



Taking care of an adult. Like a child.  
Wyeth. Presenting a new dawn in Preventive Adult Healthcare.

**Wyeth**

## Why Vaccinate?

- Vaccination is one of the most important actions to help protect yourself and your family against potentially fatal infectious diseases.
- Vaccines, which stimulate the body's natural immune system to protect people against the risk of future disease, have been used for more than 200 years and, with the exception of clean water, have had the greatest impact on public health.\*
- In fact, according to the World Health Organization, immunization is one of the most successful and cost-effective health interventions ever.
- Many diseases that were once all too common are now either completely eradicated or much reduced, largely due to vaccination.



\*Cochi SL, Kew O. 'Polio today; are we on the verge of global eradication?'  
JAMA. 2008; 300(7):839-841 .

## Why do Adults need to vaccinate?



- Risk of Infection increases with age.
- Signs and symptoms of infections are generally more severe in adults.
- Immunity can begin to fade over time.
- Ageing related chronic diseases and certain medical conditions increase the risk of infection.
- Healthcare personnel and travelers are at increased risk for contracting infections.
- Vaccines evolve with time.

## Let your child be the parent and take care of you in your old age.

There comes a time in everyone's life when a child becomes the parent. This is the time when parents age and children step in to take care of them. But do the children know what to do? Wyeth recognizes the need to educate children and create the right level of awareness for preventive care so that their parents live life to the fullest.



Show your parents  
you love them.  
Get them  
**vaccinated.**

Know more about adult vaccination.  
[www.janitva.com](http://www.janitva.com)

BE A  
JANITVIST



## Become a Janitvist!

Wyeth created 'Janitva' - an online campaign aimed at today's youth to safeguard their parents' health through regular medical check-ups, exercise and good nutrition. Through 'Janitva', Wyeth encourages children to help their parents age gracefully and in a healthy manner with the power of vaccination.

## Share the power of Janitva!

Let your child take care of you. Allow your children to be your parents and take care of you as you took care of them.

 <https://www.facebook.com/Janitva>  
<http://www.janitva.com/>



Action it. Show it. Stand for it.

## Dear Shareholders,

For more than 60 years, your Company has been playing a growing role in India's ongoing journey to better health. As you are aware, Wyeth pioneered the launch of new therapies in maternal and children's health in India – two areas that are critical to the overall health of the nation.

Continuing to build on this, Wyeth launched India's first pneumococcal conjugate vaccine in 2006, and in 2010 has replaced the same with an improved and more effective vaccine with a wider reach. Increasing lifespan has led to rise in disease burden in the growing population of senior citizens. Your Company is collaborating with healthcare professionals to create public awareness on the importance of vaccination as one of the ingredients of healthy ageing.

Wyeth has also been contributing to efforts to fight anemia, a major problem affecting Indian women. Wyeth has been partnering with healthcare professionals to conduct a program called Aditi (Anemia Detection In Time Initiative) to facilitate timely detection and treatment of this debilitating disease.

Unwanted pregnancies are a major cause of economic and emotional distress. Wyeth continues to be the leader in oral contraceptives. After a decade of debate on the risks and benefits of hormone therapy, 15 top medical organizations in 2012 issued a joint statement of agreement emphasizing the benefits of hormone therapy for symptomatic menopausal women. Wyeth is the leader in the hormone therapy market in India. Efforts are also on to strengthen the consumer franchise for Anacin and Anne French with contemporary packaging.

Your Company's manufacturing plant in Goa continues to earn accolades. The plant received the prestigious India Manufacturing Excellence Gold Award in 2010, instituted by Economic Times and Frost & Sullivan. The plant received the Platinum award in 2011 and won it again in 2012.

Wyeth is driving the OWN IT! culture across the organization, encouraging every employee to think and act like an owner. Going forward, the OWNership culture is expected to accelerate the Company's growth in our very competitive marketplace.

I am grateful for your support and good wishes after I took over as Managing Director of your Company in August 2012. I look forward to your continued support as we aspire to grow bigger with more products and better services to promote the health of our people.



Regards,

A handwritten signature in black ink that reads "Aijaz". The signature is stylized and cursive.

Aijaz Tobaccowalla  
Managing Director  
Wyeth Limited

# Heralding A New Cultural Change - OWN IT!

Wyeth recognizes that culture plays an important role in shaping a successful organization and that the right culture will help fulfill our mission of being a premier innovative biopharmaceutical company.

In January 2013, we welcomed the OWN IT! culture at Wyeth with a renewed focus on initiatives aimed to clearly define accountability and responsibility that empowers every person in each function to engage in constructive debate. We believe this will lead to successful outcomes and deliver results with a high level of integrity.

## OWNing RESPONSIBILITY

We hold ourselves responsible to the highest standards of integrity, compliance and ethics.

## OWNing TARGETS

By focusing on results we own our targets to make the most impact and create the greatest return for our shareholders.

## OWNing PORTFOLIO

Through our combination of innovative medicines and value added generics we aim to address the unmet needs of our country.

## OWNing CUSTOMERS

We are focused on our customers to ensure our medical solutions are accessible to all.

## OWNing CULTURE

Our culture is all about being accountable, sharing diverse ideas and nurturing the entrepreneurial spirit.

The OWN IT! model is a step towards accelerating our culture change, increasing trust, and focusing on finding solutions that lead to positive results. To generate awareness about this ownership culture, we rolled out 'Straight Talk', a tool aimed at establishing candid conversations and debates. 'Straight Talk' is an internal forum for colleagues to raise business related issues and challenge the wisdom of decisions in a way that encourages healthy debate to enhance the Company's growth.

The goal of the 'OWN IT' philosophy is to create a unified company culture where each person believes and feels they own their decisions, behaviors and actions. We believe that this culture will reshape the business and its performance for years to come.



## Board of Directors (as on 30<sup>th</sup> July, 2013)

<b>Pradip Shah</b>	Chairman
<b>Aijaz Tobaccowalla</b>	Managing Director
<b>Darius Udwadia</b>	
<b>Kamalesh Kumar Maheshwari</b>	
<b>Sunil Lalbhai</b>	
<b>Sekhar Natarajan</b>	
<b>Vivek Dhariwal</b>	
<b>S. Sridhar</b>	

## Key Management Personnel

<b>Aijaz Tobaccowalla</b>	Managing Director
<b>Lakshmi Nadkarni (Dr.) (Mrs.)</b>	Human Resources
<b>Mangesh Borkar (Dr.)</b>	Goa Plant Operations
<b>Neema Thakore (Mrs.)</b>	Company Secretary & Legal
<b>Partha Ghosh</b>	Business Unit Head
<b>Pragnesh Shah</b>	Acting Chief Financial Officer
<b>Shyam Kumar</b>	Communications
<b>Suresh Muddana</b>	Business Unit Head
<b>Vishwanath Iyer</b>	Procurement

### Auditors

B S R & Associates

### Cost Auditors

RA & Co.

### Solicitors & Advocates

Udwadia Udeshi & Argus Partners

### Registrar & Share Transfer Agent

Karvy Computershare Private Limited

Unit: Wyeth Limited

Plot No. 17 – 24, Vittalrao Nagar,

Near Image Hospital,

Madhapur, Hyderabad – 500 081.

Toll Free No.: 1-800-3454-001

Tel.: 040 4465 5000 Fax: 040 2342 0814

E-mail: einward.ris@karvy.com

### Bankers

Citibank N.A.

Standard Chartered Bank

ICICI Bank

HDFC Bank

### Manufacturing Plant

Plot No. L-137, Phase III,

Verna Industrial Estate,

Verna – 403 722, Goa.

### Registered Office

Level 6, Platina, Plot No. C – 59, 'G' Block,

Bandra – Kurla Complex,

Bandra (East), Mumbai – 400 098.

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## SIXTY-FIFTH ANNUAL GENERAL MEETING

Friday, 6<sup>th</sup> September, 2013, 11.00 a.m.  
Yashwantrao Chavan Pratishthan Auditorium,  
General Jagannath 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-fifth Annual General Meeting of the Members of Wyeth Limited will be held at **Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021, on Friday, 6<sup>th</sup> September, 2013 at 11.00 a.m.** to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss Account for the financial year ended 31<sup>st</sup> March, 2013 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31<sup>st</sup> March, 2013.
3. To appoint a Director in place of Mr. Pradip Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. E. Udawadia, 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.

### **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: 14<sup>th</sup> May, 2013

## Notes

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 30<sup>th</sup> August, 2013 to Friday, 6<sup>th</sup> September, 2013 (both days inclusive) for the purpose of payment of dividend.
2. Dividend, for the year ended 31<sup>st</sup> March, 2013, 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 Friday, 6<sup>th</sup> September, 2013, and
  - ii) those Members whose names appear as beneficial owners as at the close of business hours on Thursday, 29<sup>th</sup> August, 2013, 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.





- 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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Members may please note that a proxy can vote only on a poll.

- Members / proxies are requested to bring their copy of the Annual Report to the Meeting along with duly filled in enclosed Attendance Slips for attending the Meeting.
- 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 written queries only at the Meeting.
- Members are requested to 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:

### **Karvy Computershare Private Limited**

Unit: Wyeth Limited

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

Contact person: Mr. M. V. Kameswara Rao

Telephone: 040 4465 5201

Fax: 040 2342 0814

E-mail ID: einward.ris@karvy.com

- In compliance with Clause 5A.II of the Listing Agreements with the Stock Exchanges, the Company transferred 23,017 unclaimed shares held by 600 shareholders to an Unclaimed Suspense Account and dematerialized the same, details of which are as follows:

#### **Particulars**

Aggregate number as at 1<sup>st</sup> April, 2012

Number of shares claimed and transferred from the Unclaimed Suspense Account during the year

Aggregate number as at 31<sup>st</sup> March, 2013

	<b>Number of Shareholders</b>	<b>Number of Shares</b>
Aggregate number as at 1 <sup>st</sup> April, 2012	600	23,017
Number of shares claimed and transferred from the Unclaimed Suspense Account during the year	3	100
Aggregate number as at 31 <sup>st</sup> March, 2013	597	22,917

- Members are requested to note that in order to avoid any loss / interception in postal transit and also to get prompt credit of dividend through N-ECS, they should submit their details to the Company's Registrar & Transfer Agent, Karvy Computershare Private Limited by 29<sup>th</sup> August, 2013. In order to avail the facility of N-ECS, Members holding shares in physical form are requested to furnish Core Banking Account Number to the Company's Registrar & Transfer Agent, Karvy Computershare Private Limited along with a blank cancelled cheque by 29<sup>th</sup> August, 2013. Members (Beneficiaries) holding shares of the Company in the dematerialized mode, should intimate their bank details to their Depository Participants (DP). The correct 9 digit MICR code of their bank along with a blank cancelled cheque, should be submitted to the concerned DP.



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.
10. In compliance with Sections 205A and 205C of the Companies Act, 1956, unclaimed dividend for the year ended 31<sup>st</sup> March, 2005 has been transferred to the 'Investor Education and Protection Fund' (IEPF) established by the Central Government. Members shall not be eligible to register their claim in respect of unencashed dividend for the year ended 31<sup>st</sup> March, 2005. Unclaimed dividends for all the subsequent years will be transferred to the 'IEPF' according to the statutory stipulations. Members are requested to contact the Company's Registrar and Transfer Agent, in respect of their outstanding dividends for the succeeding years.
11. Members may note that the Securities and Exchange Board of India (SEBI) has vide its Circular dated 7<sup>th</sup> January, 2010 made it mandatory to furnish a copy of PAN in the following cases:
  - i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - ii) Transmission of shares to the legal heir(s), where the deceased shareholder was the sole holder of shares.
  - iii) Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
12. 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. Karvy Computershare Private Limited for shares held in physical form.
- ii. Karvy Computershare Private Limited and also register their e-mail ID with the Depository Participant where their Demat account is maintained, for shares held in the electronic form.



**As required under Clause 49 of the Listing Agreement, given below are the details of the Directors proposed for re-appointment\*:**

## **Mr. Pradip Shah**

Mr. Pradip Shah, 60, holds an MBA from Harvard Business School. Mr. Shah is also a Chartered Accountant and a Cost Accountant and ranked first in India in the Chartered Accountancy Examination.

Mr. Shah is the ex-Managing Director of CRISIL, India's first and the largest credit rating agency. In addition to founding CRISIL, Mr. Shah co-founded the Indocean Fund and the AMP-IndAsia India Fund and assisted in founding the Housing Development Finance Corporation (HDFC) in 1977. He has also served as a consultant to USAID, the World Bank and the Asian Development Bank. He is a Director on the Board of several reputed companies and has also been a member of various government committees. He does not hold any shares in the Company either by himself or beneficially for any other person.

Mr. Shah is also the Chairman / Director of the following Indian public limited companies and holds membership in their Board Committees as set out below:

<b>Name of Company</b>	<b>Designation</b>	<b>Chairmanship / Membership of Audit Committee</b>	<b>Chairmanship / Membership of Shareholders' Grievance Committee</b>
BASF India Limited	Director	Member	---
Godrej & Boyce Manufacturing Company Limited	Director	---	---
Grindwell Norton Limited	Chairman	---	---
Kansai Nerolac Paints Limited	Director	Chairman	---
KSB Pumps Limited	Director	---	---
Mukand Limited	Director	---	---
Panasonic Energy India Company Limited	Director	Member	Member
Pfizer Limited	Director	Member	Member
Shah Foods limited	Chairman	---	---
Sonata Software Limited	Chairman	Member	---
Tata Investment Corporation Limited	Director	Member	---



## Mr. Darius Udwadia

Mr. Darius Udwadia is a post graduate from the University of Bombay. He is a Solicitor and an Advocate of the Bombay High Court. He is also a Solicitor of the Supreme Court of England. He has acted as legal advisor to many Indian companies, multinational corporations as also foreign banks having a presence in India. He has during his nearly 48 years of active law practice acquired vast knowledge, experience and expertise in areas of corporate law, mergers and acquisitions, takeovers, corporate restructuring, foreign collaboration, joint ventures and private equity, project and infrastructure finance, international loans and finance related transactions and instruments, real estate and conveyancing.

Mr. Udwadia does not hold any shares in the Company either by himself or beneficially for any other person.

Mr. Udwadia is also the Chairman / Director of the following Indian public limited companies and holds membership in their Board Committees as set out below:

Name of Company	Designation	Chairmanship / Membership of Audit Committee	Chairmanship / Membership of Shareholders' Grievance Committee
ABB Limited	Director	Member	Chairman
AstraZeneca Pharma India Limited	Chairman	Member	---
Development Credit Bank Limited	Director	---	---
ITD Cementation India Limited	Director	Member	---
JM Financial Limited	Director	---	---
JM Financial Products Limited	Director	---	---
IRD Mechanalysis Limited	Director	---	---
MPS Limited	Vice-Chairman	Member	---
The Bombay Burmah Trading Corporation Limited	Director	Member	---
WABCO INDIA Limited	Director	Member	---

### 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: 14<sup>th</sup> May, 2013



\* Details are provided only in respect of Audit and Shareholders' Grievance Committees.

## DIRECTORS' REPORT including Management Discussion and Analysis Report

### TO THE MEMBERS

Your Directors have pleasure in presenting the Sixty-fifth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013. The Report reviews the Company's operations covering Pharmaceutical and Consumer Health Care Products. The prior year's figures in the financial statements have been regrouped / rearranged where necessary.

### DIVIDEND

Your Directors recommend a dividend of Rs. 17.00 (170%) for the financial year ended 31<sup>st</sup> March, 2013, previous year Rs. 18.00 (180%) per equity share. If the proposed dividend is approved by the Shareholders at the Annual General Meeting, the total dividend payout will be Rs. 3862.41 lakhs. Dividend Payout ratio for the year ended 31<sup>st</sup> March, 2013 (if approved by members) would be 29.7% as compared to 28.3% for the previous year. Tax on dividend to be borne by the Company will aggregate Rs. 656.42 lakhs.

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

### FINANCIAL HIGHLIGHTS

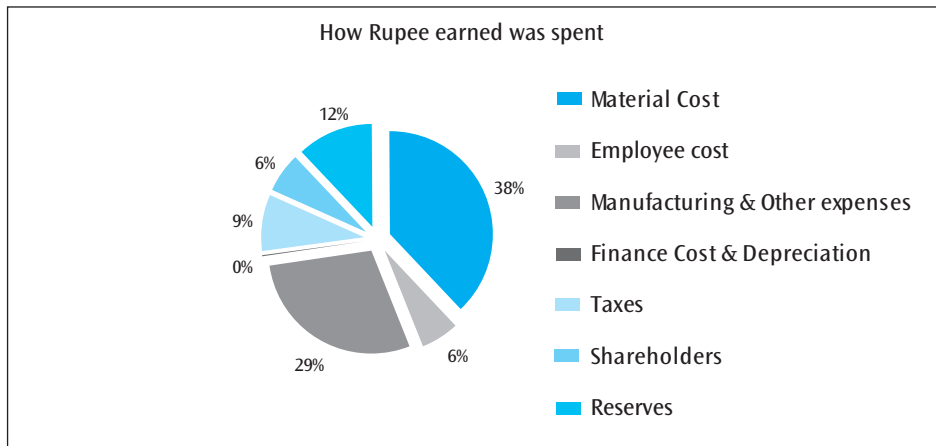
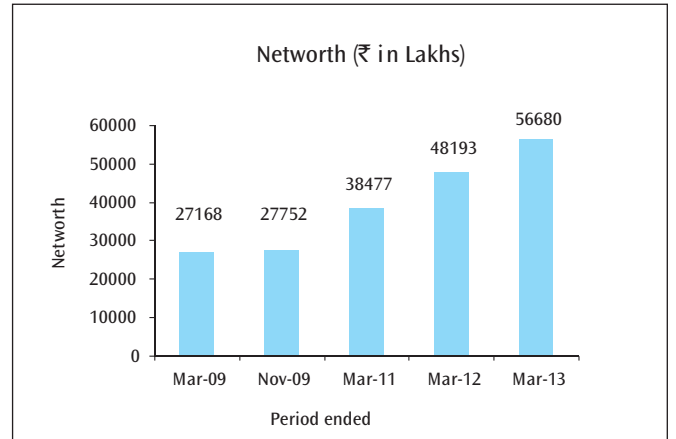
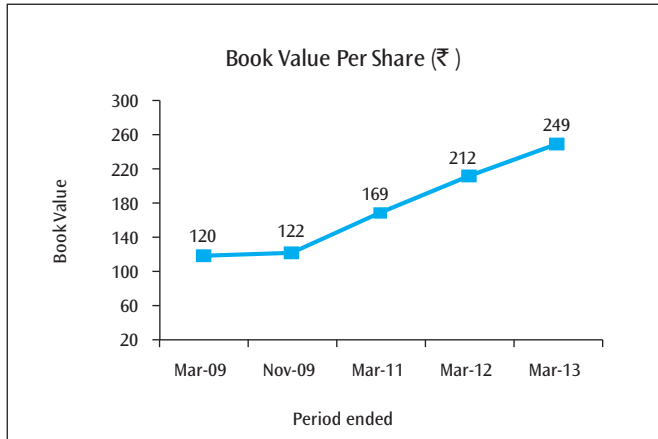
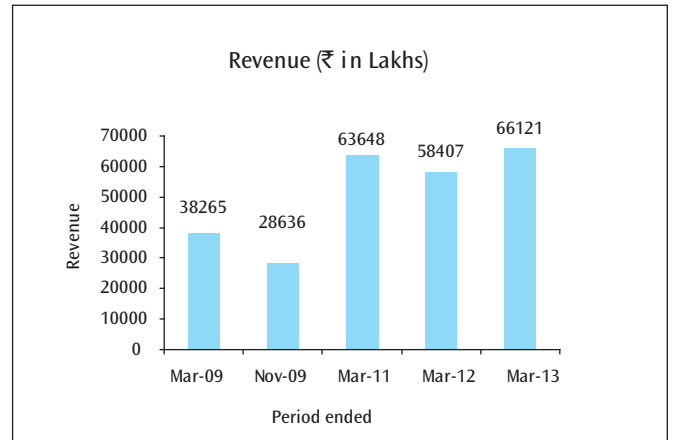
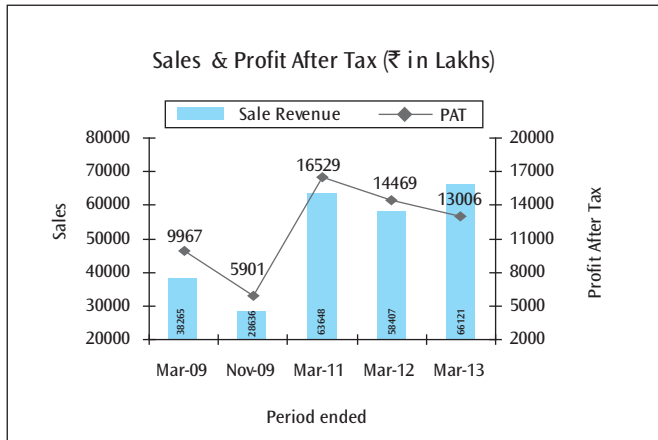
Your Company has had a successful year in terms of sales growth with sales of the Pharmaceutical segment showing a growth of 14% over the previous year taking the Company's sales growth to over 13%. This is significantly ahead of market growth of 10.2% (Source: IMS MAT March 2013).

### Financial Results

	(₹ in Lakhs)	
	Apr 2012 - Mar 2013	Apr 2011 - Mar 2012
Revenue from Operations (Net)	66120.98	58406.53
Operating and Other Income	5238.91	3844.53
Profit before non-recurring expenses	19377.68	20537.59
Voluntary Retirement Scheme	50.55	45.90
Profit before Taxation	19327.13	20491.69
Provision for Tax	6321.62	6022.29
Net Profit	13005.51	14469.40
Balance brought forward from previous period	33465.02	25195.62
Profit available for appropriation	46470.53	39665.02
Proposed Dividend	3862.41	4089.62
Tax on Proposed Dividend	656.42	663.44
Transfer to General Reserve	1300.55	1446.94
Balance carried to next year	40651.15	33465.02



## KEY STATISTICS





## THE PHARMACEUTICAL INDUSTRY – AN OVERVIEW & OUTLOOK

The performance of the Indian pharmaceutical industry is tied to the following two salient features of the Indian healthcare sector:

- Out of pocket expenditure, which continues to dominate India's healthcare spend.
- Private providers continue to deliver most of the care, both at primary and secondary levels.

Given this scenario, the pharmaceutical industry is impacted by the ups and downs of the economy. India's economic growth in 2012 - 13 was pegged lowest in a decade, with the Central Statistical Organisation estimating GDP growth at 5%, compared to 6.2% in 2011-12.

The audited pharmaceutical market in India grew by 10.2% to reach USD 13.8 billion in 2012 - 13. The retail sector accounted for USD 11.6 billion and grew by 10.1%, while the hospital sector accounted for USD 1.4 billion and grew by 9.9%. The market has registered a compounded annual growth of 14.2% for the period 2010 - 13. (Source: IMS MAT March 2013)

The pharmaceutical market witnessed a single digit growth in the last quarter of 2012 - 13. During the same period 2010 - 2011 and 2011 - 2012 (MAT March 2011 & MAT March 2012), the audited pharmaceutical market had grown by 16% and above. IMS ranks the Indian pharmaceutical industry 14<sup>th</sup> in terms of value and 3<sup>rd</sup> in volume globally.

## OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The long term outlook for the industry continues to be good, driven by rising income levels and growth in medical infrastructure, especially in the private sector. McKinsey has forecast that the Indian pharmaceutical market will grow to USD 55 billion by 2020, "driven by a steady increase in affordability and a steep jump in market access."

The report also cautions that the market will reach only USD 35 billion by 2020, if investment is weakened by price controls and economic slowdown.

The Drugs (Prices Control) Order (DPCO), 2013, was notified on 15<sup>th</sup> May, 2013, vide which the prices of 348 formulations in the National List of Essential Medicines (NLEM) have been brought under price control. This Order replaces the earlier price control order of 1995 that regulated the prices of 74 bulk drugs. The Government has changed the pricing model from cost based to market based.

The Government has notified the ceiling price for approximately 300 formulations as of now; with the balance notifications expected shortly. Companies are required to implement the new price on the 46<sup>th</sup> day from the date of the price notification. The revised prices will adversely impact the revenue and profitability of the Company.

Another dampener is the deteriorating environment for intellectual property protection in India.

In line with the slowdown in the current year, IMS has projected a lower growth rate for the pharmaceutical industry in the next few years. What we need at this moment is a rational regulatory framework that fosters innovation, propels steady growth and encourages science to find solutions for the unmet medical needs of the country.

## FINANCIAL AND OPERATIONAL PERFORMANCE

The Company's sales for the year under review were Rs. 661 crores (April 2011 – March 2012, Rs. 584 crores) which represents a growth of 13%. The Company continues to maintain its leadership position in Pneumococcal Vaccine, Folic Acid, Oral Contraceptives and Liquid Antacids. Folvite, Oral Contraceptives, Mucaïne, Wysolone, Ativan and Pacitane ranked # 1 in their respective segments. (Source: IMS TSA MAT March 2013). Prevenar, Wysolone, Autrin and Pacitane registered a strong double digit growth during the year. The sales for the pharmaceutical segment were Rs. 623 crores and Consumer Health Care segment were Rs. 38 crores. Consumer Health Care segment, post a slowdown during the year was able to regain some of the lost momentum in the last quarter.



As a result of the challenging operating environment, inflationary pressures and adverse exchange rates, the material cost has risen to 41.2% of sales for the year under review as against 36.2% of sales in the previous year.

Profit for the year was also impacted due to provision for bad debts and increase in other expenses.

## Women's Health Care

The Company strengthened its presence in Women's Health Care by launching several new products during the year: Pausera M (Tranexamic Acid Tablets - an original research product of Pfizer Inc.), Wytrol and Nordette 28 Combikit. Two line extensions -- Warclav 375 mg and a new flavor variant of Mucaine were also launched during the year. To enhance patient convenience, the Company also modified packs of Hetrazan to a strip of 20 tablets and Folvite MB to a strip of 15 capsules from the existing strips of 10.

The Company's strategy to expand its presence in its key therapy areas by launching new Branded Value Offerings (BVOs) has proved successful. Warclav, the Company's first BVO launched in 2010, lists among the Top 25 brands of the co-amoxycylav market. Similarly, Folvite MB has entered the league of Top 10 brands in Folic Acid segment as per IMS data.

Considering the increased product offerings in the Women's Health Care segment, the Business Unit restructured itself to ensure proper focus on both established products and new launches.

The Company continues to engage leaders in Obstetrics and Gynecology at the Regional level with the plan to cascade Continuing Medical Education Programs at the district levels.

## Vaccines

Prevenar 13, the pneumococcal conjugate vaccine, used to protect infants and young children against the disease caused by the bacterium *Streptococcus pneumoniae* (pneumococcus) is the major revenue generator and continues to be the leader in the toddler vaccine market. Prevenar 13 is now approved for active immunization of adults aged 50 years and above to provide protection against invasive pneumococcal disease.

## Consumer Health Care

A new improved range of Anne French packaging, in jars, was launched nationally with new communication and differentiated claims like two times softer skin to support the improved formulation. This new Anne French pack has gained a good response in major markets. The Anacin packaging was upgraded from a 6 tablet strip to a 10 tablet strip and strong sales and marketing support helped gain business. Short-format advertising helped to increase visibility of Anacin in the media.

Increasing media costs and cost of materials due to inflation continue to remain a concern for this segment, going forward.

## AUDITORS' COMMENTS AND DIRECTORS' RESPONSE

The claims under the Drug Prices Equalization Account and the comments of the Auditors regarding the amounts payable into the Drug Prices Equalization Account in respect of De-methyl Chlor Tetracycline, Chlor Tetracycline Hydrochloride, Tetracycline Hydrochloride, Dexamethasone, Amoxycillin Trihydrate, Benzathine Penicillin G and their formulations and claims by the Government regarding non-compliance with respect to prices fixed under para 8 of the Drugs (Prices Control) Order, 1995 for Prednisolone based formulations have been explained in Notes 26(i)(a) and (b) to the Accounts.

An early resolution of this issue by the Government will provide much needed clarity for the future. The Company has made detailed submissions to the Government.



With regard to the observations made by the Statutory Auditors under Para (xxi) of the Annexure to the Auditors' Report dated 14<sup>th</sup> May, 2013, your Company has discontinued all business transactions with the distribution agent referred to therein and is taking necessary steps in consultation with its legal advisors. The Company has also taken steps to improve the effectiveness of its processes in particular, in the Order to Cash process to prevent future recurrence of this nature.

## CAUTIONARY NOTE

Certain statements in respect to 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 AND THEIR ADEQUACY

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.

An extensive program of Compliance, Control and Risk Team (CCR) further supplements the Company's internal control systems. The CCR is supported by an independent firm of chartered accountants, who review the effectiveness and efficiency of these systems and procedures.

Further, 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. The Audit Committee of the Board addresses significant issues raised by the CCR, Cost Auditors, Internal Auditors and Statutory Auditors.

## HUMAN RESOURCES("HR") / INDUSTRIAL RELATIONS

HR continues to focus on the Company's core values of Customer Focus, Community, Respect for People, Performance, Collaboration, Leadership, Integrity, Quality and Innovation. One of the significant change milestones is to cascade the "Own It Culture" throughout the Company.

### Employee Relations & Engagement

Talent Management initiatives continue through robust processes. Promising talent is developed through training programs. This ensures that the Company has the right people to take it forward. Colleagues in the Talent Pool are involved in high level projects identified by the organization.

As part of the 'OWN IT!' movement, your Company ensured that all employees were engaged in 'Straight Talk' conversations. These conversations lead to a new bar promoting inclusiveness and paving the way for greater transparency and accountability within the Company.

Your Company truly believes that culture plays an integral role in making people feel they are respected, leading to meaningful business impact when people can raise tough, unpopular issues and when they feel their opinions are listened to.

Overall, employee relations were cordial. The Company had 492 employees on its rolls as on 31<sup>st</sup> March, 2013.



## MEDICAL AFFAIRS DIVISION

The Company's Medical Affairs Division undertakes a host of activities, which includes emerging data on therapy areas as well as updated scientific information to the medical community, conducting medical advisory board meetings, speaker training programs, expert group meetings in therapy areas, support to International Speaker Programs, investigator initiated research, providing medical information, design and conduct of local clinical studies, scientific engagements with physicians and institutions, product training of sales force, 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 labelling activities.

## MANUFACTURING OPERATIONS

Wyeth Goa plant was named the proud recipient of the Platinum Award for 2012 at the India Manufacturing Excellence Awards (IMEA), presented by The Economic Times in partnership with Frost & Sullivan. The Plant also received the Pfizer Global Supply (PGS) Annual President's Gold Award for 2012.

Wyeth Goa plant is known for its impeccable safety and strict adherence to environmental norms and has received a number of corporate awards. The site now holds accreditation of ISO 14001 and OHSAS 18001.

Optimum utilization of the facility has enabled generation of additional volumes by the Plant. Colleague engagement initiatives have contributed to improved efficiency.

## DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Pradip Shah and Mr. D. E. Udawadia retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

At the 64<sup>th</sup> Annual General Meeting of your Company, Mr. Aijaz Tobaccowalla was appointed as Managing Director of the Company with effect from commencement of business, 16<sup>th</sup> August, 2012, subject to the approval of the Central Government, which has since been received.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your 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 31<sup>st</sup> March, 2013, and of the profit of the Company for the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the annual accounts have been prepared 'on a going concern basis'.

## CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from Messrs. B S R & Associates, regarding compliance with the conditions of Corporate Governance as stipulated under 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.

## 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.

## 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.

## COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956, read with General Circular No. 2/2013 dated 31<sup>st</sup> January, 2013 issued by the Ministry of Corporate Affairs, companies were required to file their Cost Audit Reports and Compliance Reports by 28<sup>th</sup> February, 2013. The Company filed its Reports for the financial year ended 31<sup>st</sup> March, 2012, on 29<sup>th</sup> January, 2013.

The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2013 is due to be filed by 27<sup>th</sup> September, 2013.

M/s. RA & Co., confirmed their eligibility and have been appointed as Cost Auditors to conduct Cost Audit of the Company’s records for the year ending 31<sup>st</sup> March, 2014.

## ACKNOWLEDGEMENTS

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 external stakeholders for their continued support and co-operation.

Your Directors take this opportunity to thank the Parent Company, Pfizer Inc. USA, for their valuable guidance and support.

**For and on behalf of the Board of Directors**

Place: Mumbai

Date: 30<sup>th</sup> July, 2013

**Pradip Shah**

Chairman



## 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 31<sup>ST</sup> MARCH, 2013**

### A. Conservation of Energy:

- |    |  |  |
|----|--|--|
| a) | Energy Conservation measures taken:  | 1) Conversion of steam dehumidifiers to electrical dehumidifier.<br>2) Introduction of additional packaging line in GT Suite.<br>3) Introduction of VFD drive in Chilled Water circulation pump. |
| b) | Additional investments and proposals, if any, being implemented for reduction of consumption of energy | 1) Electrification of dehumidifiers.<br>2) Installation of VFD drive.  |
| c) | Impact of measures at (a) and (b)  | 1) Reduction of annual furnace oil consumption.<br>2) Expected reduction in carbon emission.   |

### FORM A

#### Form of Disclosure of particulars with respect to conservation of energy

		Unit	Apr 2012- Mar 2013	Apr 2011- Mar 2012
<b>A. Power and Fuel consumption</b>				
1. Electricity				
a)	Purchased Units	Kwh	43,57,890	45,26,640
	Total Amount	₹ Lakhs	191.55	569.23
	Rate / Unit (average)	₹	4.40	12.58
b)	Own generation through diesel generator unit	Kwh	90,579	4,493
	- Units per litre of diesel oil	Kwh	3.48	2.95
	- Cost / Unit	₹	13.07	14.36
	<b>Note</b> 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.	207.00	338.83
	Total Cost	₹ Lakhs	108.08	132.32
	Average rate	₹ / ltr.	52.21	39.05

#### Consumption per unit of production

Since the Company manufactures several formulations in the same factory, it is not practical to apportion consumption of utilities to individual products 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 2012-<br>Mar 2013 | Apr 2011-<br>Mar 2012 |
| i) Capital  | Nil                   | Nil                   |
| ii) Recurring   | 107.91                | 112.57                |
| iii) Total  | 107.91                | 112.57                |
| iv) Total R&D expenditure as a percentage of total turnover | 0.16%                 | 0.19%                 |

#### 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 during the year under review.
- (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 31<sup>st</sup> March, 2013, the Foreign Exchange earned was ₹ 152.29 lakhs. Foreign Exchange Outgoings were ₹ 24,681.06 lakhs.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30<sup>th</sup> July, 2013

**Pradip Shah**  
Chairman



## CORPORATE GOVERNANCE REPORT

### I. WYETH'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Wyeth has a strong legacy of fair, transparent and ethical practices which it believes are the essence of good corporate governance. It is the Company's continuous endeavour to build on its values and practices to effectively meet its financial, social, environmental and statutory obligations. The 9 Core Values that guide us in day-to-day decision making and which reflect the enduring character of Wyeth and its people are:



#### **CUSTOMER FOCUS**

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



#### **COMMUNITY**

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



#### **RESPECT FOR PEOPLE**

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



#### **PERFORMANCE**

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



#### **COLLABORATION**

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



#### **LEADERSHIP**

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



#### **INTEGRITY**

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



#### **QUALITY**

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



#### **INNOVATION**

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



## II. BOARD OF DIRECTORS:

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

### > Composition of the 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 eight Directors. Of these, one is an Executive Director and seven 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. None of the Directors are related to each other.

### > Board Meetings:

The Board meets at least once every quarter. The gap between two Board Meetings does not exceed four months.

During the period 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 ('financial year under review'), the Company held five Board Meetings as under:

- |                                   |                                     |
|-----------------------------------|-------------------------------------|
| (i) 21 <sup>st</sup> May, 2012    | (iv) 23 <sup>rd</sup> October, 2012 |
| (ii) 28 <sup>th</sup> June, 2012  | (v) 8 <sup>th</sup> February, 2013  |
| (iii) 31 <sup>st</sup> July, 2012 |                                     |

The details of composition of the Board of Directors, the number of Board Meetings held, their attendance thereat and at the last Annual General Meeting ('AGM'), and the number of Directorships, Memberships and / or Chairmanships held by each Director of the Board as on 31<sup>st</sup> March, 2013, are set out below:

Name	Category of Directorship #	No. of Board Meetings attended out of five held	Attendance at last AGM held on 2 <sup>nd</sup> August, 2012	No. of Directorships in Companies including Wyeth Limited	Memberships / Chairmanships of Board Committees including Wyeth Limited
Mr. Pradip Shah (Chairman)	NED-I	4	Yes	12	7 / 1
Mr. Aijaz Tobaccowalla (as NED w.e.f. 28.06.2012 and as MD w.e.f. 16.08.2012)	MD	4	Yes	2	2 / Nil
Mr. D. E. Udwadia	NED-I	4	Yes	11	7 / 1
Mr. K. K. Maheshwari	NED-I	5	Yes	1	1 / 1
Mr. S. S. Lalbhai	NED-I	5	Yes	6	3 / Nil
Mr. Sekhar Natarajan	NED-I	5	Yes	4	1 / 2
Mr. Vivek Dhariwal	NED	4	Yes	2	1 / Nil
Mr. S. Sridhar (w.e.f. 21.05.2012)	NED	4	Yes	1	Nil
Mr. Kewal Handa (MD up to 15.08.2012)	MD	3	Yes	NA	NA

# NED – Non-Executive Director

MD - Managing Director

NED-I - Non-Executive Director – Independent



## Notes:

- (1) Directorships / memberships in private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956, membership of managing committees of various chambers / bodies and alternate directorships are excluded.
- (2) The necessary disclosures regarding committee positions have been made by all the Directors. None of the Directors is a Member of more than 10 committees and Chairman of more than 5 committees across all Indian public limited companies in which he is a Director. Number of chairmanships / memberships of committees includes only chairmanships / memberships of Audit Committee and Shareholders' / Investors' Grievance committee.

### III. BOARD COMMITTEES

Currently, the Board has four Committees viz., the Audit Committee, Shareholders' / Investors' Grievance Committee, Share Transfer Committee and Remuneration Committee. The Board decides the terms of reference of these Committees.

#### (A) AUDIT COMMITTEE:

- ◆ Four Audit Committee Meetings were held during the financial year under review and the gap between two Meetings did not exceed four months. These were held on:
  - (i) 21<sup>st</sup> May, 2012
  - (ii) 31<sup>st</sup> July, 2012
  - (iii) 23<sup>rd</sup> October, 2012
  - (iv) 8<sup>th</sup> February, 2013
- ◆ The details of the composition of the Audit Committee and the attendance of the members at the Audit Committee Meetings are as under:

Name	Designation	Category	Number of Meetings attended out of 4 held
Mr. Sekhar Natarajan	Chairman	Non-Executive and Independent Director	4
Mr. D. E. Udawadia	Member	Non-Executive and Independent Director	4
Mr. K. K. Maheshwari	Member	Non-Executive and Independent Director	4
Mr. Kewal Handa (up to 15.08.2012)	Member	Managing Director	2
Mr. Aijaz Tobaccowalla (w.e.f. 16.08.2012)	Member	Managing Director	2

- ◆ 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. Mrs. N. N. Thakore, the Company Secretary & Legal Director, acts as the Secretary to the Committee.
- ◆ The Chairman of the Audit Committee was present at the 64<sup>th</sup> Annual General Meeting held on 2<sup>nd</sup> August, 2012.
- ◆ The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meetings.



## (B) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

- ◆ During the year under review, the Shareholders' / Investors' Grievance Committee held two Meetings, on 31<sup>st</sup> July, 2012 and 8<sup>th</sup> February, 2013. The details of the composition of Shareholders' / Investors' Grievance Committee and the attendance of the members at the said meetings, are as under:

Name	Designation	Category	Number of Meetings attended out of two 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 (up to 15.08.2012)	Member	Managing Director	1
Mr. Aijaz Tobaccowalla (w.e.f. 16.08.2012)	Member	Managing Director	1

- ◆ Mrs. N. N. Thakore, the Company Secretary & Legal Director, has been designated Compliance Officer. The Company has designated [thakorn@wyeth.com](mailto:thakorn@wyeth.com) as the e-mail ID on which investors may register their complaints.
- ◆ The terms of reference of the Shareholders' / Investors' Grievance Committee cover the matters specified under Clause 49 of the Listing Agreements with the Stock Exchanges.
- ◆ The Board of Directors notes the Minutes of the Shareholders' / Investors' Grievance Committee Meetings at Board Meetings.

A summary of investor complaints received, resolved and pending during the financial year under review are given below:

Nature of Complaints	Number of Complaints			
	As on 1 <sup>st</sup> April, 2012	Received during the financial year under review	Resolved during the financial year under review	Pending as on 31 <sup>st</sup> March, 2013
Non-receipt of dividend warrants	Nil	9	9	Nil
Non-receipt of share certificates sent for transfer, deletion of name, transmission, transposition, consolidation of folios & share certificates, correction of name etc.	Nil	4	4	Nil
Non-receipt of Annual Reports	Nil	Nil	Nil	Nil
Letters from Securities and Exchange Board of India, Stock Exchanges and Ministry of Corporate Affairs	Nil	1	1	Nil
<b>Total</b>	<b>Nil</b>	<b>14</b>	<b>14</b>	<b>Nil</b>

No investor grievance remained unattended / pending for resolution for more than 30 days and no request for share transfer and dematerialization received during the financial year under review was pending for more than the time limit prescribed under the Listing Agreement.



## (C) SHARE TRANSFER COMMITTEE:

Members : Mr. D. E. Udwadia  
 Mr. K. K. Maheshwari  
 Mr. Pradip Shah  
 Mr. Kewal Handa (up to 15.08.2012)  
 Mr. Aijaz Tobaccowalla (w.e.f. 16.08.2012)

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 matters approved by the Company Secretary / Share Transfer Committee.

During the year, the Company appointed Karvy Computershare Private Limited (KCPL) as its Registrar and Share Transfer Agent. KCPL has adequate infrastructure to process the share transfers. The share transfers received are processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Dematerialization requests are processed within 15 days from the date of receipt, to give credit of the shares through the Depositories. In compliance with the listing guidelines, every six months, a 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.

## (D) REMUNERATION COMMITTEE AND REMUNERATION TO DIRECTORS:

- ◆ The details of the composition of the Remuneration Committee are as follows:

Name	Designation	Category
Mr. D. E. Udwadia	Chairman	Non-Executive and Independent Director
Mr. K. K. Maheshwari	Member	Non-Executive and Independent Director
Mr. Sekhar Natarajan	Member	Non-Executive and Independent Director

- ◆ 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. In view of this, no Remuneration Committee Meeting was held during the year under review.
- ◆ 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 31<sup>st</sup> March, 2013, are set out below:

(Figures in ₹)

Directors	Salary and Performance Incentive	Perquisites	Contribution to Provident Fund, Superannuation and Gratuity	Sitting Fees	Commission	Total
Mr. Pradip Shah (Chairman)	N.A.	N.A.	N.A.	80,000	10,00,000	10,80,000
Mr. D. E. Udwadia	N.A.	N.A.	N.A.	1,60,000	10,00,000	11,60,000
Mr. K. K. Maheshwari	N.A.	N.A.	N.A.	2,20,000	10,00,000	12,20,000
Mr. S. S. Lalbhai	N.A.	N.A.	N.A.	1,40,000	10,00,000	11,40,000
Mr. Sekhar Natarajan	N.A.	N.A.	N.A.	1,80,000	10,00,000	11,80,000
Mr. Kewal Handa (MD) (up to 15.08.2012)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Aijaz Tobaccowalla (as NED w.e.f. 28.06.2012 and as MD w.e.f. 16.08.2012)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Vivek Dhariwal*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. S. Sridhar* (w.e.f. 21.05.2012)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* Mr. Vivek Dhariwal and Mr. S. Sridhar are employees of Pfizer Limited. No remuneration is paid to them by the Company.

#### ◆ Executive Directors

The Agreement appointing Mr. Aijaz Tobaccowalla as Managing Director of the Company is for a period of three years commencing from 16<sup>th</sup> August, 2012 up to 15<sup>th</sup> August, 2015. As per the terms of the Agreement, either party may terminate the Agreement by giving the other three months prior written notice. Mr. Tobaccowalla, also being the Managing Director of Pfizer Limited receives remuneration from the said Company. No remuneration is paid to him as Managing Director of the Company. In case of early termination of the Agreement, there is no provision for payment of severance fees.

#### ◆ Employees Stock Option Scheme

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

#### ◆ Performance Linked Incentive

No Performance Incentive was paid to any Director of the Company for the year ended 31<sup>st</sup> March, 2013.

#### ◆ Non-Executive Directors

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

The remuneration to Non-Executive Directors comprises of sitting fees and fixed commission. The criteria for payment of remuneration to Non-Executive Directors is the advice given by them at Board / Committee Meetings based on their knowledge and expertise and the overall financial performance of the Company. The remuneration is fixed by the Board of Directors.



- 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 ₹ 1 crore (Rupees one crore) 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 ₹ 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 31<sup>st</sup> March, 2013, the Company paid ₹ 16,51,500 /- to the law firm of Udwardia Udeshi & Argus Partners as fees for professional services that were provided by them on specific legal matters entrusted by the Company to them from time to time. Mr. D. E. Udwardia is a founder partner of the above firm. 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. Udwardia as a Director of the Company.
- Mr. S. S. Lalbhai holds 1,125 shares in the Company. None of the other Non-Executive Directors hold any shares in the Company.
- 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.

#### IV. 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 31<sup>st</sup> March, 2013, was placed before the Board at its Meeting held on 14<sup>th</sup> May, 2013.

#### V. GENERAL BODY MEETINGS:

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

AGM	Financial Year	Date and Time	Venue of the AGM	Summary of Special Resolutions
64 <sup>th</sup>	2011-2012	2 <sup>nd</sup> August, 2012 at 11.00 a.m.	Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021.	1. Payment of Commission to Non- Executive Directors 2. Change in place of keeping, and inspection of, Registers and Returns.
63 <sup>rd</sup>	2009-2011	19 <sup>th</sup> July, 2011 at 11.00 a.m.	Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021.	Nil
62 <sup>nd</sup>	2008-2009	21 <sup>st</sup> April, 2010 at 11.00 a.m.	Rama Watumull Auditorium, K.C. College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020.	1. Payment of Commission to Non- Executive Directors 2. Alteration of Article 112(3) of the Articles of Association of the Company

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



## (b) Passing of Special Resolutions by Postal Ballot:

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

## VI. DISCLOSURES:

### (a) Related Party Transactions:

- The Company has not entered into any materially significant related party transactions with its Subsidiaries, Promoters, Directors, Management, or relatives etc. that may have potential conflict with the interests of the Company at large.
- The Company has received disclosures from senior managerial personnel confirming that they have not entered into any material, financial and commercial transactions in which they or their relatives may have a personal interest.
- Transactions with related parties as per requirements of Accounting Standard 18 are disclosed in Note 34 to the financial statements in the Annual Report and they are not in conflict with the interest of the Company at large.
- The Audit Committee has reviewed the related party transactions as mandatorily required under relevant provisions of the Listing Agreements entered into with the Stock Exchanges. The said transactions are in the ordinary course of business and at arms' length basis.

### (b) Compliances by the Company:

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

### (c) Code of Conduct:

The Company is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. 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](http://www.wyethindia.com).

The Company has for the year ended 31<sup>st</sup> March, 2013, received from all Designated Persons, a declaration of compliance with the Code. A certificate from Mr. Aijaz Tobaccowalla, 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.

### (d) Risk Management framework:

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

### (e) Management Discussion and Analysis Report:

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

### (f) 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.

### (g) 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 is provided in this Report.



## VII. MEANS OF COMMUNICATION:

### (a) 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 Navshakti respectively. The said Financial Results are also available on the Company's website – [www.wyethindia.com](http://www.wyethindia.com). These are made available to Members on request.

### (b) Presentation to Institutional Investors / Analysts:

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

## VIII. General Shareholder Information:

### (a) Date, time and venue of the Annual General Meeting:

Date	:	6 <sup>th</sup> September, 2013
Time	:	11.00 A.M.
Venue	:	Yashwantrao Chavan Pratishthan Auditorium, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.

### (b) Financial Year:

The Company observes 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year.

#### Financial Calendar (tentative)

First Quarter Results	:	Second week of August, 2013
Second Quarter Results	:	Second week of November, 2013
Third Quarter Results	:	Second week of February, 2014
Fourth Quarter and Annual Results	:	Last week of May, 2014

### (c) Dates of Book Closure

30<sup>th</sup> August, 2013 to 6<sup>th</sup> September, 2013 (Both days inclusive).

### (d) Dividend Payment Date

The Board of Directors at their meeting held on 14<sup>th</sup> May, 2013, passed a resolution for recommendation of a dividend of Rs.17.00 per equity share (170%) for the year ended 31<sup>st</sup> March, 2013.

The dividend recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be deposited in a separate bank account within 5 days of its declaration and will be paid to the shareholders, on 12<sup>th</sup> September, 2013.

Dividend will be paid to those members whose names appear in the Register of Members of the Company on 6<sup>th</sup> September, 2013 after giving effect to all valid share transfers in physical form lodged with the Company on or before 29<sup>th</sup> August, 2013. In respect of shares held in dematerialized mode, the dividend will be payable to those beneficial owners as on the close of business hours on 29<sup>th</sup> August, 2013, as per details furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

### (e) Listing on Stock Exchanges

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



**(f) Stock Code**

BSE Limited - 500095

The National Stock Exchange of India Limited - WYETH

**(g) International Securities Identification Number (ISIN)**

The Company's scrip forms a part of SEBI's Compulsory Demat Segment bearing **ISIN No. INE378A01012**.

**(h) Corporate Identity Number (CIN)**

The Company's CIN, allotted by the Ministry of Corporate Affairs, Government of India, is **L85190MH1947PLC005963**. The Company is registered at Mumbai in the State of Maharashtra, India.

**(i) Address for Correspondence**

All Shareholders' correspondence should be forwarded to Karvy Computershare Private Limited, the Registrar and Transfer Agent of the Company or to the Secretarial Department of the Company at the following addresses.

<b>Registrar and Transfer Agent Address:</b>	<b>Registered Office Address :</b>
Karvy Computershare Private Limited Unit: Wyeth Limited Plot No. 17 – 24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad – 500 081. Toll Free No.: 1-800-3454-001 Tel.: 040 4465 5000 Fax: 040 2342 0814 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>	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 : <a href="http://www.wyethindia.com">www.wyethindia.com</a> E-mail: <a href="mailto:thakorn@wyeth.com">thakorn@wyeth.com</a>

**(j) Share Transfer System**

The Company Secretary / Share Transfer Committee processes and approves the transfer requests received. The Company's Registrar, Karvy Computershare Private Limited has adequate infrastructure to process the share transfers.

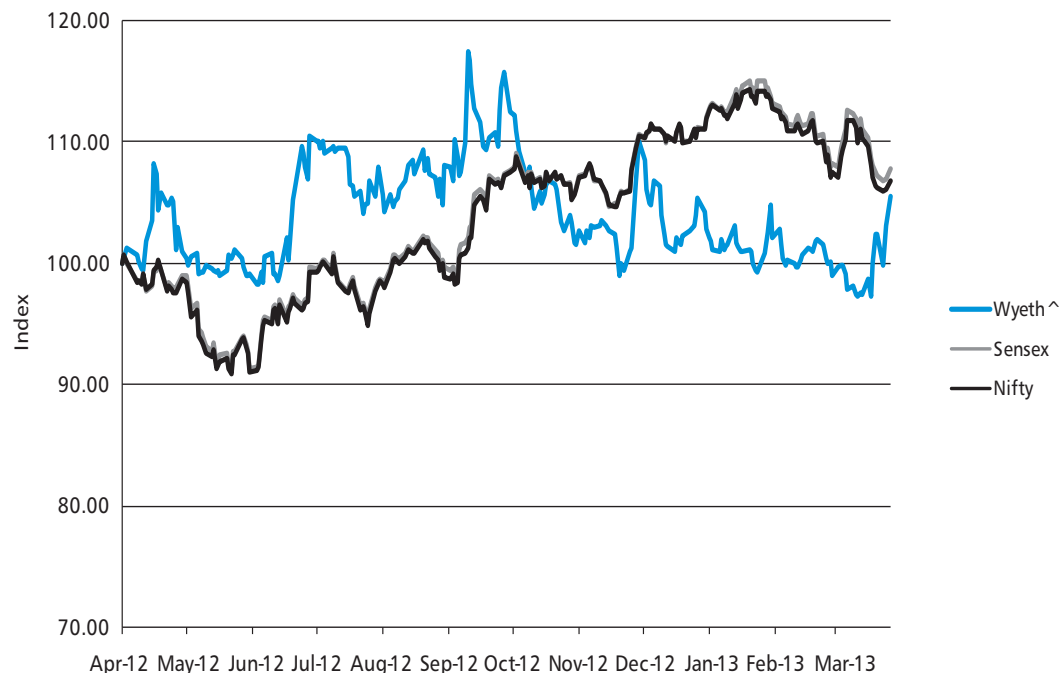
**IX. MARKET PRICE DATA\***

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

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	960.00	820.00	956.60	848.40
May 2012	890.00	845.15	890.00	850.00
June 2012	969.50	842.00	976.95	845.00
July 2012	974.00	890.00	974.95	890.00
August 2012	950.00	893.00	949.85	892.30
September 2012	1,044.40	918.05	1,042.00	920.00
October 2012	990.00	865.00	985.95	860.00
November 2012	989.00	840.00	985.00	841.05
December 2012	973.00	867.00	969.00	863.20
January 2013	917.00	851.30	917.00	846.00
February 2013	940.80	850.00	907.95	844.00
March 2013	945.00	818.00	915.00	832.00



## PERFORMANCE OF WYETH SHARE PRICE TO BROAD BASED INDEX – BSE SENSEX, NIFTY (INDEXED)



\*Source: BSE and NSE Website

^ Wyeth share price on BSE

## X. DISTRIBUTION OF SHAREHOLDING

### (a) Shareholding Pattern as on 31<sup>st</sup> March, 2013:

Category of Shareholder	Number of Shares	Percentage of Shareholding
<b>Promoters (subsidiaries of Pfizer Inc., USA.)</b>		
Wyeth LLC, USA	80,25,296	35.32
Wyeth Holdings Corporation, USA	23,28,806	10.25
John Wyeth & Brother Limited, UK	12,60,000	5.55
<b>Sub-Total</b>	<b>1,16,14,102</b>	<b>51.12</b>
<b>Non-Promoters</b>		
Financial Institutions & Banks	8,21,927	3.62
Foreign Institutional Investors	16,24,870	7.15
Non-Resident Individuals & Corporate Bodies	97,609	0.43
Mutual Funds / UTI	17,48,261	7.69
Domestic Companies	35,17,331	15.48
Resident Individuals	32,80,581	14.44
Others	15,378	0.07
<b>Sub-Total</b>	<b>1,11,05,957</b>	<b>48.88</b>
<b>Total</b>	<b>2,27,20,059</b>	<b>100.00</b>

## (b) Class-wise Distribution of Equity Shares as on 31<sup>st</sup> March, 2013:

Number of Equity shares held	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 to 50	13,554	61.67	3,94,869	1.74
51 – 100	3,147	14.32	2,79,062	1.23
101 – 500	4,458	20.28	9,00,255	3.96
501 – 1000	382	1.74	2,88,892	1.27
1001 – 5000	329	1.50	6,70,168	2.95
5001 – 10000	36	0.16	2,55,935	1.13
10001 and above	72	0.33	1,99,30,878	87.72
<b>TOTAL</b>	<b>21,978</b>	<b>100.00</b>	<b>2,27,20,059</b>	<b>100.00</b>

### Dematerialization of Shares and Liquidity

The shares of the Company form part of the Compulsory Demat Segment. The Company has established connectivity with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar, Karvy Computershare Private Limited.

As on 31<sup>st</sup> March, 2013, the number of shares held in dematerialized and physical mode are as under:

Particulars	Number of Shares	Percentage to Total Capital Issued	Number of Shareholders	Percentage to Total Number of Shareholders
Held in dematerialized mode in NSDL	2,17,88,428	95.90	14,011	63.75
Held in dematerialized mode in CDSL	6,60,625	2.91	3,436	15.63
Physical mode	2,71,006	1.19	4,531	20.62
<b>Total</b>	<b>2,27,20,059</b>	<b>100.00</b>	<b>21,978</b>	<b>100.00</b>

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

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

### Plant Location

Wyeth Limited  
Plot No. L-137, Phase III,  
Verna Industrial Estate,  
Verna – 403 722, Goa.



## XI. NON-MANDATORY REQUIREMENTS:

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

### a) **Remuneration Committee:**

A Remuneration Committee reviews and take decisions on compensation of Executive Directors of the Company. The Chairman of the Remuneration Committee is an Independent Director.

### b) **Whistle Blower Policy:**

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

**For and on behalf of the Board of Directors**

Place: Mumbai

Date: 14<sup>th</sup> May, 2013

**Pradip Shah**

Chairman





## 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 31 March 2013 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

Mumbai  
14 May 2013

**Sanjay Aggarwal**  
*Partner*  
Membership No: 40780

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### Declaration by the Managing Director under Clause 49 of the Listing Agreements 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 31<sup>st</sup> March, 2013.

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

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: 14<sup>th</sup> May, 2013

**Aijaz Tobaccowalla**  
Managing Director



## Independent Auditors' Report

To the Members of  
Wyeth Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Wyeth Limited ('the Company'), which comprise the Balance sheet as at 31 March 2013, the statement of profit and loss and cash flow statement for the year ended 31 March 2013, and summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Basis for Qualified Opinion

*The Government of India has demanded amounts aggregating to Rs. 5,907.72 lakhs (inclusive of total interest of Rs. 4,206.36 lakhs) [previous year Rs. 5,907.72 lakhs (inclusive of total interest of Rs. 4,206.36 lakhs)] from the Company under the Drugs (Prices Control) Order, 1979. As at 31 March 2013, the Company is carrying a cumulative provision of Rs. 240.50 lakhs [previous year Rs. 240.50 lakhs] in respect of such demands. Further the Government of India raised a demand of Rs. 1,726.35 lakhs [previous year Rs. 1,726.35 lakhs] on the Company under Drugs (Prices Control) Order, 1995. The Company has provided and paid amounts aggregating to Rs. 1,287.93 lakhs [previous year Rs. 1,287.93 lakhs] and disputed the balance demand of Rs. 438.42 lakhs (inclusive of interest of Rs. 134.90 lakhs) [previous year Rs. 438.42 lakhs (inclusive of interest of Rs. 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 year ended 31 March 2012 also.*

### Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- i. in case of the Balance sheet, of the state of affairs of the Company as at 31 March 2013;*
- ii. in case of the Statement of profit and loss, of the profit for the year ended 31 March 2013; and*
- iii. in case of the Cash flow statement, of the cash flows for the year ended 31 March 2013.*



## Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Act, 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 purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as 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, Statement of profit and loss and Cash flow statement 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 the directors, as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **B S R & Associates**

*Chartered Accountants*

Firm's Registration No: 116231W

Place: Mumbai

Date: 14 May 2013

**Sanjay Aggarwal**

*Partner*

Membership No: 40780



## Annexure to the Independent Auditors' Report – 31 March 2013

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, no fixed assets were physically verified by the management during the current year. No material discrepancies were noticed in earlier years 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) 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 maintained under Section 301 of The Companies Act, 1956. 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 or arrangements the particulars of which need to be entered into the register 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 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 2013 for a period of more than six months from the date they became payable.



## Annexure to the Independent Auditors' Report – 31 March 2013 (Continued)

- (b) According to the information and explanations given to us, the dues set out in Appendix I in respect of Income-tax, Sales tax, Service tax, Customs duty and Excise duty have not been deposited by the Company with the appropriate authorities on account of disputes.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders 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) 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 guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) As stated in paragraph (iii) above, there are no companies/firms/parties covered in the register required to be maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) *According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except for an instance of fraud on the Company during the year in the nature of irregularities in sales and fictitious collections recorded by one of its distribution agent. Management has fully provided for the estimated financial impact on account of such misappropriations aggregating Rs 1,144 lakhs.*

For **B S R & Associates**

Chartered Accountants

Firm's Registration No: 116231W

**Sanjay Aggarwal**

Partner

Membership No: 40780

Place: Mumbai

Date: 14 May 2013



## Annexure to the Independent Auditors' Report – 31 March 2013 (Continued)

### Appendix I as referred to in paragraph ix (b) of Annexure to the Independent 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	6.42	1998-1999	Additional Commissioner (Appeals)
The Tamil Nadu General Sales Tax Act, 1959	Sales Tax (including penalty) on difference in turnover and exempt sales	22.36	2001-2002	Additional Commissioner (Appeals)
The West Bengal Sales Tax Act, 1994	Sales Tax on stock transfers	53.39	2002-2003	Commissioner (Appeals)
The Andhra Pradesh Value Added Tax Act	VAT including penalty	7.00	2006-2007	Appellate Authority
	Disallowance of input tax credit	3.61	2008-2009	Assistant Commissioner
Orissa Entry Tax	Tax on assessed value of goods at MRP	17.87	2005-2006 to 2008-2009	Appellate Authority
Maharashtra Value Added Tax Act, 2002	Disallowance of sales return	2.30	2008-2009	Deputy Commissioner (Appeals)
The Central Sales Tax Act, 1956	Sales Tax on non-submission of exemption forms	52.29	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	3.50	2005-2006	Appellate Authority
	Sales Tax on non-submission of exemption forms	68.44	2007-2008	Appellate Authority
	Sales Tax on non-submission of exemption forms	34.60	2008-2009	Appellate Authority
	Sales Tax on non-submission of exemption forms and classification issues.	16.63	2009-2010	Joint Commissioner, Commercial tax (Appeals)
	Sales Tax on non-submission of exemption forms	171.52	2008-2009	Joint Commissioner, Commercial tax (Appeals)

## Annexure to the Independent Auditors' Report – 31 March 2013 (Continued)

Name of the Statute	Nature of Dues	Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
	Truck Seizure	9.92	2012-2013	Assistant Commissioner, Commercial Tax
	Truck Seizure	6.87	2012-2013	Assistant Commissioner, Commercial Tax
	Sales Tax on non-submission of exemption forms	9.08	2005-2006	Commercial tax officer
	Sales Tax on non-submission of exemption forms	565.55	2009-2010	Appellate Authority
	Sales Tax on non-submission of exemption forms	1.18	2006-2007	Joint Commissioner, Commercial tax (Appeals)
	Sales Tax on non-submission of exemption forms	3.43	2008-2009	Additional Commissioner of Sales tax
The Central Excise Act, 1944	Excise duty on disputed classification of goods (Animal Health and Nutrition products)	260.00	1975 to 1982, 1986-1987, 1993 and 1997-1998	Assistant Commissioner of Central Excise
	Excise duty on disputed classification of goods (Animal Health and Nutrition products)	115.34	1988 to 1991, 1994-1995 and 1995-1996	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
	Excise duty on disputed classification of goods (Animal Health and Nutrition products)	660.07	1992 to 1997	Commissioner (Appeals)
	Excise duty on alleged under valuation of goods	1.56	1998	Assistant Commissioner of Central Excise
	Excise duty (including interest and penalty) on rejection of refund claimed	8.55	1999	Assistant Commissioner of Central Excise
	Alleged short payment of Excise duty (including penalty) on samples	44.60	1999 to 2002	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)



## BALANCE SHEET AS AT 31 MARCH 2013

Currency: ₹ in lakhs

	Note	31 March 2013	31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	2272.01	2272.01
Reserves and surplus	4	54407.84	45921.16
		<b>56679.85</b>	<b>48193.17</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	250.22	250.22
Other long-term liabilities	6	401.95	861.82
Long-term provisions	7	1122.95	1329.15
		<b>1775.12</b>	<b>2441.19</b>
<b>Current liabilities</b>			
Trade payables	8	14015.13	8076.83
Other current liabilities	9	635.34	871.74
Short-term provisions	10	5908.03	5343.23
		<b>20558.50</b>	<b>14291.80</b>
<b>TOTAL</b>		<b>79013.47</b>	<b>64926.16</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	2414.88	2389.24
Intangible assets	11	-	-
Capital work-in-progress		27.80	181.31
		<b>2442.68</b>	<b>2570.55</b>
Deferred tax assets (net)	12	1288.42	607.84
Long-term loans and advances	13	5443.65	5037.44
		<b>9174.75</b>	<b>8215.83</b>
<b>Current assets</b>			
Inventories	14	18445.81	11998.42
Trade receivables	15	4448.76	5447.91
Cash and bank balances	16	43929.82	36339.20
Short-term loans and advances	17	2555.06	2675.64
Other current assets	18	459.27	249.16
		<b>69838.72</b>	<b>56710.33</b>
<b>TOTAL</b>		<b>79013.47</b>	<b>64926.16</b>
<b>Significant accounting policies</b>	2		
<b>Other notes to the financial statements</b>	3 - 39		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

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

Sanjay Aggarwal  
Partner  
Membership No: 40780

Mumbai, 14 May 2013

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

Chairman : Pradip Shah  
Managing Director : Aijaz Tobaccowalla  
Directors : K. K. Maheshwari  
: D. E. Udwardia  
: S. S. Lalbhai  
: Sekhar Natarajan  
: Vivek Dhariwal  
: S. Sridhar  
: N. N. Thakore

Company Secretary &  
Legal Director

Mumbai, 14 May 2013





## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

	Note	Year ended 31 March 2013	Year ended 31 March 2012
<b>Revenues</b>			
Revenue from operations (gross)		68425.61	60097.40
Less: Excise duty		2304.63	1690.87
Revenue from operations (net)	19	66120.98	58406.53
Other operating income	20	1713.18	446.05
Other income	21	3525.73	3398.48
<b>Total revenues</b>		<b>71359.89</b>	<b>62251.06</b>
<b>Expenses</b>			
Cost of materials consumed	22a & b	9821.47	7265.22
Purchases of stock-in-trade	22c	24286.17	17336.99
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22d	(6855.73)	(3467.47)
Employee benefits	23	4050.13	3819.37
Finance costs	24	54.84	48.08
Depreciation and amortization		265.81	588.40
Other expenses	25	20410.07	16168.78
<b>Total expenses</b>		<b>52032.76</b>	<b>41759.37</b>
<b>Profit before tax</b>		<b>19327.13</b>	<b>20491.69</b>
<b>Tax expense</b>			
Current tax		7002.21	5967.51
Deferred tax		(680.59)	54.78
<b>Profit for the year</b>		<b>13005.51</b>	<b>14469.40</b>
<b>Earnings per share (of ₹10/- each): Basic &amp; diluted</b>		<b>57.24</b>	<b>63.69</b>
<b>Significant accounting policies</b>	2		
<b>Other notes to the financial statements</b>	3 - 39		

### The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

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

Sanjay Aggarwal  
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Membership No: 40780

Mumbai, 14 May 2013

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: N. N. Thakore

Company Secretary &  
Legal Director

Mumbai, 14 May 2013



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

### A. Cash flow from operating activities

	Year ended 31 March 2013	Year ended 31 March 2012
Net Profit before Taxation	19327.13	20491.69
Adjustments for -		
Depreciation and amortization	265.81	588.40
Provision for doubtful trade receivables and advances	1564.42	29.43
Finance costs	54.84	48.08
Unrealised foreign exchange loss/(gain) (net)	83.38	(8.14)
Interest income	(3450.30)	(2841.25)
(Profit)/Loss on sale/retirement of fixed assets (net)	(11.96)	(539.14)

Operating profit before working capital changes

	17833.32	17769.07
Adjustments for -		
(Increase)/Decrease in Trade and other receivables	(496.38)	(1547.88)
(Increase)/Decrease in Inventories	(6447.39)	(4536.34)
Increase/(Decrease) in Trade and other payables	5750.97	2356.42

Cash generated from operations

	16640.52	14041.27
Direct taxes paid (net)	(7408.40)	(6396.79)

Net cash from operating activities (A)

9232.12

7644.48

### B. Cash flow from investing activities

Purchase of fixed assets	(83.75)	(294.70)
Proceeds from sale of fixed assets	12.32	542.17
Interest received	3240.18	2878.72
Net cash from investing activities (B)	3168.75	3126.19

### C. Cash flow from financing activities

Finance costs paid	(59.48)	(32.79)
Dividend Paid (including tax on dividend)	(4750.77)	(1843.93)
Net cash used in financing activities (C)	(4810.25)	(1876.72)
Net increase in cash and cash equivalents (A+B+C)	7590.62	8893.95

Cash and Cash Equivalents at the beginning of the year

36339.20

27445.25

Cash and Cash Equivalents at the end of the year

43929.82

36339.20

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 ₹99.41 lakhs (March 2012 ₹97.12 lakhs) with scheduled banks on current accounts in respect of unpaid dividend, which are not available for use by the Company.
- Previous year 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

Mumbai, 14 May 2013

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

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: S. Sridhar  
: N. N. Thakore

Company Secretary &  
Legal Director

Mumbai, 14 May 2013



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### 1 Background

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

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

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

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.

The Company has its Registered Office in Mumbai, Maharashtra and is listed on BSE Ltd and National Stock Exchange of India Ltd. The Company is engaged in manufacturing, marketing, trading and export of pharmaceuticals and consumer healthcare products. The Company has its own manufacturing facility in Goa and various independent contract / third party manufacturers in India.

### 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.

#### (b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principle (GAAP) in India requires management to make estimates and assumptions that effect the reported amounts of assets, liabilities, income and expense and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimate. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### (c) 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;
- (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:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- 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 and is 12 months for the Company.

### (d) Fixed assets and depreciation / amortization

#### Tangible fixed assets

Tangible 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	8.00 -10.34
Pollution Control Equipment	25.00
Office Equipment	10.34 -12.50
Data Processing Equipment	33.33
Furniture and Fittings	8.00 -10.00
Vehicles	20.00-25.00

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 year of acquisition. Fixed assets costing more than ₹5,000 but up to USD 5,000 are fully depreciated in the 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 fixed 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 year of acquisition.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

**(e) Impairment of Assets**

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

**(f) Inventories**

Inventories are valued at lower of cost or 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-progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of 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. 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 Exchange Transactions**

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

**(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 independent actuary. The actuarial valuation



method used by 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 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.

### **(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 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 2013

Currency: ₹ in lakhs

### 3 Share capital

	31 March 2013		31 March 2012	
	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
<b>Total</b>	<b>22,720,059</b>	<b>2272.01</b>	<b>22,720,059</b>	<b>2272.01</b>

#### Notes:

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

	31 March 2013		31 March 2012	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Balance at the commencement of the year	22,720,059	2272.01	22,720,059	2272.01
Additions	-	-	-	-
Deletions	-	-	-	-
Balance at the end of the year	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 2013		31 March 2012	
	Number of shares	Amount	Number of shares	Amount
<b>Ultimate Holding Company</b>				
Pfizer Inc, USA	-	-	-	-
<b>Subsidiaries of ultimate holding company</b>				
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



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

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

Name of shareholder	31 March 2013		31 March 2012	
	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	5.55%	1,260,000	5.55%
Atul Ltd.	1,369,895	6.03%	1,369,895	6.03%
Bajaj Allianz Life Insurance Company Ltd	1,384,656	6.09%	1,252,065	5.51%

3.4 During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalisation 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.

#### 4 Reserves and surplus

	31 March 2013	31 March 2012
<b>Securities premium account</b>		
At the commencement and end of the year	245.20	245.20
<b>General reserve</b>		
At the commencement of the year	12210.94	10764.00
Add: Transferred from surplus	1300.55	1446.94
At the end of the year	13511.49	12210.94
<b>Surplus</b>		
At the commencement of the year	33465.02	25195.62
Add: Profit for the year	13005.51	14469.40
Less: Appropriations		
Proposed dividend (₹17.00 per share, March 2012 : ₹18.00 per share)	3862.41	4089.62
Tax on dividend	656.42	663.44
Transferred to general reserve	1300.55	1446.94
At the end of the year	40651.15	33465.02
<b>Total</b>	<b>54407.84</b>	<b>45921.16</b>

#### 5 Long-term borrowings (Unsecured)

	31 March 2013	31 March 2012
<b>Loans and advances from related parties</b>		
John Wyeth & Brother Limited, India Branch	250.22	250.22
<b>Total</b>	<b>250.22</b>	<b>250.22</b>

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.





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

### 6 Other long-term liabilities

	31 March 2013	31 March 2012
Security deposits	44.20	504.07
Payable to related parties		
Pfizer Limited	357.75	357.75
<b>Total</b>	<b>401.95</b>	<b>861.82</b>

### 7 Long-term provisions

#### Provision for Employee benefits

Compensated absences [Refer note 23.1]	720.72	781.04
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#### Other provisions

Central Excise and Sales Tax [Refer note 7.1 (a) and (b)]	44.87	44.87
Demands under the Drugs (Prices Control) Order, 1979 [Refer note 7.1 (c)]	240.50	240.50
Sales return [Refer note 7.1 (d)]	66.62	212.50
Fringe benefit tax (Net of taxes paid)	50.24	50.24

<b>Total</b>	<b>1,122.95</b>	<b>1,329.15</b>
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#### 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
Provision for Disputed Demands					
(a) Central Excise					
<b>31 March 2013</b>	<b>37.21</b>	-	-	-	<b>37.21</b>
31 March 2012	37.21	-	-	-	37.21
(b) Sales Tax					
<b>31 March 2013</b>	<b>7.66</b>	-	-	-	<b>7.66</b>
31 March 2012	7.66	-	-	-	7.66
(c) Provision for Demands under the Drugs (Prices Control) Order, 1979					
<b>31 March 2013</b>	<b>240.50</b>	-	-	-	<b>240.50</b>
31 March 2012	240.50	-	-	-	240.50
(d) Sales return					
<b>31 March 2013</b>	<b>212.50</b>	-	-	<b>145.88</b>	<b>66.62</b>
31 March 2012	-	212.50	-	-	212.50
<b>Total</b>					
<b>31 March 2013</b>	<b>497.87</b>	-	-	<b>145.88</b>	<b>351.99</b>
31 March 2012	285.37	212.50	-	-	497.87

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 2013

Currency: ₹ in lakhs

### 8 Trade payables

	31 March 2013	31 March 2012
Micro and small enterprises (Refer note 8.1)	26.15	30.31
Other trade payables	13988.98	8046.52
<b>Total</b>	<b>14015.13</b>	<b>8076.83</b>

#### 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	21.45	26.35
(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	4.70	3.96
(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

Unpaid dividends (Refer note 9.1)	99.41	97.12
Creditors for capital expenditure	5.55	4.88
Statutory remittances	207.41	270.98
Interest accrued on deposits	8.38	13.76
Employee benefits	314.59	485.00
<b>Total</b>	<b>635.34</b>	<b>871.74</b>

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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

	31 March 2013	31 March 2012
<b>10 Short-term provisions</b>		
<b>Provision for employee benefits</b>		
Employee wages and bonus [Refer note 10.1 (a)]	331.12	141.01
Compensated absences [Refer note 23.1]	322.67	203.79
Gratuity [Refer note 23.1]	61.42	32.87
<b>Other provisions</b>		
Sales return [Refer note 10.1 (b)]	673.99	212.50
Proposed dividend [Refer note 10.2]	3862.41	4089.62
Tax on proposed dividend	656.42	663.44
<b>Total</b>	<b>5908.03</b>	<b>5343.23</b>

### 10.1 Additional disclosure relating to certain provisions

	Opening	Additions	Utilisation	Reversal	Closing
a) Employee wages and bonus					
<b>31 March 2013</b>	<b>141.01</b>	<b>190.11</b>	-	-	<b>331.12</b>
31 March 2012	75.63	79.26	(13.88)	-	141.01
b) Sales return					
<b>31 March 2013</b>	<b>212.50</b>	<b>461.49</b>	-	-	<b>673.99</b>
31 March 2012	-	212.50	-	-	212.50
<b>Total</b>					
<b>31 March 2013</b>	<b>353.51</b>	<b>651.60</b>	-	-	<b>1,005.11</b>
31 March 2012	75.63	291.76	(13.88)	-	353.51

### 10.2 Proposed dividend

Amount per share (in ₹)	17	18
Number of shares	22720059	22720059
Amount (₹ in lakhs)	3862.41	4089.62



Currency: ₹ in lakhs

**II Fixed Assets**

	Leasehold land	Buildings	Building on Leasehold Land	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	Total Tangible Assets	Computer Software (Intangible)	Total Intangible Assets	Total Assets
<b>Gross block</b>												
Balance as at 1 April 2011	222.62	67.89	1901.09	4547.42	123.33	273.13	117.30	558.51	7811.29	165.69	165.69	7976.98
Additions	-	-	23.01	290.03	5.71	58.90	26.13	16.99	420.77	-	-	420.77
Disposals	-	11.49	-	-	-	43.86	-	78.78	134.13	-	-	134.13
Balance as at 31 March 2012	222.62	56.40	1924.10	4837.45	129.04	288.17	143.43	496.72	8097.93	165.69	165.69	8263.62
Balance as at 1 April 2012	222.62	56.40	1924.10	4837.45	129.04	288.17	143.43	496.72	8097.93	165.69	165.69	8263.62
Additions	-	-	58.34	222.38	0.41	-	4.67	6.01	291.81	-	-	291.81
Disposals	-	-	-	61.10	2.47	76.69	19.93	1.84	162.03	-	-	162.03
<b>Balance as at 31 March 2013</b>	<b>222.62</b>	<b>56.40</b>	<b>1982.44</b>	<b>4998.73</b>	<b>126.98</b>	<b>211.48</b>	<b>128.17</b>	<b>500.89</b>	<b>8227.71</b>	<b>165.69</b>	<b>165.69</b>	<b>8393.40</b>
<b>Depreciation and impairment losses</b>												
Balance as at 1 April 2011	23.95	41.86	569.65	3703.34	111.12	233.36	102.91	465.20	5251.39	165.69	165.69	5417.08
Depreciation for the year	2.18	2.25	62.67	398.13	12.00	46.73	11.83	52.61	588.40	-	-	588.40
Accumulated depreciation and impairment losses on disposal	-	8.76	-	-	-	43.55	-	78.79	131.10	-	-	131.10
Balance as at 31 March 2012	26.13	35.35	632.32	4101.47	123.12	236.54	114.74	439.02	5708.69	165.69	165.69	5874.38
Balance as at 1 April 2012	26.13	35.35	632.32	4101.47	123.12	236.54	114.74	439.02	5708.69	165.69	165.69	5874.38
Depreciation for the year	2.18	1.88	64.88	123.08	3.38	22.46	7.93	40.02	265.81	-	-	265.81
Accumulated depreciation and impairment losses on disposal	-	-	-	60.90	2.47	76.69	19.77	1.84	161.67	-	-	161.67
<b>Balance as at 31 March 2013</b>	<b>28.31</b>	<b>37.23</b>	<b>697.20</b>	<b>4163.65</b>	<b>124.03</b>	<b>182.31</b>	<b>102.90</b>	<b>477.20</b>	<b>5812.83</b>	<b>165.69</b>	<b>165.69</b>	<b>5978.52</b>
<b>Net Block</b>												
As At 31 March 2012	196.49	21.05	1291.78	735.98	5.92	51.63	28.69	57.70	2389.24	-	-	2389.24
<b>As At 31 March 2013</b>	<b>194.31</b>	<b>19.17</b>	<b>1285.24</b>	<b>835.08</b>	<b>2.95</b>	<b>29.17</b>	<b>25.27</b>	<b>23.69</b>	<b>2414.88</b>	<b>-</b>	<b>-</b>	<b>2414.88</b>

II.1 Buildings include investment in shares of ₹ 0.01 lakhs (March 2012: ₹ 0.01 lakhs) in co-operative housing societies in 2 (March 2012: 2) residential premises.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

### 12 Deferred tax

Tax effect of items constituting deferred tax liability

On difference between book balance and tax balance of fixed assets

Gratuity

Tax effect of items constituting deferred tax assets

Provision for compensated absences and other employee benefits

Provision for doubtful debts / advances and deposits

Compensation under voluntary retirement schemes

Others

**Net deferred tax**

	31 March 2013	31 March 2012
	139.26	97.48
	34.92	48.80
	174.18	146.28
	354.65	319.58
	655.02	116.88
	54.51	60.22
	398.42	257.44
	1462.60	754.12
	1288.42	607.84

### 13 Long-term loans and advances

(Unsecured, considered good unless otherwise stated)

Capital advances

Deposits and other advances considered good (Refer note 13.1)

Considered doubtful

Less: Provision for doubtful deposits and advances

Advance income tax (net of provisions)

Balance with Customs authorities, considered good

Considered doubtful

Less: Provisions

Employee related:

Loans and advances

Contribution in excess of employee benefits liabilities

**Total**

	42.27	96.15
	2558.18	2577.96
	120.76	120.76
	2678.94	2698.72
	(120.76)	(120.76)
	2558.18	2577.96
	2458.97	2052.78
	173.73	73.68
	73.68	-
	247.41	73.68
	(73.68)	-
	173.73	73.68
	46.33	86.08
	164.17	150.79
	5443.65	5037.44

13.1 Includes ₹1753.53 lakhs (March 2012: ₹1753.53 lakhs) deposited in respect of demands under the Drugs (Prices Control) Order, 1979



Currency: ₹ in lakhs

### 14 Inventories

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

Raw materials

2277.88

2695.22

Goods-in transit included above ₹1422.76 lakhs  
(March 2012: ₹153.86 lakhs)

Packing materials

359.31

361.83

Work-in-progress

192.78

124.08

Finished goods (Refer note 14.1)

4264.83

2464.22

Goods-in transit included above ₹67.97 lakhs  
(March 2012: ₹214.79 lakhs)

Stock-in-trade (Refer note 14.1)

11144.70

6172.95

Goods-in transit included above Nil  
(March 2012: ₹373.94 lakhs)

Samples

188.45

173.78

Stores and spares (at cost)

17.86

6.34

**Total**

**18445.81**

**11998.42**

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

Formulations

Tablets and Capsules

4011.95

2749.47

Liquids

632.32

482.11

Parenterals

10181.54

4793.50

Injections

172.34

324.51

Injectibles

-

3.32

Ointments

128.99

33.04

Cosmetics and Toiletries

Liquid and Lotions

470.84

425.00

**15597.98**

**8810.95**



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

### 15 Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they became due for payment

	31 March 2013	31 March 2012
Secured, considered good	9.78	11.66
Unsecured, considered good	77.66	20.08
Doubtful	1701.86	228.09
	<b>1789.30</b>	259.83
Less: Provision for doubtful trade receivables	<b>(1701.86)</b>	(228.09)
	<b>87.44</b>	31.74
Other trade receivables		
Secured, considered good	21.98	418.36
Unsecured, considered good	4339.34	4997.81
Doubtful	102.30	11.32
	<b>4463.62</b>	5427.49
Less: Provision for doubtful trade receivables	<b>(102.30)</b>	(11.32)
	<b>4361.32</b>	5416.17
<b>Total</b>	<b>4448.76</b>	5447.91

### 16 Cash and bank balances

Cash and cash equivalents

Cash on hand	0.86	0.41
Balances with banks		
In current accounts	1529.55	1716.70
In EEFC account	-	21.34
In deposit accounts	42300.00	34503.63
Other bank balances		
Unpaid dividend accounts	99.41	97.12
<b>Total</b>	<b>43929.82</b>	36339.20



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

### 17 Short-term loans and advances

(Unsecured, considered good unless otherwise stated)

	31 March 2013	31 March 2012
Security deposits	290.92	195.98
Balance with Customs and Excise authorities	1158.61	773.79
Advance to suppliers	628.37	1166.57
Employee related:		
Contribution in excess of employee benefits liabilities	-	32.46
Other advances	74.14	143.60
Prepaid expenses	355.45	342.25
Other loans and advances	47.57	20.99
<b>Total</b>	<b>2555.06</b>	<b>2675.64</b>

### 18 Other current assets

Interest accrued on time deposits

**Total**

	459.27	249.16
<b>Total</b>	<b>459.27</b>	<b>249.16</b>

### 19 Revenue from operations

Sale of products (gross) (Refer note 19.1)

Less: excise duty

**Total**

	Year ended 31 March 2013	Year ended 31 March 2012
	68425.61	60097.40
	2304.63	1690.87
<b>Total</b>	<b>66120.98</b>	<b>58406.53</b>

#### 19.1 Sale of products comprises

Formulations

    Tablets and Capsules

    Liquids

    Parenterals

    Injections

    Injectibles

    Ointments

Cosmetics and Toiletries

    Liquid and Lotions

	35247.58	30847.35
	5989.06	5412.75
	21643.58	18968.45
	355.88	297.46
	-	0.96
	315.61	266.75
	2569.27	2612.81
<b>Total</b>	<b>66120.98</b>	<b>58406.53</b>

### 20 Other operating income

Service income

Sale of scrap

Service Tax credit availed

**Total**

	775.39	438.06
	9.21	7.99
	928.58	-
<b>Total</b>	<b>1713.18</b>	<b>446.05</b>





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

### 21 Other income

Interest income :

	Year ended 31 March 2013	Year ended 31 March 2012
On deposits from Bank	3374.25	2833.76
On overdue trade receivables	-	4.27
On income tax refund	74.13	-
On loans to employees	1.92	3.22
Net gain on sale / retirement of fixed assets	11.96	539.14
Miscellaneous income	63.47	18.09
<b>Total</b>	<b>3525.73</b>	<b>3398.48</b>

### 22 Cost of materials consumed

#### 22a Raw materials consumed

Opening stock	2695.22	1732.67
Add: Purchases	7743.39	6587.88
	<b>10438.61</b>	<b>8320.55</b>
Less: Closing stock	2277.88	2695.22
<b>Cost of raw materials consumed (a) (Refer note 22a (i))</b>	<b>8160.73</b>	<b>5625.33</b>

#### 22b Packing materials consumed

Opening stock	361.83	261.85
Add: Purchases	1658.22	1739.87
	<b>2020.05</b>	<b>2001.72</b>
Less: Closing stock	359.31	361.83
Cost of packing materials consumed (b)	1660.74	1639.89
<b>Total cost of materials consumed ( a + b )</b>	<b>9821.47</b>	<b>7265.22</b>

#### 22a(i) Raw material consumed comprises

Prednisolone	5384.25	3067.92
Levonogestrel / Norgestrel	370.24	475.24
Premarin tablets	767.71	407.68
Other items	1638.53	1674.49
	<b>8160.73</b>	<b>5625.33</b>

#### 22c Purchases of stock-in-trade

Tablets and Capsules	2132.86	2434.85
Ointments	401.94	140.07
Parenterals	21463.79	14329.29
Liquids	287.58	432.78
<b>Total</b>	<b>24286.17</b>	<b>17336.99</b>



Currency: ₹ in lakhs

	Year ended 31 March 2013	Year ended 31 March 2012
<b>22d Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year		
Finished goods	4264.83	2464.22
Work-in-progress	192.78	124.08
Stock-in-trade	11144.70	6172.95
Samples	188.45	173.78
	<b>15790.76</b>	<b>8935.03</b>
Inventories at the commencement of the year		
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
	<b>8935.03</b>	<b>5467.56</b>
<b>Net (increase) / decrease</b>	<b>(6855.73)</b>	<b>(3467.47)</b>
<b>23 Employee benefits</b>		
Salaries and wages	3205.50	3054.29
Contributions to provident and other funds (Refer note 23.1)	361.61	427.89
Gratuity (Refer note 23.1)	217.91	69.67
Compensation under voluntary retirement scheme	50.55	45.90
Staff welfare expenses	214.56	221.62
<b>Total</b>	<b>4050.13</b>	<b>3819.37</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

**Currency: ₹ in lakhs**

23.1 Employee Benefits  
The company has classified various employee benefits as under:

- (A) Defined Contribution Plans  
The company has recognised the following amounts in the profit and loss:
- (i) Contribution to provident fund
  - (ii) Contribution to superannuation fund
  - (iii) Contribution to employees' pension scheme
  - (iv) Contribution to employees' state insurance scheme
- (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)
  - (b) Rate of increase in Compensation levels
    - Officers
    - Others
  - (c) Rate of return on Plan assets

	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 March 2013	31 March 2012	31 March 2011	30 November 2009	Year ended 31 March 2009	Year ended 31 March 2009
	190.71	191.33	289.88	131.12	168.95	168.95
	129.60	194.02	293.30	165.95	235.17	235.17
	32.96	33.41	50.86	29.41	52.30	52.30
	8.34	9.13	9.77	2.71	5.24	5.24
	361.61	427.89	643.81	329.19	461.66	461.66
	7.95%	8.65%	8.00%	7.50%	7.75%	7.75%
	9.50%	9.50%	8.00%	8.00%	4.00%	4.00%
	5.00%	5.00%	5.00%	5.00%	4.00%	4.00%
	8.50%	9.50%	8.00%	8.00%	9.40%	9.40%
	Year ended 31st March 2013	Year ended 31st March 2012	Year ended 31st March 2011	30th November 2009	Year ended 31 March 2009	Year ended 31 March 2009
	Encashment and Leave	Encashment and Leave	Encashment and Leave	Encashment and Leave	Encashment and Leave	Encashment and Leave
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
	1249.86	1204.38	1369.74	1117.77	988.57	691.28
	86.15	81.72	115.72	49.16	67.05	53.80
	175.66	164.88	22.95	95.68	85.19	146.65
	(4.96)	-	(271.81)	-	-	-
	(158.82)	(143.47)	(193.83)	(97.23)	(75.84)	(37.30)
	65.25	(57.65)	(33.64)	204.36	52.80	3.81
	1413.14	1249.86	1204.38	1369.74	1117.77	858.24
	1400.24	1364.82	1043.92	1083.96	886.39	-
	109.39	106.86	115.54	52.49	68.88	-
	(0.24)	12.07	20.50	4.70	3.98	-
	6.50	59.96	378.69	-	200.55	-
	-	(143.47)	(193.83)	(97.23)	(75.84)	-
	1515.89	1400.24	1364.82	1043.92	1083.96	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

- (i) Changes in the Present Value of Obligation
  - (a) Opening present value of obligation
  - (b) Interest cost
  - (c) Past service cost
  - (d) Current service cost
  - (e) Settlement cost/(credit)
  - (f) Curtailment cost/(credit)
  - (g) Benefits paid
  - (h) Actuarial loss/(gain)
  - (i) Closing present value of obligation
- (ii) Changes in the fair value of plan assets
  - (a) Opening fair value of plan assets
  - (b) Expected return on plan assets
  - (c) Actuarial gain/(loss)
  - (d) Employers' contributions
  - (e) Benefits paid
  - (f) Closing fair value of plan assets
- (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)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

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	Year ended 31 March 2013		Year ended 31 March 2012		Period ended 31 March 2011		Period ended 30 November 2009		Year ended 31 March 2009	
	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
(iv) Administered by Life Insurance Corporation of India										
Reconciliation of the present value of defined benefit obligation and the fair value of assets										
(a) Closing present value of funded obligation	1413.15	-	1249.86	-	1204.38	-	1369.74	-	100%	-
(b) Closing fair value of plan assets	1515.89	-	1400.24	-	1364.82	-	1043.92	-	1083.96	-
(c) Funded (asset)/liability recognised in the balance sheet (net)	(102.75)	-	(150.38)	-	(160.44)	-	325.82	-	33.81	-
(d) Closing present value of unfunded obligation	-	818.11	-	881.94	-	968.21	-	1141.93	-	858.24
(e) Unrecognised past service cost	-	-	-	-	-	-	-	-	-	-
(f) Unrecognised actuarial (gains)/losses	-	-	-	-	-	-	-	-	-	-
(g) Unfunded net liability recognised in the balance sheet	-	818.11	-	881.94	-	968.21	-	1141.93	-	858.24
(v) Amount recognised in the balance sheet										
(a) Closing present value of obligation	1413.14	818.11	1249.86	881.94	1204.38	968.21	1369.74	1141.93	1117.77	858.24
(b) Closing fair value of plan assets	1515.89	-	1400.24	-	1364.82	-	1043.92	-	1083.96	-
(c) (Asset)/liability recognised in the balance sheet (net)	(102.75)	818.11	(150.38)	881.94	(160.44)	968.21	325.82	1141.93	33.81	858.24
(vi) Expenses recognised in the statement of profit and loss account										
(a) Current service cost	175.66	159.64	164.88	159.20	195.25	206.48	95.68	175.14	85.19	146.65
(b) Past service cost	-	-	-	-	22.95	-	-	-	-	-
(c) Interest cost	86.15	70.74	81.72	69.33	115.72	101.55	49.16	44.09	67.05	53.8
(d) Expected return on plan assets	(109.39)	-	(106.86)	-	(115.54)	-	(52.49)	-	(68.86)	-
(e) Curtailment cost/(credit)	-	-	-	-	-	-	-	-	-	-
(f) Settlement cost/(credit)	-	-	-	-	-	-	-	-	-	-
(g) Net actuarial (gain)/loss	65.49	(194.70)	(70.07)	(238.49)	(54.14)	(158.13)	199.66	78.82	48.82	3.81
(h) Total expenses recognised in the statement of profit and loss account	217.91	35.68	69.67	(9.96)	164.24	149.90	292.01	298.05	132.18	204.26

### Defined Contribution Plan:

During the year, the Company has contributed ₹ 129.60 lakhs (March 2012: ₹ 194.02 lakhs) towards employees' superannuation fund.

### General description of significant defined benefit plans

#### i) Gratuity plan

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

#### 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 2013

Currency: ₹ in lakhs

	Year ended 31 March 2013	Year ended 31 March 2012
<b>24 Finance costs</b>		
Interest expense	54.84	48.08
<b>Total</b>	<b>54.84</b>	<b>48.08</b>
<b>25 Other expenses</b>		
Consumption of stores and spare parts	63.07	26.83
Processing charges	591.00	674.48
Power and fuel	344.59	722.07
Rent	867.41	712.01
Repairs and maintenance - buildings	10.16	35.69
Repairs and maintenance - machinery	154.92	183.88
Repairs and maintenance - Others	17.76	22.99
Insurance	298.62	249.45
Rates and taxes	1152.96	251.60
Communication	178.31	193.10
Travelling and conveyance	810.25	752.17
Printing and stationery	45.94	41.21
Shipping supplies and expenses	1676.69	1467.83
Cash discount	58.84	70.45
Advertisement and sales promotion	2551.70	2674.59
Legal and professional fees	721.00	836.34
Payments to auditors (Refer note 25.1)	47.07	46.44
Provisions for doubtful trade receivables and advances	1564.42	29.43
Net loss on foreign currency transactions and translation	477.18	763.99
Bank charges	49.85	47.81
Service charges	7669.88	5410.61
Commission to non whole time directors	50.00	47.00
Miscellaneous expenses	1008.45	908.81
<b>Total</b>	<b>20410.07</b>	<b>16168.78</b>
<b>25.1 Payment to auditors (inclusive of service tax)</b>		
Audit fees	29.21	29.21
Other services	16.99	16.55
Reimbursement of expenses	0.87	0.68
<b>Total</b>	<b>47.07</b>	<b>46.44</b>



Currency: ₹ in lakhs

### 26 Contingent liabilities 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 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

### Currency: ₹ in lakhs

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 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.



### Currency: ₹ in lakhs

By the Order and Judgment dated 22nd December, 2011 passed by the Division Bench of the Hon'ble Bombay High Court, the said Writ Petition was dismissed and the Notice of Motion taken out by the Company disposed of with the directions that the Company (being the member of OPPI having received the said notice) may file appropriate reply thereto and ultimately on the basis of available record, the Respondents may pass appropriate Orders thereon.

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

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

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

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).

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 2013	31 March 2012
Central Excise, Customs & Service tax	1056.81	1056.81
Income-tax	528.84	344.23
Sales tax	1290.92	2383.89
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

Estimated amount of contracts remaining to be executed on capital account and not provided for	26.74	130.21
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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

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

	As at 31 March 2013		As at 31 March 2012	
	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	77.80	1.43	47.50	1.06
Accounts payable	(9739.31)	(179.41)	(3921.59)	(77.07)
Net receivable/ (payable)	<u>(9661.51)</u>	<u>(177.98)</u>	<u>(3874.09)</u>	<u>(76.01)</u>

28 Value of imports calculated on CIF basis

	Year ended 31 March 2013	Year ended 31 March 2012
Raw materials	5361.40	4286.57
Purchase of Stock in trade	19243.35	12452.51
Others	49.07	0.63
<b>Total</b>	<u>24653.82</u>	<u>16739.71</u>

29 Expenditure in foreign currency (accrual basis)

	2013	2012
Travelling	22.91	31.55
Other matters	4.33	239.90
<b>Total</b>	<u>27.24</u>	<u>271.45</u>

30 Details of consumption of imported and indigenous raw materials

	Amount	%
Imported		
31 March 2013	6679.34	82%
31 March 2012	4026.64	72%
Indigenous		
31 March 2013	1481.39	18%
31 March 2012	1598.69	28%
<b>Total</b>		
31 March 2013	<u>8160.73</u>	<u>100%</u>
31 March 2012	5625.33	100%



Currency: ₹ in lakhs

### 31 Earnings in foreign exchange

	Year ended 31 March 2013	Year ended 31 March 2012
Export of goods calculated on FOB basis	148.02	75.27
[excluding export of ₹ 224.22 lakhs to Nepal (March 2012 ₹160.43 lakhs)]		
Freight	1.26	3.22
Insurance	0.04	0.40
Others	2.97	25.88

### 32 Amounts remitted in foreign currency during the year

	2013	2012
Amount of dividend remitted in foreign currency	2090.54	812.99
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 2012 Final dividend	31 March 2011 Final dividend

### 33 Segment Information

#### (A) Information in respect of Primary Segments

##### (I) Segment Revenue

Pharmaceuticals	64151.59	55565.00
Others	3758.00	3845.00
	<b>67909.59</b>	<b>59410.00</b>

##### (II) Segment Result

Pharmaceuticals	15531.83	17724.87
Others	400.00	(26.35)
Operating Profit	15931.83	17698.52
Interest Expense	(55.00)	(48.08)
Interest Income	3450.30	2841.25
Provision for Taxation	(6321.62)	(6022.29)
Profit after Taxation	<b>13005.51</b>	<b>14469.40</b>

##### (III) Other Information

##### (a) Segment Assets

Pharmaceuticals	32474.98	26615.25
Others	973.10	1150.28
	<b>33448.08</b>	<b>27765.53</b>
Unallocated Corporate Assets	46714.22	37306.91
	<b>80162.30</b>	<b>65072.44</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

	Year ended 31 March 2013	Year ended 31 March 2012
<b>(b) Segment Liabilities</b>		
Pharmaceuticals	17865.05	11297.68
Others	651.85	381.79
	<b>18516.90</b>	<b>11679.47</b>
Unallocated Corporate Liabilities	4965.55	5199.79
	<b>23482.45</b>	<b>16879.26</b>
<b>(c) Capital Expenditure</b>		
Pharmaceuticals	138.00	424.71
Others	0.30	26.35
	<b>138.30</b>	<b>451.06</b>
<b>(d) Depreciation and Impairment Loss</b>		
Pharmaceuticals	255.90	570.03
Others	9.91	18.37
	<b>265.81</b>	<b>588.40</b>
<b>(B) Information in respect of Secondary Segments</b>		
<b>(I) Segment Revenue (Sales to External Customers)</b>		
India	67537.35	59174.30
Other Countries	372.24	235.70
	<b>67909.59</b>	<b>59410.00</b>
<b>(II) Carrying amount of Segment Assets</b>		
India	80162.30	65072.44
Other Countries	-	-
	<b>80162.30</b>	<b>50066.35</b>
<b>(III) Capital Expenditure</b>		
India	138.30	451.06
Other Countries	-	-
	<b>138.30</b>	<b>451.06</b>

Notes:

- (a) The primary segment 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 segments comprise of Formulations which includes 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.



Currency: ₹ in lakhs

	Year ended 31 March 2013	Year ended 31 March 2012
(c) Segment Revenue comprises of -		
Sales	66120.98	58406.53
Other operating income	1713.18	446.05
Other income excluding interest income	75.43	557.42
	<b>67909.59</b>	<b>59410.00</b>

The segment revenues are from external customers

- (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.

### 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 International LLC.
    - Wyeth Canada
    - Pfizer Limited
    - Wyeth Medica Ireland - Grange Castle
    - Pfizer Products India Private Limited
    - Pfizer Pharmaceutical India Private Limited
    - Wyeth Pharmaceutical Co Ltd.
    - Wyeth Pharmaceuticals Inc.
    - Wyeth Regional Manufacturing (Singapore) Pte. Ltd.
    - Wyeth Pharmaceuticals India Private Limited
    - Wyeth ( Singapore) Pte Ltd
    - Pfizer Pharmaceuticals LLC
    - Pfizer Animal Health India Limited
    - Pfizer Animal Pharma Private Limited
    - Pfizer Canada Inc.
    - Pfizer Singapore Trading Pte Limited
    - Pfizer Export Company, Ireland
    - Pfizer (Thailand) Limited
    - Pfizer Mexico
    - Pfizer Private Limited,Singapore
    - Pfizer International LLC

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

(b) Key Management Personnel	Kewal Handa ( upto 15 August 2012)
	Aijaz Tobaccowalla ( w.e.f 16 August 2012)
	S. Sridhar ( w.e.f 21 May 2012)
	A. W. Khandekar (upto 3 May 2011)

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

	Year ended 31 March 2013	Year ended 31 March 2012
<b>(a) Holding Company</b>		
<b>Dividend paid</b>	1444.55	561.77
<b>Balance as at the year end -</b>		
Outstanding Receivable	22.12	20.73
Outstanding Payable	107.59	100.85
<b>(b) Fellow Subsidiaries</b>		
<b>Dividend paid</b>		
John Wyeth & Brother Limited	226.80	88.20
Wyeth Holdings Corporation	419.19	163.02
	<u>645.99</u>	<u>251.22</u>
<b>Purchase of Raw Materials</b>		
Wyeth Ayerst International LLC	-	90.71
Wyeth Medica Ireland	-	155.99
Pfizer Export Company Ireland	630.01	-
	<u>630.01</u>	<u>246.70</u>
<b>Purchase of Finished Goods</b>		
Wyeth Ayerst Lederle Inc.	-	1856.29
Wyeth Pharmaceuticals	-	25.55
Pfizer Export Company	14587.55	9334.61
Wyeth Canada	175.73	106.66
Pfizer Singapore PTE	3132.51	1136.73
Pfizer Pharmaceuticals LLC	1263.12	185.33
Pfizer Canada	180.96	-
Pfizer Limited	-	100.75
	<u>19339.87</u>	<u>12745.93</u>



Currency: ₹ in lakhs

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

	Year ended 31 March 2013	Year ended 31 March 2012
<b>(b) Fellow Subsidiaries (contd)</b>		
<b>Sale of Finished Goods</b>		
Pfizer Limited	11.43	14.49
	<u>11.43</u>	<u>14.49</u>
<b>Reimbursement of Expenses</b>		
Pfizer Limited	274.97	343.41
Wyeth Pharmaceuticals Inc.	77.42	209.99
	<u>352.39</u>	<u>553.41</u>
<b>Service Charges</b>		
Pfizer Limited	7669.88	5410.61
	<u>7669.88</u>	<u>5410.61</u>
<b>Recovery of Expenses</b>		
Wyeth Ayerst International LLC	60.16	58.99
Pfizer Products India Private Limited	16.27	30.95
John Wyeth & Brother Limited	15.47	0.05
Pfizer Pharmaceuticals India Private Limited	3.52	8.98
Pfizer Limited	3.69	0.82
Pfizer International LLC	19.24	-
Pfizer Animal Pharma Private Limited	0.81	-
Pfizer Private Limited Singapore	0.66	1.71
Pfizer (Thailand) Limited	0.60	-
Pfizer Mexico	-	2.46
	<u>120.42</u>	<u>103.95</u>
<b>Service Income (including Service Tax)</b>		
Pfizer Limited	530.20	285.46
Pfizer Products India Private Limited	254.35	-
Pfizer Pharmaceuticals India Private Limited	74.65	176.45
Wyeth Pharmaceuticals India Private Limited	18.48	9.81
	<u>877.68</u>	<u>471.72</u>
<b>Others</b>		
Pfizer Products India Private Limited	10.29	-
Pfizer Animal Health India Limited	7.07	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Currency: ₹ in lakhs

	Year ended 31 March 2013	Year ended 31 March 2012
<b>(b) Fellow Subsidiaries (contd)</b>		
	<b>17.36</b>	-
<b>Balances as at the year end</b>		
<b>Outstanding Receivables</b>		
John Wyeth & Brother Limited	18.22	2.75
Wyeth Ayerst International LLC	200.23	146.77
Wyeth Pharmaceuticals India Private Limited	21.45	6.19
Pfizer Limited	61.11	991.98
Pfizer Pharmaceuticals India Private Limited	-	15.80
Pfizer Mexico	2.71	2.54
Pfizer Products India Private Limited	39.49	4.54
Pfizer International LLC	19.50	-
Wyeth Regional Manufacturing ( Singapore) Pte Limited	9.48	0.04
Wyeth Canada	0.15	0.14
Pfizer Animal Pharma Private Limited	0.33	-
Pfizer Private Limited Singapore	-	1.79
Wyeth Singapore Pte Limited	-	2.50
	<b>372.67</b>	1175.05
<b>Outstanding Payables</b>		
John Wyeth & Brother Limited	250.22	250.22
Wyeth Pharmaceuticals	138.13	133.50
Pfizer Export Company	7658.95	2785.96
Pfizer Limited	1921.19	2356.97
Pfizer Singapore PTE	1795.83	236.30
Pfizer Pharmaceuticals LLC	-	125.02
Wyeth Canada	48.25	36.37
Wyeth Pharmaceuticals Co Ltd	-	28.17
	<b>11812.57</b>	5952.51
<b>(c) Key Management Personnel</b>		
Remuneration to A.W.Khandekar	-	11.85
	-	11.85



Currency: ₹ in lakhs

### 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

	Year ended 31 March 2013	Year ended 31 March 2012
not later than one year	1019.52	-
later than one year and not later than five years	92.96	-
later than five years	-	-
Lease payments recognised in the statement of Profit and Loss	865.26	709.86

### 36 Earnings per share (Basic and Diluted)

Net profit for the year

Weighted average number of equity shares

Par value per share

Earnings per share - Basic and diluted

Net profit for the year	13005.51	14469.40
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	57.24	63.69

### 37 Expenditure on Research and Development

Capital

Revenue

**Total**

Capital	-	-
Revenue	107.91	112.57
<b>Total</b>	<b>107.91</b>	<b>112.57</b>

### 38 Employee Stock Option Scheme

The employees of the Company have been issued 25,736 (2012: 23,850) Share Options and 5,147 (2012: 4,770) 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 31st March 2013 amounts to ₹32.52 lakhs (2012: ₹57.37 lakhs). These amounts have not been charged to the Company by Pfizer Inc.

### 39 Previous year figures

The previous year 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

Managing Director

Directors

: Pradip Shah

: Aijaz Tobaccowalla

: K. K. Maheshwari

: D. E. Udwardia

: S. S. Lalbhai

: Sekhar Natarajan

: Vivek Dhariwal

: S. Sridhar

: N. N. Thakore

Company Secretary &

Legal Director

Mumbai, 14 May 2013

Mumbai, 14 May 2013





## WYETH LIMITED

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

### CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

Dear Shareholders,

The Ministry of Corporate Affairs has announced a 'Green Initiative in Corporate Governance' thereby allowing paperless compliance through electronic mode. Your 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 registered e-mail addresses of shareholders. Please note that as a shareholder, you will be entitled to receive physical copies of all notices and documents free of cost, upon specific request to the Company.

The Annual Report and the Notice of General Meetings and other documents will also be available on the Company's website at [www.wyethindia.com](http://www.wyethindia.com).

Shareholders wishing to receive the Annual Report and other documents in electronic mode, are requested to fill the form below and send the same to our Registrar and Transfer Agent viz. **Karvy Computershare Private Limited, Plot No. 17-24, Vittalrao Nagar, Near Image Hospital, Madhapur, Hyderabad - 500 081**. The Company will not be in a position to send the documents in electronic mode unless the duly filled in form below is received.

Shareholders holding shares in the dematerialized mode and wishing to receive the Annual Report and other documents in electronic mode are requested to fill the form below and send the same to Karvy Computershare Private Limited and also register their e-mail ID with the Depository Participants where their Demat account is maintained.

**WYETH LIMITED**

**N. N. Thakore**  
Company Secretary &  
Legal Director

Place: Mumbai  
Date: 14<sup>th</sup> May, 2013

## WYETH LIMITED

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

### CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC FORM

I/We agree to receive documents in electronic mode pursuant to the 'Green Initiative' by the Ministry of Corporate Affairs vide Circular dated 29<sup>th</sup> April, 2011. Please register the e-mail ID mentioned below.

1. **Name(s) of Shareholder(s)** : \_\_\_\_\_  
(including joint holders, if any) \_\_\_\_\_
2. **No. of Shares held** : \_\_\_\_\_
3. **Registered Folio No. / DP ID & Client ID No.** : \_\_\_\_\_
4. **E-mail ID for receipt of documents in electronic mode** :

Place : \_\_\_\_\_

\_\_\_\_\_  
(Signature of First holder)

Date : \_\_\_\_\_

\_\_\_\_\_  
(Name of First holder)

For Physical shares : Kindly send to Karvy Computershare Private Limited.

For Demat shares : Kindly send to Karvy Computershare Private Limited and also register the e-mail ID with the Depository Participant where demat account is being maintained.

## 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:**

I hereby record my presence at the 65<sup>th</sup> Annual General Meeting of the Company on Friday, 6<sup>th</sup> September, 2013, 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 65<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday, 6<sup>th</sup> September, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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.



## SELECT FINANCIAL DATA

(₹ in Lakhs)

Description	March 2013	March 2012	March 2011 (16 months)	November 2009 (8 months)	March 2009	March 2008	March 2007	March 2006	March 2005	March 2004
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### SALES & EARNINGS

Sales	66121	58407	63648	28636	38265	33132	28813	28729	25550	31351
Other Income (operating & other)	5239	3845	2468	1004	2151	1900	1509	2030	4302	892
Profit before Tax	19327	20492	23567	8172	14236	11776	11111	8387	4604	6791
Profit after Tax	13006	14469	16529	5901	9967	8148	9243	6874	4296	5674
Prior year expenses & tax adjustments	-	-	-	-	-	-	7	102	396	(217)
Dividend	3862	4090	4998	4544	7384	6816	6816	5680	4544	2272
Balance in the Profit & Loss Account	40651	33465	25196	16124	16130	15799	16440	16102	16484	18161

### ASSETS

Fixed Assets - Gross	8393	8264	7977	8077	8054	7680	7554	7654	8963	11333
- Net	2443	2571	2711	3264	3887	4193	4403	4736	5264	6762
Investments	-	-	-	-	-	24	24	24	24	24
Net Current Assets	49280	42418	32136	24045	22977	21140	20408	18653	17348	17979
Net Non Current Assets	3919	2846	3217	-	-	-	-	-	-	-
Deferred tax Assets - Net	1288	608	663	693	554	733	1082	1381	1863	1020
Miscellaneous expenditure	-	-	-	-	-	-	-	-	-	-
Total Assets - Net	56930	48443	38727	28002	27418	26090	25916	24794	24499	25785

### REPRESENTED BY

Net Worth	56680	48193	38477	27752	27168	25840	25666	24544	24249	25535
Share Capital	2272	2272	2272	2272	2272	2272	2272	2272	2272	2272
Reserve & Surplus	54408	45921	36205	25480	24896	23568	23394	22272	21977	23263
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	56930	48443	38727	28002	27418	26090	25916	24794	24499	25785

### RATIOS

Profit before tax to Sales (%)	29.23	35.08	37.03	28.54	37.20	35.54	38.56	29.19	18.02	21.66
Profit after tax to Sales (%)	19.67	24.77	25.97	20.61	26.05	24.59	32.08	23.93	16.81	18.10
Earning per equity share (₹)	57.24	63.69	72.75	25.97	43.87	35.86	40.65	29.80	17.17	25.93
Book Value of equity share (₹)	249.47	212.12	169.35	122.15	119.58	113.73	112.97	108.03	106.70	112.39
Dividend per equity share (₹)	17.00	18.00	22.00	20.00	32.50	30.00	30.00	25.00	20.00	10.00
Net Fixed Assets to Net Worth (%)	4.31	5.33	7.05	11.76	14.31	16.23	17.15	19.30	21.71	26.48

# Key Products and Therapeutic Categories

## Inflammation

This portfolio includes products that are prescribed for inflammatory disorders like arthritis, asthma, and allergic disorders.



## Gastrointestinal

This is prescribed to cover acid peptic disorders.



## Women's Health Care

Women's Health Care products are prescribed for contraception, anemia, nutrition and menopausal symptoms.



*Disclaimer: Products are displayed for illustration purposes only and strictly to provide information to the shareholders of the Company. This is not, and should not be, considered to be a promotion or substitute to competent medical advice. Please consult your Doctor for professional medical advice before use or consumption of any of these products.*

## Anti-infectives

This portfolio comprises various antibiotics for treatment of infections like skin and soft tissue infections, rheumatic fever, intra-abdominal infections, and respiratory tract infections.



## Vaccines

This vaccine is prescribed to protect against pneumococcal disease in adult and pediatric populations.



## Neuroscience

This portfolio comprises products prescribed for disorders of the nervous system



Wyeth Limited  
A subsidiary of Pfizer Inc.

Level 6, Platina,  
Plot No. C - 59, 'G' Block,  
Bandra - Kurla Complex,  
Bandra (E),  
Mumbai 400 098.  
[www.wyethindia.com](http://www.wyethindia.com)

[www.sapprints.com](http://www.sapprints.com)

## OUR VALUES



customer focus



community



respect for people



performance



collaboration



leadership



integrity



quality



innovation



**Wyeth Limited\***

Registered Office :  
 Level 6, Platina, Plot No. C-59, G-Block,  
 Bandra-Kurla Complex,  
 Bandra (East), Mumbai - 400 098. INDIA  
 Tel : 91-22-2657 4000 Fax : 91-22-2657 4100

\*(A subsidiary of Pfizer Inc.)

# Wyeth

## FORM B

### Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Wyeth Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit qualification	<p><b>Qualified opinion</b></p> <p><i>The Government of India has demanded amounts aggregating to Rs. 5,907.72 lakhs (inclusive of total interest of Rs. 4,206.36 lakhs) [previous year Rs. 5,907.72 lakhs (inclusive of total interest of Rs. 4,206.36 lakhs)] from the Company under the Drugs (Prices Control) Order, 1979. As at 31 March 2013, the Company is carrying a cumulative provision of Rs. 240.50 lakhs [previous year Rs. 240.50 lakhs] in respect of such demands. Further the Government of India raised a demand of Rs. 1,726.35 lakhs [previous year Rs. 1,726.35 lakhs] on the Company under Drugs (Prices Control) Order, 1995. The Company has provided and paid amounts aggregating to Rs. 1,287.93 lakhs [previous year Rs. 1,287.93 lakhs] and disputed the balance demand of Rs. 438.42 lakhs (inclusive of interest of Rs. 134.90 lakhs) [previous year Rs. 438.42 lakhs (inclusive of interest of Rs. 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 year ended 31 March 2012 also.</i></p>

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4.	Frequency of qualification	Based on the earliest available records, the qualification has been in existence since 1991 (the Company was then known as Cyanamid India Limited). Amounts differ.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Auditors' Comments: As detailed in point 3 above.</p> <p>Management Response (As mentioned on Page 10 of the Annual Report submitted herewith):</p> <p>The claims under the Drug Prices Equalization Account and the comments of the Auditors (as detailed in point 3 above) regarding the amount payable into the Drug Prices Equalization Account in respect of De-methyl Chlor Tetracycline, Chlor Tetracycline Hydrochloride, Tetracycline Hydrochloride, Dexamethasone, Amoxycillin Trihydrate, Benzathine Penicillin G and their formulations and claims by the Government regarding non-compliance with respect to prices fixed under para 8 of the Drugs (Prices Control) Order, 1995 for Prednisolone based formulations have been explained in Notes 26(i)(a) and (b) to the Accounts on page nos. 58, 59 and 60 of the Annual Report.</p> <p>Further, the management is of the opinion that an early resolution of this issue by the Government will provide much needed clarity for the future. The Company has made detailed submissions to the Government.</p>

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6. Additional comments from the board/audit committee chairman	The Company has filed Writ Petitions before Bombay High Court and the matters are sub judice.
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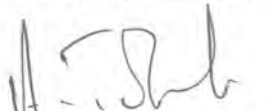
For B S R & Associates  
Chartered Accountants  
Firms Registration No: 116231W

  
**Sanjay Aggarwal**  
Partner  
Membership No: 40780

For Wyeth Limited

  
**Sekhar Natarajan**  
Chairman of the Audit Committee

For Wyeth Limited

  
**Aijaz Tobaccowalla**  
Managing Director

For Wyeth Limited

  
**Pragnesh Shah**  
Acting Chief Financial Officer

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013