing stock

Cost of Raw materials consumed (a)

22b Packing materials consumed

Opening stock

Add: Purchases

Less: Closing stock

Cost of Packing materials consumed (b)

Total Cost of materials consumed (a+b)

22a(i) Raw material consumed comprises

Prednisolone

Levonogestrel / Norgestrel

Premarin tablets

Other items

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Interest income :-		
From banks on deposits (Gross)	2833.76	1776.05
On overdue trade receivables	4.27	8.01
On income tax refund	-	201.94
On loans to employees	3.22	4.75
Total	2841.25	1990.75
22 Cost of materials consumed		
22a Raw materials consumed [Refer note 22a(i)]		
Opening stock	1732.67	667.31
Add: Purchases	6587.88	6500.32
	8320.55	7167.63
Less: Closing stock	2695.22	1732.67
Cost of Raw materials consumed (a)	5625.33	5434.96
22b Packing materials consumed		
Opening stock	261.85	168.48
Add: Purchases	1739.87	2089.99
	2001.72	2258.47
Less: Closing stock	361.83	261.85
Cost of Packing materials consumed (b)	1639.89	1996.62
Total Cost of materials consumed (a+b)	7265.22	7431.58
22a(i) Raw material consumed comprises		
Prednisolone	3067.92	2620.96
Levonogestrel / Norgestrel	475.24	413.09
Premarin tablets	407.68	667.22
Other items	1674.49	1733.69
	5625.33	5434.96

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

22c Purchase of stock-in-trade

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Tablets and Capsules	2434.85	2288.26
Ointments	140.07	264.37
Parenterals	14329.29	11358.82
Liquids	432.78	303.11
Total	17336.99	14214.56

22d Changes in inventories of finished goods, work-in-progress and stock-in-trade

Inventories at the end of the year/period :

Finished goods	2464.22	1895.12
Work-in-progress	124.08	159.53
Stock-in-trade	6172.95	3293.33
Samples	173.78	119.58
	8935.03	5467.56

Inventories at the beginning of the year/period :

Finished goods	1895.12	1664.79
Work-in-progress	159.53	108.41
Stock-in-trade	3293.33	3281.00
Samples	119.58	78.33
	5467.56	5132.53

Net (increase) / decrease

(3467.47)	(335.03)
------------------	-----------------

23 Employee benefits

Salaries and wages	3054.29	4236.68
Contributions to provident and other funds [Refer note 23.1]	427.89	643.81
Gratuity [Refer note 23.1]	69.67	164.24
Compensation under voluntary retirement scheme	45.90	230.98
Staff welfare expenses	147.20	247.86
Total	3744.95	5523.57

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

23.1 Employee Benefits

The company has classified various employee benefits as under:

	Year ended 31 March 2012	Period ended 31 March 2011	Period ended 30 November 2009	Year ended 31 March 2009	Year ended 31 March 2008
(A) Defined contribution plans					
The company has recognised the following amounts in the statement of profit and loss :					
(i) Contribution to provident fund	191.33	289.88	131.12	168.95	156.60
(ii) Contribution to superannuation fund	194.02	293.30	165.95	235.17	205.07
(iii) Contribution to employees' pension scheme	33.41	50.86	29.41	52.30	44.00
(iv) Contribution to employees' state insurance scheme	9.13	9.77	2.71	5.24	7.54
	427.89	643.81	329.19	461.66	413.21

(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:

(a) Discount rate (per annum)	8.65%	8.00%	7.50%	7.75%	8.00%
(b) Rate of increase in Compensation levels					
- Officers	9.50%	8.00%	8.00%	4.00%	4.00%
- Others	5.00%	5.00%	5.00%	4.00%	4.00%
(c) Rate of return on Plan assets	9.50%	8.00%	8.00%	9.40%	8.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

(i) Changes in the Present value of obligation

	Year ended 31 March 2012		Period ended 31 March 2011		Period ended 30 November 2009		Year ended 31 March 2009		Year ended 31 March 2008	
	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences
(a) Opening present value of obligation	1204.38	968.21	1369.74	1141.93	1117.77	858.24	988.57	691.28	813.60	674.92
(b) Interest cost	81.72	69.33	115.72	101.55	49.16	44.09	67.05	53.80	54.91	52.82
(c) Past service cost	-	-	22.95	-	-	-	-	-	-	-
(d) Current service cost	164.88	159.20	195.25	206.48	95.68	175.14	85.19	146.65	61.52	122.73
(e) Curtailment cost/(credit)	-	-	-	(85.94)	-	-	-	-	-	-
(f) Settlement cost/(credit)	-	-	(271.81)	-	-	-	-	-	-	-
(g) Benefits paid	(143.47)	(76.31)	(193.83)	(237.68)	(97.23)	(14.36)	(75.84)	(37.30)	(61.88)	(29.44)
(h) Actuarial loss/(gain)	(57.65)	(238.49)	(33.64)	(158.13)	204.36	78.82	52.80	3.81	120.42	(129.75)
(i) Closing present value of obligation	1249.86	881.94	1204.38	968.21	1369.74	1141.93	1117.77	858.24	988.57	691.28
(ii) Changes in the fair value of plan assets										
(a) Opening fair value of plan assets	1364.82	-	1043.92	-	1083.96	-	886.39	-	825.28	-
(b) Expected return on plan assets	106.86	-	115.54	-	52.49	-	68.88	-	60.55	-
(c) Actuarial gain/(loss)	12.07	-	20.50	-	4.70	-	3.98	-	9.32	-
(d) Employers' contributions	59.96	-	378.69	-	-	-	200.55	-	53.12	-
(e) Benefits paid	(143.47)	-	(193.83)	-	(97.23)	-	(75.84)	-	(61.88)	-
(f) Closing fair value of plan assets	1400.24	-	1364.82	-	1043.92	-	1083.96	-	886.39	-
(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%	-	100%	-	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	1249.86	-	1204.38	-	1369.74	-	1117.77	-	988.57	-
(b) Closing fair value of plan assets	1400.24	-	1364.82	-	1043.92	-	1083.96	-	886.39	-
(c) Funded (asset)/liability recognised in the balance sheet (net)	(150.38)	-	(160.44)	-	325.82	-	33.81	-	102.18	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31st March 2012		Period ended 31st March 2011		Period ended 30th November 2009		Year ended 31 March 2009		Year ended 31 March 2008	
	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences
(d) Closing present value of unfunded obligation	-	881.94	-	968.21	-	1141.93	-	858.24	-	691.28
(e) Unrecognised past service cost	-	-	-	-	-	-	-	-	-	-
(f) Unrecognised actuarial (gains)/losses	-	-	-	-	-	-	-	-	-	-
(g) Unfunded net liability recognised in the balance sheet	-	881.94	-	968.21	-	1141.93	-	858.24	-	691.28
(v) Amount recognised in the balance sheet										
(a) Closing present value of obligation	1249.86	881.94	1204.38	968.21	1369.74	1141.93	1117.77	858.24	988.57	691.28
(b) Closing fair value of plan assets	1400.24	-	1364.82	-	1043.92	-	1083.96	-	886.39	-
(c) (Asset)/liability recognised in the balance sheet (net)	(150.38)	881.94	(160.44)	968.21	325.82	1141.93	33.81	858.24	102.18	691.28
(vi) Expenses recognised in the statement of profit and loss										
(a) Current service cost	164.88	159.20	195.25	206.48	95.68	175.14	85.19	146.65	61.52	122.73
(b) Past service cost	-	-	22.95	-	-	-	-	-	-	-
(c) Interest cost	81.72	69.33	115.72	101.55	49.16	44.09	67.05	53.80	54.91	52.82
(d) Expected return on plan assets	(106.86)	-	(115.54)	-	(52.49)	-	(68.88)	-	(60.55)	-
(e) Curtailment cost/(credit)	-	-	-	-	-	-	-	-	-	-
(f) Settlement cost/(credit)	-	-	-	-	-	-	-	-	-	-
(g) Net actuarial (gain)/loss	(70.07)	(238.49)	(54.14)	(158.13)	199.66	78.82	48.82	3.81	111.10	(29.75)
(h) Total expenses recognised in the statement of profit and loss	69.67	(9.96)	164.24	149.90	292.01	298.05	132.18	204.26	166.98	45.80

Defined contribution plan:

During the period, the Company has contributed ₹ 194.02 lakhs (March 2011: ₹ 293.30 lakhs) towards employees' superannuation fund.

General description of significant defined benefit plans**i) Gratuity plan**

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

ii) Leave plan

All eligible employees can carry forward and avail / encash leave on resignation, superannuation, death or permanent disablement subject to a maximum accumulation of 180 / 63 days in case of privileged leave & 150 / 21 days in case of sick leave as per Company's rules.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

24 Finance costs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Interest on deposits	48.08	62.42
Bank charges	47.81	62.86
Total	95.89	125.28

25 Other expenses

Consumption of stores and spare parts	26.83	35.78
Processing charges	674.48	657.53
Power and fuel	722.07	850.83
Rent	712.01	1173.76
Repairs and maintenance - buildings	35.69	23.48
Repairs and maintenance - machinery	206.53	399.85
Repairs and maintenance - others	59.71	75.74
Insurance	249.45	123.58
Rates and taxes	259.38	384.18
Communication	195.10	170.83
Travelling and conveyance	898.86	1378.38
Printing and stationery	39.21	71.20
Shipping supplies and expenses	1467.83	1473.35
Cash discount	70.45	91.77
Advertisement and sales promotion	2853.71	3341.56
Legal and professional fees	683.87	273.26
Payments to auditors [Refer note 25.1]	46.44	54.42
Bad trade and other receivables, loans and advances written off	29.43	3.41
Net loss on foreign currency transactions and translation	763.99	-
Miscellaneous expenses	739.53	726.66
Service charges	5410.61	3347.95
Commission to non whole time directors	47.00	32.50
Total	16192.18	14690.02

25.1 Payment to auditors (inclusive of service tax)

Audit fees	29.21	33.64
Other services	16.55	19.87
Reimbursement of expenses	0.68	0.91
Total	46.44	54.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

26. Contingent Liability and Commitments (to the extent not provided for)

(i) 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 ₹ 492 lakhs and against erstwhile John Wyeth (India) Limited (JWIL) of ₹ 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 ₹ 389.06 lakhs for CIL and to ₹ 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 ₹ 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 ₹ 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 ₹ 45 lakhs into the Drug Prices Equalisation Account. JWIL was given to understand that the payment of ₹ 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 ₹ 40.50 lakhs has been made in the books of account.

In June 1990, CIL received a tentative demand from the Government of ₹ 536.91 lakhs for the period 1981 to 1983 which was revised by the Government vide its letter dated 12th June, 1991 to ₹ 490.47 lakhs and JWIL received a demand of ₹ 177.67 lakhs for the period 1981 to 1983 [including approximately ₹ 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 ₹ 830.06 lakhs on CIL and ₹ 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 ₹ 347.52 lakhs (net of ₹ 45 lakhs paid as deposit earlier) [as against the earlier demand of ₹ 477.62 lakhs (including ₹ 45 lakhs paid as a deposit)], in respect of Benzathine Penicillin G formulations along with interest thereon of ₹ 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 ₹ 3186.55 lakhs for the period of 8th June, 1990 to 2nd November, 2007 on the demand of ₹ 1320.52 lakhs less ₹ 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 ₹ 1568.03 lakhs with the Prothonotary & Senior Master, High Court, Bombay and furnished corporate bonds for amounts aggregating to ₹ 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 ₹ 200 lakhs in respect of the period 1981 to 1987 for the demands against CIL and the provision of ₹ 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 ₹ 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 ₹ 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 ₹ 90.05 lakhs and interest of ₹ 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 (₹ 90.05 lakhs) within 6 weeks from the date of the Order. Accordingly, the Company has deposited ₹ 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 ₹ 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 ₹ 5907.72 lakhs (inclusive of total interest of ₹ 4206.36 lakhs) [Previous year ₹ 5907.72 lakhs (inclusive of total interest of ₹ 4206.36 lakhs)].

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

National Pharmaceutical Pricing Authority (NPPA) raised a demand of ₹ 1726.35 lakhs (inclusive of interest of ₹ 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 ₹ 1287.93 lakhs and disputed the balance demand of ₹ 438.42 lakhs (inclusive of interest of ₹ 134.90 lakhs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in 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

	31 March 2012	31 March 2011
Central Excise, Customs & Service tax	1056.81	1056.81
Income-tax	344.23	344.23
Sales tax	2383.89	801.76
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.

(ii) Commitments

	31 March 2012	31 March 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for	130.21	63.12

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

	31 March 2012		31 March 2011	
	Receivable/ (Payable) ₹ in lakhs	Receivable/ (Payable) in Foreign currency USD in lakhs	Receivable/ (Payable) ₹ in lakhs	Receivable/ (Payable) in Foreign currency USD in lakhs
Accounts receivable	53.69	1.06	65.74	1.29
Accounts payable	(3921.59)	(77.07)	(2556.05)	(50.23)
Net receivable/ (payable)	(3867.90)	(76.01)	(2490.31)	(48.94)

28 Value of imports calculated on CIF basis

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Raw materials	4286.57	4153.65
Goods for Resale	12452.51	10352.94
Others	0.63	52.79
Total	16739.71	14559.38

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

29 Expenditure in foreign currency (accrual basis)

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Travelling	31.55	179.27
Other matters	239.90	302.36

Note: The disclosure relating to the period ended 31 March 2011 is on payment basis.

30 Details of consumption of imported and indigenous raw materials

	Amount	%
Imported		
31 March 2012	4026.64	72%
31 March 2011	3942.36	73%
Indigenous		
31 March 2012	1598.69	28%
31 March 2011	1492.60	27%
Total	5625.33	100%
31 March 2011	5434.96	100%

Consumption of raw materials include consumption by third parties under contract with the Company and consumption in respect of samples.

31 Earnings in foreign exchange

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Export of goods calculated on FOB basis [excluding export of ₹ 160.43 lakhs to Nepal (Previous period ₹ 163.36 lakhs)]	75.27	277.60
Freight	3.22	11.17
Insurance	0.40	0.45
Others	25.88	0.97

32 Amounts remitted in foreign currency

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Amount of dividend remitted in foreign currency	812.99	4064.94
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	3	3
Total number of shares held by them on which dividend was due	11,614,102	11,614,102
Year to which the dividend relates	31 March, 2011 Final dividend	30 November, 2009 Final dividend 31 March, 2011 Interim dividend

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

33 Segment Information

(A) Information in respect of Primary Segments

(I) Segment Revenue

Pharmaceuticals

Revenue from external customers

55561.80

58470.66

Others

Revenue from external customers

3844.80

5655.05

59406.60

64125.71

(II) Segment Result

Pharmaceuticals

17724.87

21275.76

Others

(26.35)

363.66

Operating profit

17698.52

21639.42

Interest expense

(48.08)

(62.42)

Interest income

2841.25

1990.75

Provision for taxation

(6022.29)

(7038.45)

Profit after taxation

14469.40

16529.30

(III) Other Information

(a) Segment Assets

Pharmaceuticals

26615.25

21023.67

Others

1150.28

1133.45

27765.53

22157.12

Unallocated corporate assets

37306.91

27909.23

65072.44

50066.35

(b) Segment Liabilities

Pharmaceuticals

11297.68

7982.90

Others

381.79

1334.65

11679.47

9317.55

Unallocated corporate liabilities

5199.79

2271.97

16879.26

11589.52

(c) Capital Expenditure

Pharmaceuticals

424.71

370.25

Others

26.35

9.76

451.06

380.01

(d) Depreciation and Impairment Loss

Pharmaceuticals

570.03

884.24

Others

18.37

14.49

588.40

898.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	<u>Year ended 31 March 2012</u>	<u>Sixteen months ended 31 March 2011</u>
(B) Information in respect of Secondary Segments		
(I) Segment Revenue (Sales to External Customers)		
India	59170.90	63684.75
Other Countries	235.70	440.96
	<u>59406.60</u>	<u>64125.71</u>
(II) Carrying amount of Segment Assets		
India	65072.44	50066.35
Other Countries	-	-
	<u>65072.44</u>	<u>50066.35</u>
(III) Capital Expenditure		
India	451.06	380.01
Other Countries	-	-
	<u>451.06</u>	<u>380.01</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.

	<u>Year ended 31 March 2012</u>	<u>Sixteen months ended 31 March 2011</u>
(c) Segment Revenue comprises of		
Sales	58406.53	63648.41
Other operating Income	1000.07	477.30
	<u>59406.60</u>	<u>64125.71</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- Significant Accounting Policies.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

34 Related Party Disclosures

- (A) Enterprises where control exists
- (a) Ultimate Holding Company Pfizer Inc, USA
 - (b) Holding Company Wyeth LLC, USA
- (B) Other Related Parties with whom the company had transactions during the year
- (a) Fellow Subsidiaries
 - AHP Manufacturing BV
 - Wyeth Holding Corporation
 - John Wyeth & Brother Limited
 - Wyeth Ayerst (Thailand) Limited
 - Wyeth Ayerst International Inc.
 - Wyeth Ayerst Lederle Inc.
 - Wyeth Australia Pty Ltd.
 - Wyeth Canada
 - Wyeth (Hong Kong) Limited
 - Wyeth (Malaysia) SDN BHD
 - Pfizer Limited
 - Wyeth Medica Ireland
 - Wyeth Medica Ireland - Grange Castle
 - Pfizer Products India Pvt. Ltd.
 - Pfizer Pharmaceutical India Pvt. Ltd.
 - Wyeth Pharmaceutical Co.
 - Wyeth Pharmaceuticals
 - Wyeth Pharmaceuticals Inc.
 - Wyeth Regional Manufacturing (Singapore) Pte. Limited
 - Wyeth Singapore Pte. Ltd.
 - Pharmaceutical Division of Wyeth
 - Wyeth Pharmaceuticals India Pvt. Ltd.
 - Wyeth (Thailand) Ltd.
 - Pfizer Singapore PTE CC
 - Pfizer Pharmaceuticls LLC
 - Pfizer Export Company
 - Pfizer Mexico
 - Pfizer Private Limited Singapore
 - (b) Key Management Personnel
 - Kewal Handa
 - A. W. Khandekar (upto 3rd May 2011)

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

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
(a) Holding Company		
Dividend paid	561.77	2808.86
Recovery of Expenses	-	9.80
Balance as at the year/period end -		
Outstanding Receivable	20.73	18.17
Outstanding Payable	100.85	88.38
(b) Fellow Subsidiaries		
Dividend paid		
John Wyeth & Brother Limited	88.20	441.00
Wyeth Holdings Corporation	163.02	815.08
	<u>251.22</u>	<u>1256.08</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Purchase of raw materials		
Wyeth Ayerst International Inc.	90.71	741.73
Wyeth Medica Ireland	155.99	685.29
	<u>246.70</u>	<u>1427.02</u>
Purchase of finished goods		
Wyeth Ayerst Lederle Inc.	1856.29	2305.63
Wyeth Medica Ireland - Grange Castle	-	4958.26
Wyeth Pharmaceuticals	25.55	2012.55
Pfizer Export Company	9334.61	854.26
Wyeth Canada	106.66	-
Pfizer Singapore PTE CC	1136.73	-
Others	286.09	284.72
	<u>12745.93</u>	<u>10415.42</u>
Sale of finished goods		
Pfizer Limited	14.49	24.99
	<u>14.49</u>	<u>24.99</u>
Reimbursement of expenses		
Pfizer Limited	343.41	818.05
Wyeth Regional Manufacturing (Singapore) Pte. Limited	-	188.77
Wyeth Pharmaceuticals Inc.	209.99	75.44
Others	-	2.16
	<u>553.40</u>	<u>1084.42</u>
Service charges		
Pfizer Limited	5410.61	3328.80
	<u>5410.61</u>	<u>3328.80</u>
Recovery of expenses		
Wyeth Ayerst International Inc.	58.99	106.16
Pfizer Products India Pvt. Ltd.	30.95	26.90
Others	14.01	29.75
	<u>103.95</u>	<u>162.81</u>
Service income (including service tax)		
Pfizer Limited	285.46	165.71
Pfizer Pharmaceuticals India Pvt. Ltd.	176.45	169.62
Wyeth Pharmaceuticals India Pvt. Ltd.	9.81	170.94
	<u>471.72</u>	<u>506.27</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

Balances as at the year/period end

Outstanding receivables

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
John Wyeth & Brother Limited	2.75	9.90
Wyeth Ayerst International Inc.	146.77	86.64
Wyeth Pharmaceuticals India Pvt. Ltd.	6.19	5.48
Pfizer Limited	991.98	96.91
Pfizer Pharmaceuticals India Pvt Ltd	15.80	166.23
Others	11.56	16.15
	<u>1175.05</u>	<u>381.31</u>

Outstanding payables

John Wyeth & Brother Limited	250.22	250.22
Wyeth Ayerst Lederle Inc.	-	514.19
Wyeth Ayerst International Inc.	-	304.99
Wyeth Pharmaceuticals	62.51	-
Pfizer Export Company	2785.96	839.64
Wyeth Medica Ireland - Grange Castle	-	603.52
Pfizer Limited	2356.97	1813.93
Pfizer Singapore PTE CC	236.30	-
Pfizer Pharmaceuitcals LLC	125.02	-
Others	135.53	135.22
	<u>5952.51</u>	<u>4461.71</u>

(c) Key Management Personnel

Remuneration to A. W. Khandekar	11.85	61.93
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35 Details of leasing arrangements

The Company has entered into operating lease arrangements for certain facilities, office premises & residential premises. The Company has given refundable interest free security deposits under certain agreements. Certain agreements contain provision for renewal.

Future minimum lease payments under non-cancellable agreements not later than one year

Later than one year and not later than five years

Later than five years

Lease payments recognised in the statement of profit and loss	709.86	1169.02
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Currency: ₹ in lakhs

36 Earnings per share (Basic and Diluted)

	Year ended 31 March 2012	Sixteen months ended 31 March 2011
Net profit for the year/period	14469.40	16529.30
Weighted average number of equity shares	22,720,059	22,720,059
Par value per share	10.00	10.00
Earnings per share - Basic and diluted	63.69	72.75

37 Expenditure on research and development

Capital	-	23.02
Revenue	150.67	203.47
Total	150.67	226.49

38 Employee Stock Option Scheme

The employees of the Company have been issued 23850 (March 2011: 28240) Share Options and 4770 (March 2011: 5648) restricted stock units under the Pfizer Inc 2004 Share Option Plan by Pfizer Inc. The cost incurred by Pfizer Inc pursuant to the said Pfizer Inc 2004 Share Option Plan for the year ended 31 March 2012 amounts to ₹ 57.37 lakhs (March 2011: ₹ 27.30 lakhs). These amounts have not been charged to the Company by Pfizer Inc.

39 Previous period figures

The previous period figures relate to sixteen months period ended 31 March 2011, while the current period figures are for the year ended 31 March 2012. Accordingly, the current year figures are not comparable to those of the previous period.

As per our report of even date attached.

For B S R & Associates
Chartered Accountants
Firm's Registration No: 116231W

Sanjay Aggarwal
Partner
Membership No: 40780

Mumbai, 21 May 2012

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

Chairman : Pradip Shah
Managing Director : Kewal Handa
Directors : K. K. Maheshwari
: D. E. Udhwadia
: S. S. Lalbhai
: Sekhar Natarajan
: Vivek Dhariwal
: S. Sridhar

Company Secretary &
Legal Director : N. N. Thakore

Mumbai, 21 May 2012

SELECT FINANCIAL DATA

(₹ in lakhs)

Description	March 2012 (12 Months)	March 2011 (16 months)	November 2009 (8 months)	March 2009	March 2008	March 2007	March 2006	March 2005	March 2004	March 2003
SALES & EARNINGS										
Sales	58407	63648	28636	38265	33132	28813	28729	25550	31351	29728
Other Income (operating & other)	3841	2468	1004	2151	1900	1509	2030	4302	892	906
Profit before Tax	20492	23567	8172	14236	11776	11111	8387	4604	6791	4695
Profit after Tax	14469	16529	5901	9967	8148	9243	6874	4296	5674	3040
Prior year expenses & tax adjustments	-	-	-	-	-	7	102	396	(217)	16
Dividend	4090	4998	4544	7384	6816	6816	5680	4544	2272	1363
Balance in the Profit & Loss Account	33465	25196	16124	16130	15799	16440	16102	16484	18161	15432
ASSETS										
Fixed Assets - Gross	8264	7977	8077	8054	7680	7554	7654	8963	11333	11324
- Net	2571	2711	3264	3887	4193	4403	4736	5264	6762	7420
Investments	-	-	-	-	24	24	24	24	24	24
Net Current Assets *	42418	32136	24045	22977	21140	20408	18653	17348	17979	14376
Net Non Current Assets *	2846	3217	-	-	-	-	-	-	-	-
Deferred tax Assets - Net	608	663	693	554	733	1082	1381	1863	1020	637
Miscellaneous expenditure	-	-	-	-	-	-	-	-	-	-
Total Assets - Net	48443	38727	28002	27418	26090	25916	24794	24499	25785	22457
* Figures for the year ended 31 st March, 2012 & for the period ended 31 st March, 2011 have been regrouped as per the revised Schedule VI.										
REPRESENTED BY										
Net Worth	48193	38477	27752	27168	25840	25666	24544	24249	25535	22207
Share Capital	2272	2272	2272	2272	2272	2272	2272	2272	2272	2272
Reserves & Surplus	45921	36205	25480	24896	23568	23394	22272	21977	23263	19935
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	48443	38727	28002	27418	26090	25916	24794	24499	25785	22457
RATIOS										
Profit before tax to Sales (%)	35.08	37.03	28.54	37.20	35.54	38.56	29.19	18.02	21.66	15.79
Profit after tax to Sales (%)	24.77	25.97	20.61	26.05	24.59	32.08	23.93	16.81	18.10	10.23
Earning per equity share (₹)	63.69	72.75	25.97	43.87	35.86	40.65	29.80	17.17	25.93	13.03
Book Value of equity share (₹)	212.12	169.35	122.15	119.58	113.73	112.97	108.03	106.70	112.39	97.74
Dividend per equity share (₹)	18.00	22.00	20.00	32.50	30.00	30.00	25.00	20.00	10.00	6.00
Net Fixed Assets to Net Worth (%)	5.33	7.05	11.76	14.31	16.23	17.15	19.30	21.71	26.48	33.41

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Wyeth Limited

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



PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

ATTENDANCE SLIP

NAME AND ADDRESS OF THE SHAREHOLDER:

[Empty box for Name and Address of the Shareholder]

I hereby record my presence at the 64th Annual General Meeting of the Company on Thursday, August 2, 2012 at 11.00 a.m. at Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.

Name of the shareholder/proxy

Signature of the shareholder/proxy

Wyeth Limited

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



PROXY

Folio No / DP / Client ID _____

No. of Shares held _____

I/We, _____

of _____ being a

Member/Members of Wyeth Limited hereby appoint _____ of

_____ or failing him / her

_____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the 64th ANNUAL GENERAL MEETING of the Company to be held on Thursday, August 2, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signed by the said _____

Affix a Revenue Stamp of Re. 1/-

Note: The Proxy must be deposited at the Registered Office of the Company, Level 6, Platina, Plot No. C-59, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 098, not less than FORTY-EIGHT HOURS before the commencement of the meeting.

Branded Value Offerings launched in 2011-12



Goa Plant celebrates

10th Anniversary

