

PFIZER LIMITED

MINUTE BOOK

MINUTES OF THE 62ND ANNUAL GENERAL MEETING OF THE MEMBERS OF PFIZER LIMITED HELD AT YASHWANTRAO CHAVAN PRATISHTHAN AUDITORIUM, GENERAL JAGANNATH BHOSALE MARG, NEXT TO SACHIVALAYA GYMKHANA, MUMBAI – 400021 ON FRIDAY, SEPTEMBER 6, 2013 AT 3.00 P.M.

Present:

Mr. R.A. Shah	-	Chairman
Mr. Aijaz Tobacowalla	-	Managing Director
Mr. Pradip Shah	-	Director
Mr. Uday Khanna	-	Director
Mr. Vivek Dhariwal	-	Director
Mr. S. Sridhar	-	Director
Mr. Sadashiv Shetty	-	Partner, B S R & Co. Statutory Auditors
Mr. Prajeet Nair	- -	Company Secretary

229 members were present in person as per the attendance slips submitted at the meeting and 35 members were present by proxy.

5 Corporate representations for 2,11,13,171 shares representing 70.75% of the Equity Shares Capital of the Company were laid before the Meeting.

The Proxy Register together with the Proxies and the Register of Directors' Shareholdings were tabled.

The requisite quorum being present, the Chairman called the meeting to order and welcomed the members of the Company. The Chairman thereafter introduced the Directors present, the Company Secretary and the Statutory Auditor of the Company to the members.

With the consent of the members present, the Notice convening the meeting was taken as read. At the request of the Chairman, Mr. Prajeet Nair, Company Secretary read out the Auditors' Report to the members.

The Chairman in his speech stated that the year under review was characterized by change with new strategies and sharper focus on performance. He stated that the Company has realigned the portfolio and products to a new therapeutic model to three business units to drive better customer relations and improved efficiency.

The Chairman stated that as per IMS, the pharmaceutical Industry growth had slowed down considerably from 16.5% in the previous year (MAT March 2012) to about 10.2% (MAT March 2013). Referring to the financial performance for the year under review, the Chairman stated that the financial results were not comparable due to divestment of animal health business by the Company on April 2, 2012. He briefed the members about

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the financial highlights of the Company for the year under review and stated that the pharmaceutical sales for the year under review had grown by 4% from Rs.883 Crores in the previous year to Rs.915 Crores.

The Chairman briefed the members about the challenges faced by the economy in general and the pharmaceutical industry in particular. He stated that the year 2012-2013 had been the most tumultuous year for innovative pharmaceutical industry mainly on account of challenging patent environment which threatened the discovery of new medicines and cures for the unmet medical needs of the Country.

The Chairman briefed the members about the impact and challenges on implementation of the new drug price control regulation introduced by the government. He stated that Company would strive to mitigate the negative impact of price reduction by expanding coverage of key specialties and by emphasizing on greater affordability of affected products. The Chairman stated that though India's healthcare spend is the lowest amongst the BRIC countries, the outlook for the Industry remains attractive but challenging.

The Chairman thanked the members for their support and encouragement to help the Company achieve its shared growth.

The Chairman thereafter requested the Managing Director to make his presentation to the members.

The Managing Director, Mr. Aijaz Tobaccowalla presented the highlights of the performance of the Company for the year under review and stated that the pharmaceutical segment has registered a modest growth of 4% which was mainly due to the moderate performance of the top brands of the company. He stated that the pharmaceutical profit grew at 6% in line with the revenue growth.

Mr. Tobaccowalla briefed the members about the challenges being faced by the pharmaceutical industry. He informed the members that the new pharmaceutical pricing policy came into effect from May 2013. He explained to the members the various implementation challenges faced by the companies and difficulties at the trade level.

Mr. Tobaccowalla explained to the members the recent regulatory changes impacting the operating environment of the pharmaceutical industry. Mr. Tobaccowalla explained the market dynamics and competitive outlook for the pharmaceutical industry and commented that the market is likely to slow down in the short term.

Referring to the financial highlights, Mr. Tobaccowalla stated that during the year under review, the Company divested the animal health business to its wholly owned subsidiary and thereafter sold the investment in the subsidiary. He stated that the gain on sale of animal health business was

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Rs.382.5 Crores and the gain on sale of investment in the subsidiary has resulted in a further gain of Rs.31.6 Crores. Mr.Tobaccowalla also touched upon the performance of the top brands of the company during the year under review.

Referring to Quarter 1 of the year 2013-14, Mr.Tobaccowalla stated that the Company has restructured its business units based on therapeutic areas to three business units. Mr.Tobaccowalla briefed the members the financial highlights for the first quarter and was happy to share that the profits for the first quarter grew by 26% mainly due to various cost control measures.

The Chairman thanked the Managing Director for a very lucid presentation and then proceeded with the business of the Meeting.

Resolution No. 1 as an Ordinary Resolution:

The Chairman, thereafter, moved the resolution in respect of Adoption of the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the financial year ended March 31, 2013 and the Reports of the Directors and Auditors thereon as an Ordinary Resolution. Mr. B.G. Parikh proposed the said resolution and was seconded by Mr. Jayesh Manek.

“RESOLVED THAT the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the financial year ended March 31, 2013 and the Reports of the Directors and Auditors thereon now placed before this meeting be and are hereby approved and adopted.”

Before the Resolution was put to vote, the Chairman invited questions or observations from the members on the audited accounts of the Company.

The members who addressed the meeting included Ms. Asha Lata Maheshwari, Ms. Shobhana Mehta, Mr. B. V. Joshi, Mr. Seshan Krishnamoorthy, Mr. Hiranand Kotwani, Mr. Ronald Fernandes, Mr. Suresh Kamath, Mr. Gulshan Chinwala, Mr. N.V. Jhaveri, Mr. Yusuf Rangwala, Mr. Jayesh Manek and Mr. Vinitkumar Parikh. The members raised the following queries and observations:

- The members complimented the Secretarial Department for the informative and colorful annual report.
- The members also complimented the Management for the good results in spite of challenging economic conditions and slow down in the market. The members also thanked the management for declaring 325% dividend.
- The shareholders welcomed the new Managing Director Mr.Tobaccowalla and Executive Director, Mr. S.Sridhar.

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- The members enquired whether the Company has any plans to issue bonus shares and suggested that the Company should declare increased dividend.
- The members requested for clarification as to why there were large numbers of pending litigations appearing in the annexure to the auditor's report.
- The members enquired whether the Company made payment of royalty to its parent company.
- The members wanted to know the number of products of the Company under price control.
- The members sought clarification on the rationale behind the sale of animal health business.
- One of the members requested the view of the company on the current economic turmoil and on the declining rupee.

The Chairman thanked the members for attending the Annual General Meeting. He appreciated all the comments, suggestions and queries given by the members and also thanked them for their whole-hearted participation.

Replying to queries on increase in dividend the Chairman informed the members that the Company believes in conservation of resources and preferred to use plough back profit for growth and promotion of the business of the Company. He added that the Board would consider bonus at the appropriate time. He informed the members that, about 2% of the Company's products were under price control, consisting of 9 products and 14 stock keeping units.

Replying to the queries on payment of royalty to the parent company, the Chairman stated that Company does not pay royalty on its products to its parent company except for one product.

The Chairman informed the members that the disputes appearing as part of the auditor's report relate to various direct and indirect tax disputes pending before various levels of assessment. He added that many disputes relate to legacy entities pertaining to erstwhile Parke, Davis India Ltd. and Pharmacia Healthcare Ltd.

The Chairman stated that animal health business was sold to the subsidiary company as part of global sale of animal health business. He added that the sale to subsidiary was a pre-step before the final sale to a separate animal health company. He added that these steps enabled the company to make substantial profit out of the sale of the said business.

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Referring to the queries on economic forecast, the Chairman requested Mr. Pradip Shah to reply to the shareholders. Mr. Pradip Shah gave an overview of the economic scenario and the factors that contributed to the currency depreciation. He stated that the government needs to take various initiatives to reduce the spent on foreign currency and to tackle current account deficit and currency depreciation.

Thereafter, the Chairman put the Resolution to vote by show of hands. The Chairman declared the resolution as carried *nem con*.

Resolution No. 2 as an Ordinary Resolution:

The following resolution was proposed by Mr. Sudhir Parekh and was seconded by Mr. Gulshan Chinwala.

“RESOLVED THAT pursuant to the recommendation of Board of Directors at the meeting held on May 14, 2013, the dividend for the financial year ended March 31, 2013 at the rate of Rs.32.50 per equity share (325%) be and is hereby declared out of the profits available for distribution for the financial year ended March 31, 2013 and that the said dividend be paid to those equity shareholders whose names appear on the Register of Members of the Company as on the Record Date.”

The Chairman put the Resolution to vote by show of hands. The Chairman declared the resolution as carried *nem con*.

Resolution No. 3 as an Ordinary Resolution:

At this point of time, Mr. R.A. Shah requested Mr. Aijaz Tobaccowalla to take the Chair. The following Resolution was proposed by Mr. B.V. Joshi and was seconded by Ms. Asha Lata Maheshwari.

“RESOLVED THAT Mr. R.A. Shah, Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Mr. Tobaccowalla put the Resolution to vote by show of hands. He declared the resolution as carried *nem con*.

Mr. R.A. Shah thereafter resumed the Chair.

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Resolution No. 4 as an Ordinary Resolution:

The following Resolution was proposed by Mr. B.V. Joshi and was seconded by Mr. P. Sampat.

“RESOLVED THAT M/s. B S R & Co., Chartered Accountants, 1st Floor, Lodha Excelus, Appollo Mills Compound, N.M. Joshi Marg, Mahalakshmi, Mumbai - 400011 (Registration No. 101248W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as the Board of Directors may deem fit.

RESOLVED FURTHER THAT the Auditors be reimbursed the actual traveling expenses including taxes and out-of-pocket expenses for auditing the accounts of the Company for the financial year ending 31st March, 2014.”

The Chairman put the Resolution to vote by show of hands. The Chairman declared the resolution as carried *nem con*.

Resolution No. 5 as an Ordinary Resolution:

The following Resolution was proposed by Mr. Sudhir Parekh and seconded by Mr. Suresh Kamath.

“RESOLVED THAT Mr. S. Sridhar who holds office as Additional Director of the Company up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (“the Act”) and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

The Resolution was put to vote by show of hands and was carried with *nem con*.

Resolution No. 6 as an Ordinary Resolution:

The following Resolution was proposed by Mr. Hiranand Kotwani and was seconded by Ms. Asha Lata Maheshwari.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) read with Schedule XIII to the Act, consent of the Company be and is hereby accorded to the appointment of Mr. S. Sridhar as a Whole-time Director of the Company for a period of 5 years with effect from 14th May, 2013 and to

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his receiving remuneration, payments, perquisites, benefits and amenities from that date as given below:

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

The aggregate of Salary, Fixed Allowances and Bonus/Performance Linked Incentives payable to Mr. S. Sridhar shall be subject to a maximum limit of Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakhs only) per annum.

B. Perquisites, Benefits and Amenities:

In addition to the above mentioned Salary, Fixed Allowances and Bonus/Performance Linked Incentives, Mr. S. Sridhar shall also be entitled to the following perquisites, benefits and amenities:

(a) Residential Accommodation:

Residential accommodation together with amenities, facilities, utilities, etc., as per rules of the Company from time to time. In case the Company owned/leased accommodation is not provided, Mr. S. Sridhar shall be entitled for House Rent Allowance subject to the maximum limit of Rs. 20,00,000/- (Rupees Twenty Lakhs only) per annum.

(b) Conveyance:

Mr. S. Sridhar will be entitled to use the Company maintained car for official and personal use.

(c) Communication Expenses:

Mr. S. Sridhar will be entitled for reimbursement of communication expenses as per rules of the Company.

(d) Medical Expenses:

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

(e) Leave and Leave Travel Assistance:

Leave as per rules of the Company. Leave Travel Assistance for Mr. S. Sridhar and family once in a year as per rules of the Company.

(f) Club Membership:

Entrance fees and monthly subscription fees for not more than one club.

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

As per rules of the Company.

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- (h) **Provident Fund:**
Contribution to the Company's Provident Fund Scheme, in accordance with the rules of the Scheme.
- (i) **Gratuity:**
Contribution to Gratuity Fund as per rules of the Company.
- (j) **Reimbursement of Expenses:**
Mr. S. Sridhar will also be entitled to reimbursement of expenses incurred by him for the purposes of the business of the Company.
- (k) Such other benefits, amenities and perquisites as are available to other senior executives of the Company or as the Board of Directors of the Company may determine from time to time.

Provision of car for use of Company's business will not be considered as perquisite. Perquisites shall be valued as per Income-Tax Rules, wherever applicable.

C. Minimum Remuneration:

The remuneration determined by the Board of Directors of the Company within the limits specified in sub-paragraph A above, and the perquisites, benefits and amenities specified in sub-paragraph B above shall be paid and allowed to Mr. S. Sridhar during his tenure of office as Whole-time Director of the Company, notwithstanding the absence or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company may, in its discretion, pay to Mr. S. Sridhar lower remuneration than the maximum remuneration herein before stipulated and revise the same from time to time, within the maximum limits stipulated. The terms of remuneration payable to Mr. S. Sridhar shall be in compliance with the provisions of Sections 198, 269, 309 and 310 of the Act read with Schedule XIII to the Act.

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

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

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The Resolution was put to vote by show of hands and was carried with *nem con*.

Resolution No. 7 as a Special Resolution:

At this point of time, Mr. R.A. Shah requested Mr. Aijaz Tobaccowalla to take the Chair. The following Resolution was proposed by Mr. B.V. Joshi and was seconded by Mr. Suresh Kamath.

“RESOLVED THAT pursuant to the provisions of Section 309(4) of the Companies Act, 1956 (“the Act”) and Article 125 of the Articles of Association of the Company and other applicable provisions, if any, of the Act, the Company do hereby approve the payment to Resident Indian Non-Executive Directors of the Company, a commission at the rate of 1% of the net profits of the Company, subject to a maximum limit of Rs.80,00,000/- (Rupees Eighty Lakhs only) per annum, to be computed in the manner laid down in Section 198(1) of the Act, for a period of five years commencing from 1st December, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to determine the precise quantum of commission payable to each such Resident Indian Non-Executive Directors on a year to year basis.

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

The Resolution was put to vote by show of hands and was carried with *nem con*.

Mr. R.A. Shah thereafter resumed the Chair.

The Meeting concluded with a vote of thanks to the Chair by Ms. Asha Lata Maheshwari.


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