

Health Connects Us All

AstraZeneca Annual Report 2010-11



AstraZeneca



Health is something that connects us all

AstraZeneca's mission is to make a meaningful difference to the world's health. It works closely with governments and regulators, it's partners in industry and academia, and doctors. Through it's activities it touches a great number of people's lives and we at AstraZeneca are acutely conscious of our responsibility to patients and society in general.



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AstraZeneca Pharma India Limited

Board of Directors

Mr. D. E. Udawadia, *Chairman*
Mr. K. S. Shah
Mr. Ian Brimicombe
Mr. Bhasker V. Iyer (Till February 23, 2010)
Mr. Francis McNamara III (Till September 30, 2010)
Mr. Luigi Felice La Corte (Effective March 25, 2010)
Mr. Anandh Balasundaram, *Managing Director*

Auditors

BSR & Co., Bangalore

Legal Advisors

Udawadia & Udeshi, Mumbai

Bankers

The Hongkong and Shanghai
Banking Corporation Limited

Corporate and Registered Office

'Avishkar', Off Bellary Road
Hebbal, Bangalore 560 024

Factory

12th Mile on Bellary Road
Kattignenahalli Village, Yelahanka
Bangalore 560 063

Sales Outlets

Ahmedabad, Bangalore*, Chennai, Cuttack,
Dehradun, Delhi*, Ghaziabad, Guwahati,
Secunderabad, Indore, Jaipur, Kochi, Kolkata
Lucknow, Mumbai, Patna, Ranchi, Vijayawada,
Chandigarh, Panchkula and Zirakhpur.

**Company outlets*

Committees of Directors

Audit Committee

Mr. K. S. Shah, *Chairman*
Mr. D. E. Udawadia
Mr. Luigi Felice La Corte (Effective March 25, 2010)

Shareholders'/Investors' Grievance Committee

Mr. K. S. Shah, *Chairman*
Mr. Anandh Balasundaram

Chief Financial Officer

Mr. Himanshu Agarwal (Effective May 03, 2011)

Company Secretary

Mr. N. R. Srinivasan

Annual General Meeting

at 3.00 PM. on Friday, July 22, 2011
at The Ball Room, The Taj West End Hotel,
Race Course Road, Bangalore 560 001

Notice

Notice is hereby given that the 32nd Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held at 3:00 P.M. on Friday, July 22, 2011 at The Ball Room, The Taj West End Hotel, Race Course Road, Bangalore 560 001, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the financial year (15 months period) ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. D. E. Udawadia, who retires by rotation, and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ian Brimicombe, who retires by rotation, and, being eligible, offers himself for re-appointment.
5. To appoint M/s. BSR & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Notes

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and such proxy need not be a member of the company.**
2. The relevant details as required by Clause 49 of the Listing Agreement executed with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under item nos. 3 and 4 are annexed.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, July 09, 2011 to Friday, July 22, 2011 (both days inclusive).
4. The Dividend, if any, that may be declared at the Meeting will be paid on or before Saturday August 20, 2011 to those members entitled thereto whose names appear in the Register of Members of the Company at the close of business hours on Friday, July 08, 2011.

5. Members are requested to immediately notify change of address, if any, to the Company's Registrar & Share Transfer Agents, Integrated enterprises (India) Limited (earlier known as Alpha Systems Pvt. Ltd.), 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560003 (Telephone No. 080-23460815/6/7/8 Fax No. 080-23460819).
6. For the convenience of Members and for the proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members/Proxies attending the meeting are kindly requested to complete the enclosed Attendance Slip and affix their signature at the place provided thereon and hand it over at the entrance.
7. Members holding more than one Share Certificate in different folios are requested to kindly apply for consolidation of share folios and send the relative share certificates to the Company's Registrar & Share Transfer Agents. Members are requested to quote the Folio numbers / Client Id / DP Id in all correspondence.
8. Members are advised to avail of the Electronic Clearing Service (ECS) facility for dividends that may be declared. To avail of this facility, those members holding shares in physical form, are requested to return the duly filled in ECS form enclosed herewith to the Company's Registrar & Share Transfer Agents. Members holding shares in demat mode are requested to provide the details to NSDL and CDSL, as the case may be, through their respective Depository Participant (DP).
9. (a) Members may please note that unpaid or unclaimed Dividends in respect of the financial year upto 1993-94 have been transferred to the credit of the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not encashed the dividend warrants for the aforesaid financial years are requested to claim the amount from the Registrar of Companies-Karnataka, Kendriya Sadan, 2nd Floor, 'E' Wing, Kormangala, Bangalore 560 034. Intimations have been sent to the Members concerned, pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

(b) Members may also please note that consequent to the amendment to Section 205A (5) of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, all amounts transferred to the Unpaid Dividend Account of the Company for the years 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001(nine months) and 2002 remaining unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer have been transferred to the Investor Education and Protection Fund.

10. Members are requested to note that as prescribed by the Securities and Exchange Board of India (SEBI), trading in securities of the Company is in dematerialised form only. Hence, Members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with NSDL and CDSL for demat facilities.

By Order of the Board of Directors
For AstraZeneca Pharma India Limited

N R Srinivasan
Company Secretary

Place: Bangalore
Dated: May 13, 2011

Registered Office:
'Avishkar', Off Bellary Road
Hebbal, Bangalore - 560 024

Annexure to Notice

Details of the Directors seeking re-appointment at the 32nd Annual General Meeting

Particulars	Mr. D. E. Udawadia	Mr. Ian Brimicombe
Date of Birth	27 th September 1939	15 th October 1963
Date of Appointment	1 st June 1979	8 th September 2006
Qualifications	BA (Hons.), LL.B. Master's Degree in Political Science and History	B.Sc. Hons. King's College, London, Chartered Accountant (Institute of Chartered Accountants of England & Wales), Chartered Tax Adviser (Chartered Institute of Taxation)
Expertise in specific functional area	<p>Mr. Udawadia is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. Previously he was a partner of M/s Crawford Bayley & Co. Presently, he is partner of M/s. Udawadia & Udeshi, Solicitors & Advocates.</p> <p>Mr. Udawadia has been on the Board of the Company from inception, and since 8th September, 2000 as Chairman of the Board.</p> <p>He is also on the Board of various other companies.</p>	<p>Mr. Brimicombe is trained in audit, tax and corporate finance at Coopers & Lybrand, London (now Price Waterhouse Coopers) from 1986 to 1994, qualifying as a Chartered Accountant and a Chartered Tax Adviser. He has been Director of Group Tax, responsible for global tax operations and delivery of AstraZeneca's group tax targets. In January 2011 Mr. Brimicombe was given the additional responsibility over the treasury department, by becoming the group head of Tax and Treasury.</p>
Directorships held in other Public Companies (excluding foreign companies)	ABB Limited Bombay Burmah Trading Corp. Ltd. Development Credit Bank Ltd. Eureka Forbes Limited ITD Cementation India Ltd. JM Financial Limited JM Financial Consultants Private Limited JM Financial and Investment Consultancy Services Private Limited MPS Limited Mechanalysis (India) Ltd. Nitesh Estates Limited Wyeth Limited WABCO-TVS (INDIA) Limited	NIL

Particulars	Mr. D. E. Udawadia	Mr. Ian Brimicombe
Membership/ Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	ABB Limited Audit Committee- Member Shareholders Grievance Committee- Chairman Bombay Burmah Trading Corporation Limited Audit Committee- Member Development Credit Bank Audit Committee- Member ITD Cementation India Ltd Audit Committee- Member MPS Limited Audit Committee- Member Nitesh Estates Limited Audit Committee- Member Wyeth Limited Audit Committee- Member WABCO-TVS (INDIA) Limited Audit Committee- Member	NIL
Shareholding in the Company (No. of shares)	NIL	NIL

In a world where there is increasing pressure on healthcare costs, AstraZeneca can be more effective if it can identify patients likely to benefit most from particular medicines.

Identifying the right treatment for the right patient at the right time and to embed it as part of routine clinical practice was the major challenge for Iressa. AstraZeneca worked with a variety of healthcare professionals (HCPs) to improve education and best practice in EGFR testing. Workshops involving pathologists, oncologists and respiratory physicians were run around the world to promote best practice and facilitate routine diagnostic testing.

Iressa is pioneering treatment of lung cancer, not just for the benefits it offers patients, but for the way in which it has brought together different groups of HCPs and changed the way patients are tested and treated as part of routine clinical practice.



**“ How do I
find a cancer
treatment that’s
right for me?**



Directors' Report

Your Directors have pleasure in presenting their 32nd Annual Report together with the Audited Accounts of the Company for the 15 Months period ended March 31, 2011.

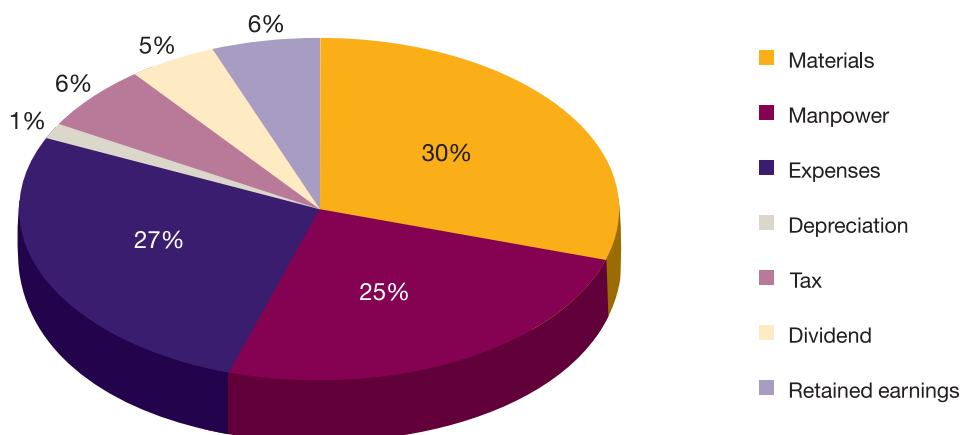
Financial Results

(₹ in Mio)

Particulars	2010- 11 (15 months)*		2009
Sales and Other Income	6003		4024
Profit Before Tax	1010		884
Provision for Taxation			
- Income Tax	415	310	
- Adjustment for Deferred Tax	(46)	(6)	
- Fringe Benefit Tax	369	3	307
Profit after Taxation	641		577
Surplus brought forward from the previous year	948		409
Total amount available for appropriation	1589		986
Appropriation made by Directors			
Transfer to General Reserve	64		58
Transfer from Debenture Redemption Reserve	—		(312)
Appropriation recommended by Directors			
Dividend	250		250
Tax on proposed Dividend	40		42
Surplus carried over	1235		948

*Consequent to the change in the Accounting year of the Company from January-December' to 'April-March', the last accounting period was for a period of 15 months.

Distribution of Gross Revenue

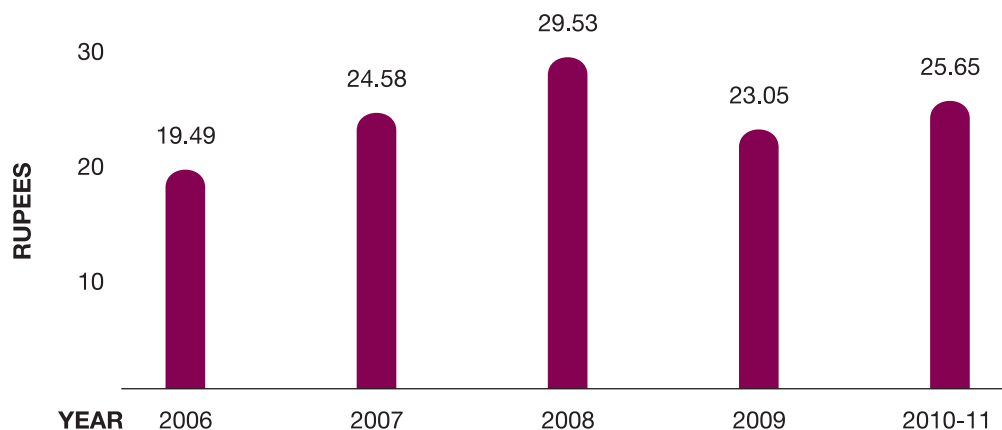


Dividend

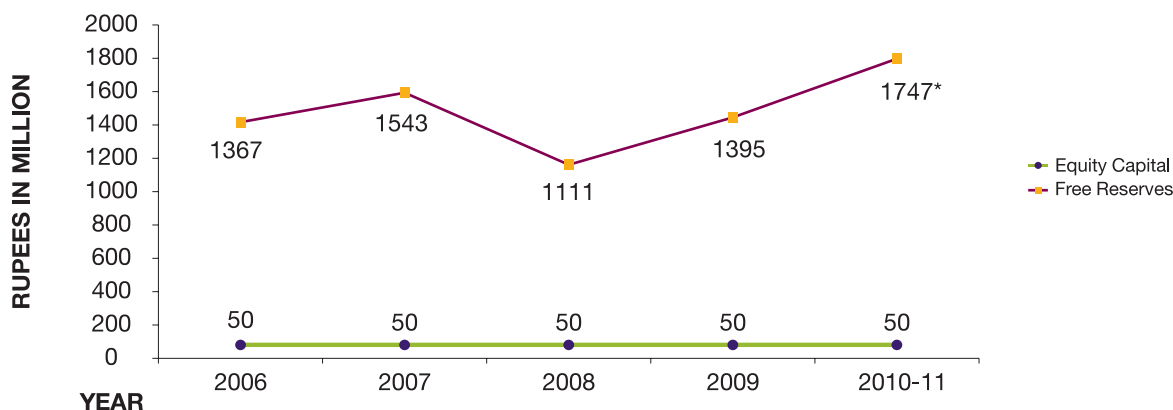
The Directors are pleased to recommend payment of a Dividend of 500% (₹10/- per Equity share of the face value of ₹2/- each), which, if approved by Members at the Annual General Meeting will involve an outflow of ₹250 Mio towards Dividend and ₹40

Mio as Dividend Distribution Tax resulting in a total outflow of ₹290 Mio representing distribution of 45% of the net profits of the Company for the year.

Earnings Per Share



Net Worth



Note: * Free reserves post Bonus Debentures

Sales and Marketing

The Company registered sales of ₹5339.2 Mio (excluding export sales) in the 15 months period ended March 31, 2011.

The Company grew by 14% during the calendar year 2010 (Jan – Dec 2010). However, in Quarter 1

of 2011(Jan – Mar 2011) the Company grew by 35% over same period last year.

The growth during the period under review, was broad based with all the therapy areas registering good growths.

The Company has a strong portfolio of established and originator brands well complemented with

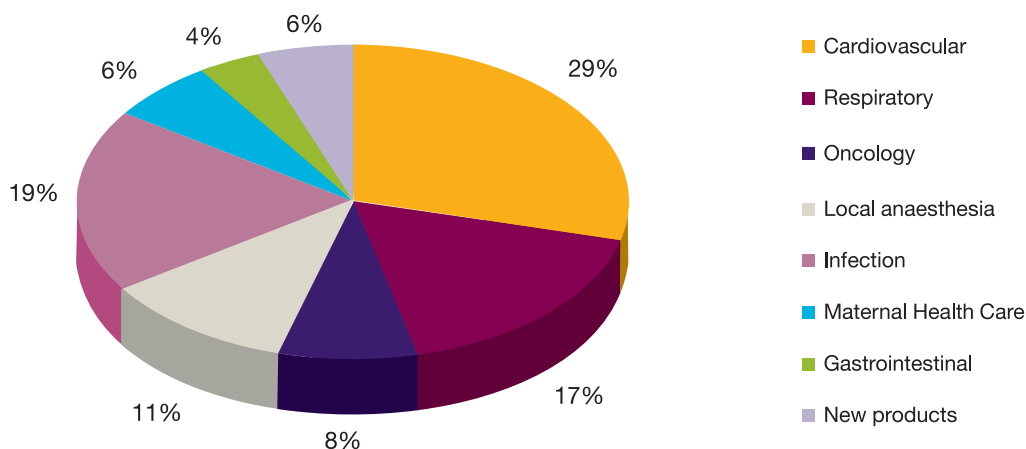
the launch of branded generics products in 2009 and 2010. Our power brands – Crestor, Seloken, Selomax, Meronem, Nexsium and Linctus Codeinae witnessed robust growth and provided strong momentum to the Company's performance. The AstraZeneca original research brand, Crestor (Rosuvastatin) launched in 2009 (in Cardiovascular Therapeutic Area) was a huge success and achieved over ₹100 Million sales in the first 9 months of 2010.

Branded Generics products launched in 2009 and 2010 made significant contribution to the Company's sales and growth. Seloram and Actamase recorded strong growth and are the leading brands in their respective categories. The Company launched

6 new products – Olways and Valfect in the Cardiovascular therapy area, Diprivan, Naropin and Enclere in the Infection therapy area and Bricacef in the Respiratory therapy area.

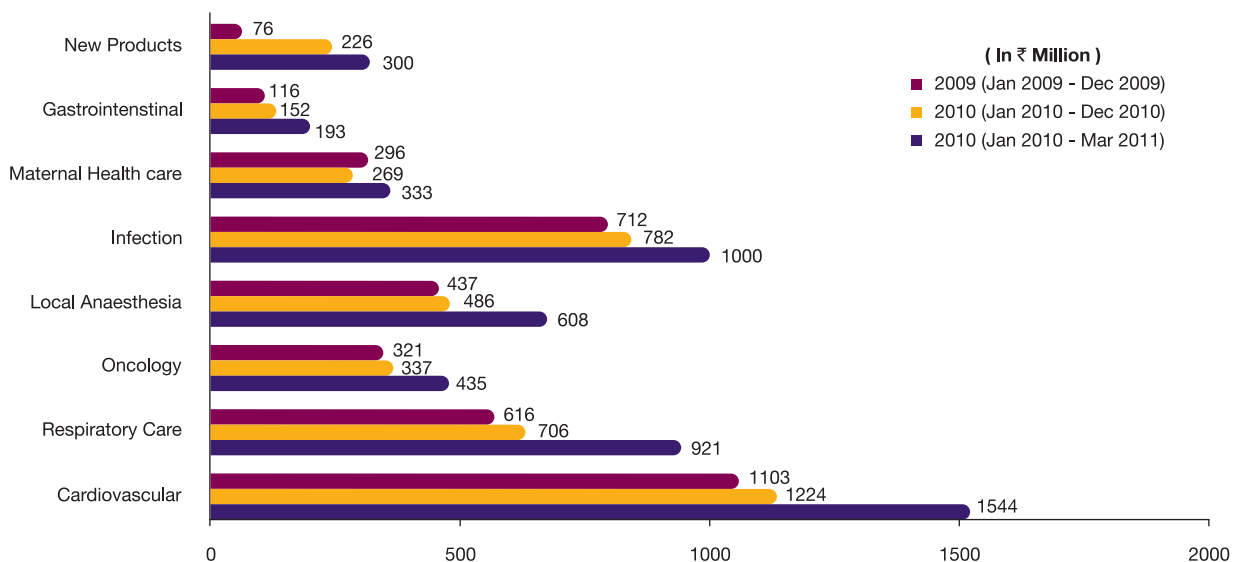
During the Financial Year 2011-12, your Company will focus on driving growth in its established power brands along with launch of new branded generics products in its key therapy areas. In the coming years, the Company's product portfolio and performance will be further strengthened by the launch of AZ patented innovator products.

Therapeutic Area wise Sales contribution



Note: Other products contributing about ₹4 Million not represented in the graphical representation

Year on Year (YoY) Therapeutic Area wise Growth



Sales Force Effectiveness (SFE)

SFE team partnered with business units (BU) in aiding the Company's performance by driving new sales training initiatives & embedding SFE metrics across a newly recruited field Force.

A large scale segmentation & targeting (S&T) exercise was planned and executed to assist the primary care BU expand their reach and customer coverage. Restructuring the speciality care (SC) team into sub-teams and driving a new S&T strategy for Cardiovascular (CV) team helped drive business efficiencies.

By imparting cutting edge training to our field force has enhanced the usage of our e-learning platform 'AZLEARN' and also improved the efficiency in reporting and communication. To manage the challenge of selling many brands together with the new launches, enhanced selling skill models like Multi Product Selling (MPS) were introduced.

Medical, Regulatory and Clinical Trials

During the period under review, medical and regulatory support was provided for the launch of several new products.

The Regulatory team ensured early registration of new products and also obtained additional indication approvals and product registration renewals in time.

Strategic medico-marketing initiatives such as setting up and conducting of Advisory Board meetings, Web casts, scientific meetings and symposium in order to disseminate scientific knowledge to the medical fraternity were undertaken. Pharmacovigilance workshops were conducted across the country with a view to increasing the awareness on adverse event reporting amongst the healthcare professionals.

Your company saw increased participation in, and contribution to, pivotal global clinical trials as per Good Clinical Practice (GCP) norms for AstraZeneca pipeline and approved products in the therapy areas of Respiratory, Oncology, Cardiovascular and Diabetes in accordance with local and global standards.

Manufacturing

The Company's Operation team supported the launch of new products during the year. Productivity continues to improve both in terms of value & volume at its manufacturing plant.

The Company also continued with its initiatives towards better-cost management through purchasing efficiency, improved Overall Equipment Effectiveness and pack rationalizations. Product pack security features were introduced as an anti-counterfeit measure for the products manufactured at the plant.

The manufacturing plant successfully underwent AstraZeneca's global current Good Manufacturing Practices (cGMP) audit. Further the plant received AstraZeneca's regional and global recognition for its operational excellence.

The new tablet manufacturing facility involving an outlay of ₹700 Mio, is expected to be completed by end of this year as per schedule.

Safety Health and Environment (SHE)

During the period under review the Company's manufacturing site was re-certified for Occupational Health Safety Assessment Series (OHSAS) 18001 for health and safety and ISO 14001 for the environment by M/s Germanischer Lloyd, Germany. The site achieved 2 million accident free man hours during the period under review.

Highest safety standards are being observed at the construction site for the new Tablet manufacturing facility.

All suppliers of formulations and Active Pharmaceutical Ingredients (APIs) are regularly evaluated on AstraZeneca's global quality and safety standards.

Human Resources and Employee Relations

Attracting, retaining and developing talent continued to be a focus area for the Company. The increased focus on capability enhancement and employee engagement had a positive impact on talent retention as reflected in the lower attrition levels. The Company has a total employee strength of 1705.

A settlement with field union was signed on February 4, 2011, for three years effective January 1, 2010. Employee Relations continued to be cordial at all levels.

Factory Land at Yelahanka

In the last Directors Report members were informed that the National Highways Authorities of India (NHAI) had acquired a portion of the factory land

at Yelahanka for expansion of the Hyderabad – Bangalore Highway. The Special Land Acquisition Officer (SLAO) had awarded compensation of ₹23,709,554/- for the said acquisition. The SLAO reduced the above amount of compensation awarded to ₹4,98,879/-, on the basis of a direction received from the Government of Karnataka. The Company has not accepted the amended award and has disputed the same. The Company has invoked the arbitration provisions under the National Highways Act, 1956. The Company has further filed a Writ Petition challenging the above direction given by the Government of Karnataka and for directing the SLAO to pay compensation as per the original amount awarded.

The Writ Petition filed by the Company is part heard before the Hon'ble High Court of Karnataka.

In this connection reference may be made to note No.2 in Schedule 17 of the Accounts for the 15 months period under review.

Open Public Offers made by Astra Pharmaceuticals AB, Sweden to the Shareholders of the Company

Members have been advised of the Writ Petitions filed by the under mentioned shareholder challenging the First Open Public Offer made pursuant to the Letter of Offer dated May 11, 2002, by Astra Pharmaceuticals AB, Sweden (APAB). The status of the same as of March 31, 2011 continues to remain unchanged, in that the suit filed by Ms. Annie Koshy in the Kerala High Court, Kochi, is still pending hearing before the Court.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 (the Act), the Board of Directors states that- (A) In the preparation of the Company's Annual Accounts, the applicable accounting standards have been followed and proper explanations have been provided for material departures, wherever applicable, (B) It has selected such accounting policies which have been applied consistently and 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 the end of the 15 Months period ended March 31, 2011 and of the profit of the Company for that period, (C) It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting

fraud and other irregularities, and (D) The financial statements have been prepared on a going concern basis.

Board's Response to Audit Observations

The observation made by the Auditors under para (xxi) of the annexure to the Auditors Report is self explanatory. The management has since then strengthened the controls to prevent the occurrence of such incidents in future.

Information Pursuant to Section 217 of the Companies Act, 1956

Information required under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I and forms part of this Report.

Information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all shareholders, excluding the Statement of Particulars under Section 217(2A). Any shareholder, desirous of obtaining a copy of this Statement, may kindly write to the Company Secretary.

Corporate Social Responsibility

Your Company continues to contribute meaningfully to local communities through charitable donations, sponsorships and other initiatives that help make a difference to people's lives.

The Company continued its community activities focused on making the Katigenahalli Primary School, Yelahanka, a better place to study for the children. Your Company also continues to contribute to the monthly operating cost of the emergency ambulance service 'Operation Sanjeevini' run by the Comprehensive Trauma Care Consortium, Bangalore.

Your Company, with a view to address the need for adolescent healthcare amongst the urban poor, embarked on a 3 year program in partnership with PLAN India (a multinational NGO) to improve the health of adolescents in five disadvantaged communities of Delhi. The program will reach around 31,000 households and indirectly influence an estimated population of 190,000, including policy

makers, educators, and health professionals in the communities in which these young people live. This program aims at dissemination of information on healthcare, hygiene and sanitation to create awareness amongst adolescents.

Corporate Governance Report

The Company has taken steps to ensure that all mandatory provisions of Corporate Governance as prescribed by the Listing Agreement of the Stock Exchanges on which the Company shares are listed, have been complied with.

The Management Discussion and Analysis is attached as Annexure-II and forms part of this Report.

A Report on Corporate Governance forming part of the Directors' Report, along with a certificate from the Statutory Auditors' confirming compliance, is annexed as Annexure-III and forms part of this Report.

Directors

Mr. Francis McNamara III resigned as Director with effect from September 30, 2010. The Board places on record its appreciation of the services rendered and contribution made by Mr. Francis McNamara III to the Company, during his tenure as a Director.

In accordance with the provisions of the Companies Act 1956 and the Company's Articles of Association,

Mr. D. E. Udwardia & Mr. Ian Brimicombe, Directors will retire by rotation at the ensuing Annual General Meeting. Being eligible, they offer themselves for re-election. Your Board of Directors has recommended their re-election.

Auditors

The present Auditors M/s. BSR & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. However, being eligible, they offer themselves for re-appointment.

Acknowledgements

Your Directors take this opportunity to thank AstraZeneca Pharmaceuticals AB, Sweden and AstraZeneca PLC, for their continued support to the Company's operations.

Your Directors thank the Central and the State Governments, various other Statutory and Regulatory Authorities, the Company's Bankers, the Medical Profession and Trade, Vendors & Business Associates and the Shareholders for their continued interest in, and valued support to the Company's operations.

Your Directors place on record their sincere appreciation of the significant contribution made and the continued support extended, by the employees at all levels to the Company's operations during the period under review.

On behalf of the Board of Directors

D E UDWADIA
Chairman

Place: Bangalore
Date: May 13, 2011

Annexure I to Directors' Report

Form A

1. Disclosure of Particulars with Respect to Conservation of Energy

Sl No.	Particulars	2010 -11 Jan - Mar	2009 Jan-Dec.
A	Power and Fuel Consumption		
1	Electricity purchased unit(kwh) million Total amount (in INR mio) Rate per unit	3.21 17.77 5.54	2.48 12.47 5.02
	(i) Own Generation Through Diesel Generation Unit (Kwh) Million Unit per Litre of Diesel Cost/Unit (₹)	0.385 2.75 12.39	0.21 2.84 10.80
	(ii) Through Steam Turbine/Generator Units Unit per Litre of Fuel Oil/Gas Cost/Unit (₹)	NIL	NIL
2	Coal (including Agro Husk & Briquettes) Quantity (Tonne) Total Cost (₹ Million) Average Rate (₹ /Tonne)	1461 6.72 4600.87	1059.04 4.97 4693.94
3	Furnace Oil Quantity (Kilo Litre) Total Amount (₹ Million) Average Rate	NIL	NIL
4	Other/Internal Generation Quantity (Kilo Litre) Total Amount Average Rate	NIL	NIL
B	Consumption per Unit of Production		
	Standards* (if any)	2010 - 2011 Jan-Mar	2009+ Jan-Dec.
	(i) Electricity (ii) Furnace Oil (iii) Coal (iv) Others		

Annexure I to Directors' Report

Form B

2. Disclosure of Particulars with Respect to Technology Absorption, Research & Development (R&D)

1	Specific areas in which R&D was carried out by the company.	The Research and Development (R&D) activities are continued by the company in the therapeutic area like: Gastroenterology formulations Cardiovascular formulations Respiratory therapeutic area formulations. Drug substance Carboprost Tromethamine & Dinoprostone.
2	Benefits derived as a result of the above R&D	The key benefits expected are launch of additional products in the market which will add revenue to the top and bottom line of the Company
3	Future plan of action	There will be greater efforts to scale up the process and commercialization of products after necessary approval. In case of Carboprost and Dinoprostone, increased efforts will be made to reduce costs and bring about yield improvement.
4	Expenditure on R&D Capital Recurring Total Total R&D expenditure as a percentage of total sales.	<div>₹ 5,575,742</div> <div>₹ 32,177,960</div> <div>₹ 37,753,702</div> <div>0.66%</div>
5	Technology absorption , adaption and innovation Efforts in brief made towards technology absorption, adaption and innovation	The proposed new products are developed through dry granulation technology which will result in substantial reduction in usage of energy and in the manufacturing lead time.
6	Benefits derived as a result of the above efforts e.g., product development, import substitution etc.	The technology has been fully absorbed and initial commercial scale trails are successful.

Annexure I to Directors' Report (continued)

Form B

2. Disclosure of Particulars with Respect to Technology Absorption, Research & Development (R&D)

7	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year.), following information may be furnished.	AstraZeneca Pharmaceuticals AB, Sweden, the Company's foreign promoter continue to extend from time to time additional know-how for the following products licensed by them to the Company. Such technical know-how is adapted and absorbed as ongoing activity.
	Technology Imported	Vancomycin CP inj.
	Year of Import	2006 -2007
8	Has technology been fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.	Technologies have been fully absorbed.

Foreign Exchange Earnings and Outgo

1. Activities relating to Exports, etc.:

The Company has exported goods of a value of ₹404,423,483 during the 15 months period ended March 31, 2011.

2. Total foreign exchange used and earned:

The Company used foreign exchange amounting to ₹1,321,139,015 and earned ₹69,133,993.

Management Discussion & Analysis Report

Annexure II to Directors' Report

Industry structure and developments

During the calendar year ended December 31, 2010, the total Indian Pharmaceutical market was over ₹516,417 Mio and has grown by 17.5%. The IMS ORG Report shows that your Company has a market share of about 0.76%. (Source: IMS ORG SSA+HSA MAT DEC 2010)

Opportunities and threats / Risk and concerns

The efforts made by the industry bodies to bring in certain amendments to the Patent Act are yet to materialise. Regulatory Data Protection, the other long term demand of Research based companies is pending and the Central Government is still to take action on the report submitted by Inter-ministerial Committee. The proposal in the draft Pharma policy to expand the number of drugs covered by Drug Price Control Order (DPCO) by including drugs listed in national list of essential medicines, if accepted could be an area of serious concern for the pharmaceutical Industry in India. The draft Pharma Policy is under review by Group of Ministers. It is hoped that the Government would take right steps to encourage innovation in the country by suitably revising the relevant policies and guidelines in this area.

Risk Management

The Company has a formal Risk Management process and the risk register is established and updated periodically. A Business Continuity plan has been established which is reviewed on an ongoing basis.

Segment-wise or product-wise performance

The Company has three business segments, namely:

- Healthcare
- Clinical Trial Services
- Co-promotional Services

The healthcare division engages in the manufacture and sale of pharmaceutical products. During the 15 months period, the healthcare division generated total revenue of ₹5746 million out of which domestic sales contributed ₹5341.6 million and exports sales ₹404.4 million.

The clinical trial division renders clinical trial services on pharmaceutical products to its group companies. During the 15 months period the division generated revenue of ₹69.13 million from export of services.

The co- promotional services division renders co-promotion services for pharmaceuticals products to its customers. During the 15 months period the division generated an income of ₹127.5 Million.

Separate disclosures as required under Accounting Standard 17 - Segment Reporting, are being made in the financial statements.

Outlook

In 2009, the Company embarked on a growth strategy to expand its product portfolio by launching both AZ Global brands as well as local brands coupled with expansion in the field force over the next two to three years.

In 2010, the company continued on its growth strategy, launching 6 new products with further expansion in field force. These initiatives paid good dividends with the company recording 2nd half growth of 20% (July - Dec 2010).

During the financial year 2011-12, the Company intends to continue expanding its product portfolio by introducing both AZ Global and local brands for the Indian market.

Internal control systems and their adequacy

The Company has a robust system of internal control comprising authority levels and powers, supervision, checks and balances, policies, procedures and internal audit. The system is reviewed and updated on an on-going basis. The Company is continuously upgrading its internal control systems by measures such as strengthening of Information Technology infrastructure and use of external management assurance services. The Group Internal Audit team (GIA) of AstraZeneca continues to support the internal audit function. During the year 2010-11, the scope of Deloitte the internal auditors has been extended to cover the audit of Depots of the Company for carrying out substantial audits based on an audit plan approved by the Audit Committee. The Audit Committee and the Management have reviewed the recommendations of the Internal Auditors and suitable steps have been taken to implement their recommendations.

Discussion on financial performance with respect to operational performance

During the 15 months period ended March 31, 2011, the Company's total sales increased to ₹5,744 million as compared to ₹3,855 million in the financial year (12 months period) ended December 31, 2009. With the launch of the new products and continued investment in the major therapy areas, the total cost has increased to ₹4,993 million during the 15 months period as compared to ₹3,140 million in the financial year (12 months period) ended December 31, 2009. The PBT and PAT have increased to ₹1,010 million

and ₹641 million respectively during the 15 months period as compared to ₹884 million and ₹576 million in the financial year (12 months period) ended December 31, 2009.

Material developments in Human Resources/Industrial Relations front, including number of people employed

Employee relations at all levels continued to remain cordial. As on March 31, 2011, the Company had 1705 employees on its rolls.

Report on Corporate Governance

Annexure III To Directors' Report

Mandatory Requirements

1. Company's Philosophy on Code of Governance

AstraZeneca Pharma India Limited (Company) is a subsidiary of AstraZeneca Pharmaceuticals AB, Sweden, which is an indirect subsidiary of AstraZeneca Plc United Kingdom. The Company follows the Code of Conduct of its ultimate parent Company. The Company's philosophy on Corporate Governance is sustained growth, increase in stakeholder value, transparency, disclosure, internal controls and risk management, internal and external communications, and high standards of safety, health, environment management, accounting fidelity, product and service quality. The Company also complies with the listing requirements of the Stock Exchanges where its shares are listed. A Senior Management Team headed by the Managing Director is responsible for implementing its broad policies and guidelines and has set up adequate review processes.

The Company believes in, and has been practicing, the various elements of Corporate Governance since its inception. Risk Management and Internal Control functions are being geared up to meet progressive governance standards.

The following is a Report on the status and progress on major aspects of Corporate Governance that mark the operations and management of the Company.

2. Board of Directors

a. Composition and number of other Boards or Board Committees in which the Director is a member or chairman

The Board presently consists of five Directors. The Company has a Managing Director and four Non-Executive Directors, two of which are Independent. Two of the four Non-Executive Directors represent the parent Company, AstraZeneca Pharmaceuticals AB, Sweden. The Non-Executive Directors bring strong business judgment in the Board deliberations and decisions. The Company is in compliance with the requirements of Clause 49 of Listing Agreement as amended from time to time.

The Company paid ₹4,33,680/- (excluding out of pocket expenses) during the 15 Months period ended March 31, 2011 to the law firm of Udvardia & Udeshi and Udvardia Udeshi & Co. as fees for professional services that were provided by them on specific legal matters entrusted by the Company to them for legal advice from time to time. Mr. D E Udvardia is a partner of the above firms. 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. Udvardia as a Director of the Company.

The Company has not had any pecuniary relationship/ transaction with any of the Non-Executive Directors.

Name of The Director	Category	Number of Directorships and Committee Memberships/ chairmanships excluding AstraZeneca Pharma India Limited as at March 31, 2011			
		Other Directorships #	Committee Memberships	Committee Chairman	Number of shares held
Mr. D. E. Udawadia Chairman	Non- Executive Independent Director	13	9	1	-
Mr. K. S. Shah	Non- Executive Independent Director	-	-	-	-
Mr. Ian Brimicombe	Non- Executive Non- Independent Director	-	-	-	-
Mr. Bhasker V. Iyer (Resigned w.e.f. February 23, 2010)	Non- Executive Non- Independent Director	-	-	-	-
Mr. Francis McNamara III (Resigned w.e.f. September 30, 2010)	Non- Executive Non- Independent Director	-	-	-	-
Mr. Anandh Balasundaram Managing Director	Executive Non- Independent Director	-	-	-	-
Mr. Luigi Felice La Corte (Appointed w.e.f. March 25, 2010)	Non- Executive Non- Independent Director	-	-	-	-

Directorships in Private Limited companies, Foreign Companies and Associations are excluded.

b. Number of Board meetings held during the 15 Months period ended March 31, 2011 and attendance of each Director at Board Meetings and the last Annual General Meeting

Name of the Director	Dates of Board Meetings in 2010-11										Date of Last AGM
	23, Feb 2010	25, Mar 2010	26, Apr 2010	29, June 2010	9, July, 2010	27, July 2010	12, Aug 2010	27, Oct 2010	08, Feb 2011	20, May 2010	
Mr. D. E. Udawadia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. K. S. Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Ian Brimicombe	✗	✗	✗	✓	✗	✓	✗	✓	✗	✗	
Mr. Bhasker V. Iyer *	✗	-	-	-	-	-	-	-	-	-	
Mr. Francis McNamara III *	✗	✗	✓	✗	✗	✓	✗	-	-	-	
Mr. Anandh Balasundaram	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Luigi Felice La Corte*	-	✗	✗	✗	✗	✓	✗	✗	✓	✓	

*Mr. Luigi Felice La Corte was appointed on March 25, 2010 as a Director of the Company.

*Mr. Francis McNamara III resigned from the Board with effect from September 30, 2010

*Mr. Bhasker V. Iyer resigned from the Board with effect from February 23, 2010

3. Audit Committee

a. Brief description of terms of reference

The terms of reference of the Audit Committee cover all areas prescribed by Clause 49 II (c) and Clause 49 II (D) and include the following: to review reports of the Internal Auditors and to meet the Statutory Auditors to discuss their findings, suggestions and other related matters; and to review weaknesses in internal controls reported by the Internal and Statutory Auditors and to review the financial statements.

The Audit Committee has also been granted the following powers as prescribed under the Listing Agreement:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5A) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 6) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 7) Reviewing the adequacy of internal audit functions including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 8) Discussion with internal auditors any significant findings and follow up there on.
- 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 10) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 12) To review the functioning of the Whistle Blower mechanism.
- 12A) Approval of appointment of CFO (i.e., the whole-time financial Director or any other person heading the financial function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 13) Carrying out any other function as is mentioned in the terms of reference of the Audit committee.

b. Composition, Names of Members and Chairman

As on March 31, 2011, the composition of the Audit Committee is as under:

Name of the Audit Committee Member	Position	Category
Mr. K. S. Shah	Chairman	Non- Executive Independent Director
Mr. D. E. Udwadia	Member	Non- Executive Independent Director
Mr. Luigi Felice La Corte	Member	Non- Executive Non- Independent Director

Mr. K. S. Shah possesses financial and accounting knowledge, as he is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and a Commerce Graduate. The Managing Director, Chief Financial Officer, representatives of Internal Auditors and representatives of Statutory Auditors are invitees to all meetings of the Audit Committee. The Company

Secretary acts as Secretary to the Committee.

c. Number of meetings and attendance during the year

Six meetings of the Audit Committee were held during the 15 Months period ended March 31, 2011. The details of which are as under:

Name of the Audit Committee Member	22, Feb 2010	26, April 2010	27, July 2010	27, Oct 2010	08, Feb 2011	22, Feb 2011
Mr. K. S. Shah	✓	✓	✓	✓	✓	✓
Mr. D. E. Udwadia	✓	✓	✓	✓	✓	✓
Mr. Luigi Felice La Corte	-	✗	✓	✗	✓	✗

The Chairman of the Audit Committee, Mr. K. S. Shah, was present at the Annual General Meeting held on May 20, 2010.

The Audit Committee met on May 13, 2011 to review the Annual Accounts for the 15 Months period ended March 31, 2011 and recommended acceptance of the Annual Accounts by the Board of Directors of the Company.

4. Remuneration Committee

The Remuneration Committee was disbanded by the Board of Directors at its meeting held on November 26, 2003 as there is only one Executive Director, whose remuneration is determined by the Board of Directors of the Company subject to the approval of the shareholders.

Managing Director

Mr. Anandh Balasundaram is the Managing Director. There is no other Executive Director on the Board. The Managing Director's remuneration was approved by the shareholders of the Company at its Annual General Meeting held on April 28, 2008.

Non-Executive Directors

The compensation of the Non-Executive Directors is in the form of commission up to 1% of the net profits of the Company so long as the Company has a Whole time Director and/or Managing Director and commission not exceeding 3% of the net profits of the Company in case there is no Whole time Director and/or Managing Director at any time.

The Non-Executive Directors are also paid sitting fees of ₹20,000 each for every Board/Committee meeting attended by them, as permitted under the relevant statutory provisions.

Details of remuneration paid to the Directors during the 15 Months period ended March 31, 2011

Non-Executive Directors

Name of the Director	Sitting Fees (₹)	Commission # (₹)	Total (₹)
Mr. D. E. Udawadia	300,000	700,000	1,000,000
Mr. K. S. Shah	320,000	910,000	1,230,000
Mr. Ian Brimicombe	--	--	--
Mr. Luigi Felice La Corte	--	--	--
Mr. Francis McNamara III	--	--	--

The payment of remuneration by way of commission to non-executive Directors is determined having regard, inter-alia, to the number of Board and Committee meetings attended and

their participation at the said meetings. Commission for the year ended December 31, 2009 was paid during the above period.

Managing Director

Name of the Director	Salary (₹)	Perquisites (₹)	P.F & other Funds (₹)	Total (₹)
Mr. Anandh Balasundaram	17,025,524*	2,265,150	1,562,739	20,853,413

*Includes an amount of ₹3,237,801 towards performance-linked bonus for the year 2009 paid during the period under review.

Remuneration to Mr. Anandh Balasundaram does not include cost of retirement benefits such as gratuity and compensated absences since provision for the same is based on actuarial valuation carried out for the Company as a whole.

Mr. Anandh Balasundaram has been issued 8,933 (Previous year 3500) Share Options under the AstraZeneca Share Option Plan by AstraZeneca

Plc. The cost incurred by AstraZeneca Plc pursuant to the said AstraZeneca Share Option Plan for the financial year (15 Months) ended March 31, 2011 amounts to ₹1,432,657 (Previous year ₹423,967).

5. Shareholders' Committees:

a. Shareholders'/Investors' Grievance Committee:

As on March 31, 2011, the following is the composition of the Shareholders'/Investors' Grievance Committee:

Name of the Committee Member	Position	Category
Mr. K. S. Shah	Chairman	Non- Executive Independent Director
Mr. Anandh Balasundaram	Member	Managing Director

During the year 2010-11, one meeting of the Committee was held on May 19, 2010 and both the Members were present at the meeting.

b. Name and designation of the Compliance Officer

Mr. N R Srinivasan, Vice President - Legal & Company Secretary is the Compliance Officer of the Company.

c. Details of Shareholder's/Investor's complaints:

The Committee attends inter-alia to complaints from Shareholder's / Investor's and their redressal. All complaints /grievances were also placed before the Board for information. Based on information

provided by the Company's Registrar & Share Transfer Agents, the status of Investor's Grievances for the 15 Months period ended March 31 2011 is as follows:

Particulars	Non-receipt Dividend Warrant(s)	Non receipt of refund Order / Allotment Letter	Non-receipt of Share Certificate(s)	Non-receipt of Annual Report	Total No. of Complaints received	Complaints pending
Direct	13	Nil	3	6	22	Nil
Through Stock Exchange/SEBI	Nil	Nil	Nil	Nil	Nil	Nil

d. Share Transfer Committee:

In addition to the above, the Board also has a Share Transfer Committee comprising Mr. Anandh Balasundaram, Mr. S. J. V. Chelliah (till March 25, 2010), Ms. Anita Zutshi (From April 15, 2010 till January 07, 2011) and Mr. N R Srinivasan as Members. The Chairman is elected at each meeting. The Share Transfer Committee deals with matters relating to transfers / transmissions / transposition / consolidation / deletion of name / issue of share certificates in exchange for sub-divided / consolidated / defaced share certificates / issue of duplicate share certificates, rematerialization of shares, etc.

The meetings of the Share Transfer Committee are need based. Thirteen meetings of the said Committee were held during the year under review,

viz., January 28, 2010, February 18, 2010, March 29, 2010, April 27, 2010, May 07, 2010, June 22, 2010, July 21, 2010, August 19, 2010, October 04, 2010, November 08, 2010, December 20, 2010, January 27, 2011 and March 04, 2011.

An Independent Practicing Company Secretary carries out the Secretarial Audit as per prevailing laws at the office of the Registrar and Share Transfer Agents and furnishes the requisite reports/ certificates which are submitted to the Stock Exchanges as per law.

The Minutes of the Share Transfer Committee Meetings are noted at the Board Meetings.

6. General Meetings

a. Date, time and location of the last three Annual General Meetings held:

Date	Year	Type	Venue	Time
May 20, 2010	2009	31st Annual General meeting	Taj West End Hotel, Bangalore	3.30 P.M.
May 18, 2009	2008	30th Annual General meeting	Taj West End Hotel, Bangalore	3.00 P.M.
April 28, 2008	2007	29th Annual General meeting	The Grand Ashok, Bangalore	2.30 P.M.

b. Whether any special resolutions passed in the previous three Annual General Meetings:

All resolution moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. There was no Special Resolutions passed at the previous three Annual General Meetings held during the past three years:

c. Whether special resolutions were put through Postal Ballot last year, details of the voting pattern, person who conducted the Postal Ballot exercise, proposed to be conducted through Postal Ballot and procedure for Postal Ballot:

There was one special resolution passed through Postal Ballot for delisting of equity shares of the Company from BSE, NSE & BgSE. The outcome of the postal ballot process is detailed below:

Sl. No.	Particulars	No. of Postal Ballot Forms	No. of Shares	Percentage of Shares of the valid forms
1	Promoters' forms with assent	2	22499950	96.16%
2	Total Public forms	455	899295	3.84%
a.	Public forms with assent for the resolution	99	510678	2.18%
b.	Public forms with dissent for the resolution	356	388617	1.66%

Though the resolution proposed through postal ballot was deemed to have been passed as a special resolution by the Shareholders under the Companies Act, 1956, since the votes cast by public shareholders (i.e. shareholders other than the promoter shareholder), in favour of the above special resolution were less than two times the number of votes cast by the public shareholders against it, the requirement of the proviso to Regulation 8(1) (b) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 was

not satisfied and consequently, the above special resolution could not be, and was not acted upon / given effect to.

7. Disclosures

The Audit Committee is briefed from time to time on the related party transactions entered into by the Company.

1) Materially significant related party transactions during the 15 months period ended March 31, 2011.

Name of the Entity	Relationship	Nature of transaction	Amount (₹)
AstraZeneca Pharmaceuticals AB, Sweden	Holding Company	Dividend Payment	224,999,500
AstraZeneca AB, Sweden	Holding Company of AstraZeneca Pharmaceuticals AB, Sweden	i) Purchase of Raw Materials and traded goods ii) Payment towards Royalty iii) Payment towards reimbursement of expenses iv) Service Income v) Sale of Goods	191,409,596 2,483,726 64,501 69,133,993 91,684,812
AstraZeneca UK Ltd., United Kingdom	Parent company of AstraZeneca AB, Sweden	i) Purchase of Raw materials and traded goods ii) Payment towards reimbursement of expenses iii) Receipts towards reimbursement of expenses	683,277,852 5,739,615 74,498,184
AstraZeneca Pty Ltd., Australia	Group Company	Purchase of traded goods	64,408,178
AstraZeneca GIA-Asia Pacific, Malaysia	Group Company	Sale of goods	155,133,182

Name of the Entity	Relationship	Nature of transaction	Amount (₹)
AstraZeneca Singapore Pte Ltd.	Group Company	i) Receipts towards reimbursement of expenses ii) Sale of Goods iii) Payment towards reimbursement of expenses	24,552,492 9,862,012 2,422,930
AstraZeneca India Pvt Ltd.	Group Company	i) Payment towards reimbursement of expenses ii) Receipts towards reimbursement of expenses iii) Rent deposit iv) Rent expenses	8,710,960 4,168,536 715,000 23,032,020
IPR Pharmaceuticals INC	Group Company	Purchase of Raw Materials	118,280,908
Astra Zeneca Philippines	Group Company	i) Sale of Goods ii) Receipt towards reimbursement of expenses	147,743,477 42,643
AstraZeneca Belgium	Group Company	Payment towards reimbursement of expenses	168,707
AstraZeneca China	Group Company	Receipt towards reimbursement of expenses	139,193
AstraZeneca Pharmaceutical - USA	Group Company	Receipt towards reimbursement of expenses	393,588
Anandh Balasundaram	Managing Director	Managerial Remuneration	20,853,413

There were no material individual transactions with related parties which were not in the normal course of business. Further there were no material individual transactions with related party or others, which were not at arm's length basis.

2) The Senior Management has made disclosures to the Board that none of the material, financial and commercial transactions with any of the parties were in conflict with their personal interest.

3) The Company follows Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable. The Company has not adopted a treatment different from that prescribed in any Accounting Standard.

4) Details of non-compliance by the Company, penalties and structures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years:

During the year ended December 31, 2004, a letter was received from Securities and Exchange Board of India (SEBI) on violation of Takeover Regulations – Settlement of Consent Order for violation of Regulations 6(2) and 6(4) for 1997 and 8(3) for 1998 and 2000 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Company has responded appropriately denying any violation of Regulations 6(2) and 8(3). SEBI is yet to respond to the Company's letter.

During the year ended December 31, 2004, the Company received a letter from the Stock Exchange, Mumbai, on non-compliance of Clause 40A of Listing Agreement, relating to minimum public shareholding. A detailed reply was sent to the Stock Exchange denying non-compliance by the Company of Clause 40A of the Listing Agreement. There has been no response from the Stock Exchange.

5) The Company has a process in place that meets the objectives of the Whistle Blower Policy. In the opinion of the Board, there has been no case where a person was denied access to the Audit Committee.

6) The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the 15 months period ended March 31, 2011.

7) The Company has complied with all mandatory requirements. Adoption of non-mandatory requirements is given later in this Report.

8. Means of Communication

- The quarterly, half yearly and annual financial

results of the Company were sent to the Stock Exchanges immediately after the Board approved, first by fax followed by courier. The same were published in 'The Business Standard' (English) and 'Samyukta Karnataka' (Kannada) newspapers.

- The financial results are displayed on the website of the Company at www.astrazenecaindia.com.
- The website also displays official news releases. In the current period, the Company has not made any presentation to institutional investors or to analysts.

9. Shareholder Information

1) Annual General Meeting:

Date & Time of AGM	Friday, July 22, 2011 at 3:00 P.M.
Venue	The Ball Room, The Taj West End Hotel
Financial Year	2010-11
Book Closure Date	July 09, 2011 to July 22, 2011 (both days inclusive)
Dividend Payment Date	If approved, payment on or before July 29, 2011.

2) Financial Calendar & announcement of financial results

The Board of Directors at their meeting held on February 23, 2010 had approved the change in the

Company's accounting year of the Company from 'January-December' to 'April-March'. Accordingly the next financial accounts and annual report shall be from April 2011 to March 2012.

First Quarter Results	On or before August 15, 2011
Second Quarter Results	On or before November 15, 2011
Third Quarter Results	On or before February 15, 2012
Fourth Quarter & Annual Results	On or before May 31, 2012

3) Listing of Shares

The Company's Shares are listed on:

Bangalore Stock Exchange Limited (BgSE)

Stock Exchange Towers, No.51, 1st Cross, J C Road, Bangalore 560 027

Bombay Stock Exchange Limited, (BSE)

P. J. Towers, Dalal Street, Fort, Mumbai 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051

Listing fees for the financial year 2009-10 have been paid to all the above Stock Exchanges.

4) Stock Code

Bangalore Stock Exchange Limited	ASTRAZEN
Bombay Stock Exchange Limited	506820
National Stock Exchange of India Limited	ASTRAZEN
ISIN for NSDL and CDSL	INE203A01020

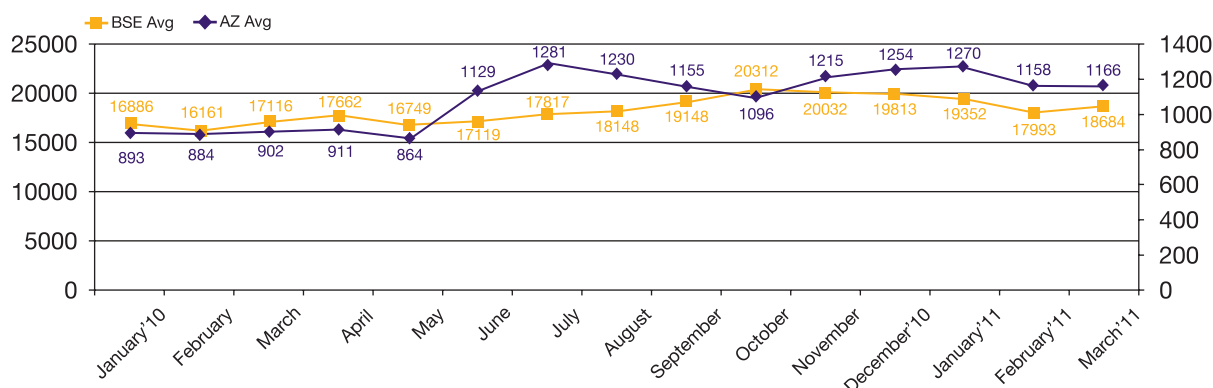
5) Market Price Data: High, Low during each month in the year (15 months) ended March 31, 2011

Monthly High/Low of market price of the Company's shares traded on Bombay Stock Exchange Limited (BSE), and National Stock Exchange of India Limited (NSE):

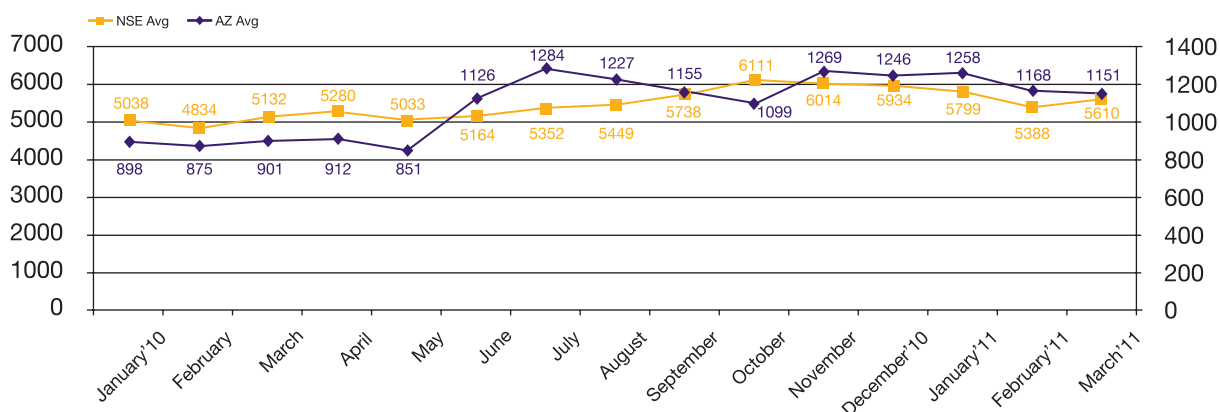
Period	Bombay Stock Exchange (₹)		BSE Sensex Index		National Stock Exchange (₹)		NSE S&P CNX Nifty Index	
	High	Low	High	Low	High	Low	High	Low
January '10	956.45	830.00	17,790.33	15,982.08	955.00	840.05	5,310.85	4,766.00
February	951.00	816.25	16,669.25	15,651.99	939.00	810.50	4,951.15	4,675.40
March	958.00	846.10	17,793.01	16,438.45	959.00	843.10	5,329.55	4,935.35
April	960.00	862.65	18,047.86	17,276.80	958.00	865.20	5,399.65	5,160.90
May	925.00	802.00	17,536.86	15,960.15	920.00	781.00	5,278.70	4,786.45
June	1,448.45	810.00	17,919.62	16,318.39	1,439.65	813.00	5,366.75	4,961.05
July	1,382.50	1,180.10	18,237.56	17,395.58	1,390.00	1,178.60	5,477.50	5,435.15
August	1,280.00	1,180.10	18,475.27	17,819.99	1,274.00	1,180.00	5,549.80	5,348.90
September	1,275.10	1,035.00	20,267.98	18,027.12	1,275.00	1,035.00	6,073.50	5,403.05
October	1,174.00	1,018.00	20,854.55	19,768.96	1,188.00	1,010.00	6,284.10	5,937.10
November	1,299.00	1,131.10	21,108.64	18,954.82	1,400.00	1,137.00	6,338.50	5,754.70
December'10	1,338.90	1,170.00	20,552.03	19,074.57	1,325.00	1,167.00	6,147.30	5,721.15
January '11	1,341.00	1,199.00	20,664.80	18,038.48	1,326.00	1,190.00	6,181.05	5,416.65
February'11	1,235.00	1,080.00	18,690.97	17,295.62	1,234.00	1,101.00	5,599.25	5,177.70
March'11	1,250.00	1,081.00	19,575.16	17,792.17	1,240.00	1,061.10	5,872.00	5,348.20

Source: www.bseindia.com and www.nseindia.com

6) Performance of the Company's equity shares in comparison to BSE Sensex and S&P CNX Nifty Index during the financial year 2010-11.



Source: www.bseindia.com



Source: www.nseindia.com

The shares of the Company have not been traded on the Bangalore Stock Exchange during the year.

7) Registrar & Share Transfer Agents

Integrated Enterprises (India) Limited (Earlier known as Alpha Systems Pvt. Ltd.)

30, Ramana Residency, 4th Cross,
Sampige Road, Malleswaram,
Bangalore – 560 003
Tel:(080) 23460815-8
Fax: (080) 23460819

8) Share Transfer System

All the transfers received in physical form are processed and approved by the Share Transfer Committee of the Board. The Company's Registrar & Share Transfer Agents, Integrated Enterprises (India) Limited (Earlier known as Alpha Systems Pvt. Ltd.) has adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc., as required from time to time.

In compliance with the Listing / SEBI Guidelines–

- a Practicing Company Secretary carries out Secretarial Audit on 'Dematerialized shares and shares in Physical form' every quarter and the necessary Reports issued by him are filed with the Stock Exchanges. The shares in Dematerialized form and Physical form tally with the issued/paid-up capital of the Company.
- a Practicing Company Secretary carries out a Due Diligence survey, pertaining to share transfers, transmissions etc., every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges.
- Shareholding Pattern and financial results are being uploaded in 'Electronic Data Information Filing and Retrieval' (EDIFAR) quarterly and annual Report annually.

9) Distribution of Shareholding as on March 31, 2011

No. of equity shares held	No. of Shares	%	No. of Shareholders	%
Upto 5,000	3176320	6.35	6034	99.75
5,001 to 10,000	108958	0.22	7	0.12
10,001 to 20,000	215818	0.43	8	0.13
20,001 to 30,000	107878	0.22	2	0.03
30,001 to 40,000	75660	0.15	1	0.02
40,001 to 50,000	Nil	Nil	Nil	Nil
50,001 to 100,000	128680	0.26	1	0.02
100,001 and above	46186686	92.37	5	0.10
Total	25000000	100.00	6058	100.00

10) Shareholding pattern as on March 31, 2011

Particulars	Physical Holdings	Electronic Holdings	Total Holdings	Percentage to the total shareholding
AstraZeneca Pharmaceuticals AB	13394850	9105100	22499950	89.99
Banks	125	250	375	0
Trusts	0	275	275	0
Mutual Funds	0	593393	593393	2.37
FII's	0	7100	7100	.03
Non-Resident Indians	2250	30637	32887	.13
Indian Corporate Bodies	3375	77893	81268	.33
Directors and their Relatives	5	1515	1520	
Others – Public	628778	1152123	1780901	7.14
Demat shares pending settlement (In clearing member A/c)	0	2331	2331	.01
Total	14029383	10970617	25000000	100.00
Percentage	56.2	43.8	100.00	

11) Dematerialization of shares and liquidity

43.8% of total equity capital is held in dematerialized form with National Securities Depository Limited and Central Depository Securities (India) Limited.

12) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

None

13) Plant location

The Company's manufacturing plant is located at:
12th Mile on Bellary Road
Kattigenahalli Village
Yelahanka, Bangalore - 560 063

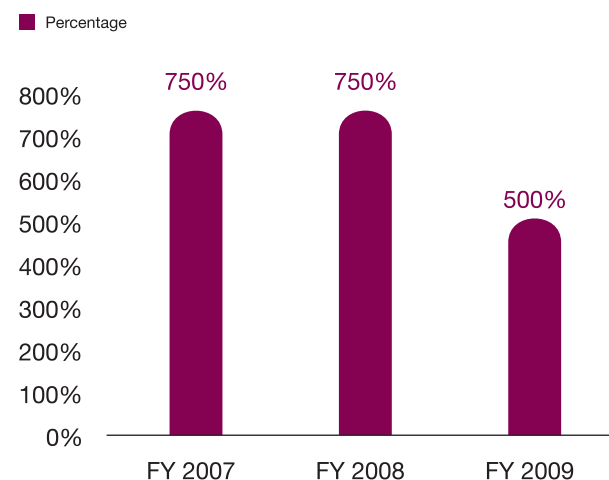
14) Company's Address for correspondence

Company Secretary / Compliance Officer
AstraZeneca Pharma India Limited
'Avishkar', Off Bellary Road, Hebbal
Bangalore 560 024 - Karnataka.
Tel: (080) 67748000
Fax: (080) 23622015
Email: comp.secy@astrazeneca.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

15) Dividend declared in earlier years

Dividend for the year	Percentage
2007	750%
2008	750%
2009	500%



16) Nomination Facility

The Companies (Amendment) Act, 1999 introduced through Section 109A, the facility of nomination to share / debenture / deposit holders. The facility is mainly useful for all holders holding the shares / debentures / deposits in single name.

Investors are advised to avail of this facility, especially investors holding securities in single name, to avoid the lengthy process of transmission formalities.

The nomination form may be had on request from the Company / Registrars & Share Transfer Agents. However, if the shares are held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.

Non-Mandatory Requirements

1. Shareholders Rights

The quarterly, half-yearly and annual financial results, after they are approved by the Board of Directors, are forthwith sent to the Stock Exchanges where Company's shares are listed. The results, in prescribed proforma, are published in 'The Business Standard' (English) and 'Samyukta Karnataka' (Kannada) newspapers.

2. Audit Qualifications

The same have been dealt with in the Directors' Report.

3. Training of Board Members/ Mechanism for evaluating non executive Board Members

All the Non-Executive (including independent) Directors are senior professionals in Legal, Finance and Sales & Marketing. All of them actively take part in the deliberations of the Board Meeting and contribute effectively to the business. In the opinion of the Board neither training of Board members is required nor is any evaluation required.

4. Whistle Blower Policy

A Whistle Blower Policy of the Company exists from Year 2004. This has been effectively communicated to all the employees across the Company. All complaints received under the Whistle Blower Policy are investigated and action taken where appropriate. A Whistle Blower has a right to approach the Chairman of the Audit Committee whose contact details are included in the Policy.

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are available on the Company's web site.

I confirm that the Company has in respect of the 15 Months period ended March 31, 2011, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, the Company Secretary and employees in the Vice President cadre as on March 31, 2011.

On behalf of the Board of Directors

Anandh Balasundaram
Managing Director

Place: Bangalore
Date: May 13, 2011

Certificate

To the Members of AstraZeneca Pharma India Limited

We have examined the compliance of conditions of Corporate Governance by AstraZeneca Pharma India Limited ("the Company"), for the period ended on 31 March 2011 (From 01 January 2010 to 31 March 2011), as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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.

As explained, no investor grievances are pending against the Company as per the records maintained by the Company for a period exceeding one month.

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

for B S R & Co.
Chartered Accountants
Firm Reg No : 101248W

Rajesh Arora
Partner
Membership No.: 76124

Place: Bangalore
Date: May 13, 2011

Acute coronary syndromes – or ACS – is a term used to describe sudden chest pain and other symptoms caused by an insufficient blood supply to the heart. They are the most common manifestation of coronary heart disease (CHD) with over 2.5 million occurrences in the developed world each year. Despite the availability of current treatment options, data suggests that up to 15% of patients die within one year of their cardiovascular event.

Brilinta (ticagrelor tablets) is an oral antiplatelet treatment that AstraZeneca developed for ACS. The clinical development for Brilinta included the PLATO study, one of the largest clinical trials that AstraZeneca has ever undertaken, involving 18,624 patients in 43 countries. The overall PLATO results demonstrated the superiority of ticagrelor in reducing heart attacks and cardiovascular death in patients with ACS. The data has provided the basis for regulatory filings worldwide.

For more than half a century, AstraZeneca has been at the forefront of R&D in cardiovascular diseases. Brilinta was discovered at our laboratories and represents another example of our commitment to developing and delivering innovative medicines that make a meaningful difference to patient health.



**“ Who can
help me survive
a heart attack?”**



Auditors' Report

To the Members of AstraZeneca Pharma India Limited

We have audited the attached balance sheet of AstraZeneca Pharma India Limited ("the Company") as at 31 March 2011, the profit and loss account and the cash flow statement for the period from January 01, 2010 to March 31, 2011 (the period) ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

1) 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;

2) 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;

3) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;

4) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

5) on the basis of written representations received from the directors of the Company as on 31 March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and

6) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2011;
- b) in the case of the profit and loss account, of the profit of the Company for the period ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the period ended on that date.

for **B S R & Co.**
Chartered Accountants
Firm Reg No : 101248W

Rajesh Arora
Partner
Membership No. 76124

Place: Bangalore
Date: May 13, 2011

AstraZeneca Pharma India Limited

Annexure to the Auditors' Report

Annexure referred to in the Auditors' Report to the Members of AstraZeneca Pharma India Limited ("the Company") for the period ended 31 March 2011. We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the period. No material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the period were not substantial, and therefore, do not affect the going concern assumption.

2. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the period-end, written confirmations have been obtained.

(b) The procedures for the physical verification of inventories 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 on verification between the physical stocks and the book records were not material.

3. The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, and having regards to the explanation that purchases of certain items of inventory are for the Company's specialised requirements and similarly for sale of goods and services of the buyer 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. We have not observed any major weakness in the internal control system during the course of the audit.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts and arrangements referred to in (a) above and exceeding the value of ₹5 lakh with any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchases of certain services which are for the Company's specialised requirements and similarly for sale of certain goods for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. 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 Companies Act, 1956 in respect of bulk drugs and formulations and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

9. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income-tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and

other material statutory dues have been regularly deposited during the period with the appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of Cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income-

tax, Wealth Tax, Service Tax, Customs Duty, Sales Tax, Excise Duty, Cess and other material statutory dues were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Wealth Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax, Sales Tax, Customs Duty, Excise Duty and Service Tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	698,427	1996-1997 to 1999-2000	Customs Excise and Service tax Appellate tribunal, Bangalore
Central Excise Act, 1944	Excise Duty	968,801	2010	Chief Commissioner, Central Excise (LTU)
Chapter V of Finance Act, 1994	Service Tax	47,712	1 July 2001 to 15 August 2002	Deputy Commissioner, Service tax, Bangalore
Chapter V of Finance Act, 1994	Service Tax	543,460	16 November 1997 to 2 June 1998	Commissionerate-Service Tax, Bangalore
Central Excise Act, 1944	Excise Duty	406,677	August 1998 to July 1999	Customs Excise and Service Tax Appellate Tribunal, Bangalore
Customs Act, 1962	Customs Duty	21,248,482	2006	Deputy Commissioner, Customs, Mumbai
Income-Tax Act, 1961	Income- Tax	45,460,290*	1996-97	Additional commissioner of income-tax, Bangalore
Income-Tax Act, 1961	Income- Tax	14,779,240	2007-08 to 2008-09	Commissioner of income-tax, (Appeals) Bangalore

* The Company has obtained the stay order for the same. The amount shown above is net of amount paid ₹10,000,000.

10. The Company does not have any accumulated losses at the end of the financial period and has not incurred cash losses in the financial period and in the immediately preceding financial year.

11. The Company did not have any outstanding dues to any financial institution, banks or debentureholders during the year.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund/ nidhi / mutual benefit fund / society.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The Company did not have any term loans outstanding during the period.

17. 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.

18. The Company has not made any preferential allotment of shares to companies/firms/parties

covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company did not have any outstanding debentures during the period.

20. The Company has not raised any money by public issues during the period.

21. *We have been informed by the Management that one of the liaison agents and one of the accredited wholesalers of the Company had procured goods for sales to institutions by submitting forged documents. The Company has filed a criminal complaint against the liaison agent. Further, based on a settlement, the Company has recovered ₹0.65 million from the accredited wholesalers. These have resulted in loss to the Company amounting to ₹11.15 million and ₹ 0.13 million respectively. The unrecovered amounts have been fully provided for. According to the information and explanations given to us, no other fraud on or by the Company has been noticed or reported during the course of our audit.*

for **BSR & Co.**
Chartered Accountants
Firm Reg No : 101248W

Rajesh Arora
Partner
Membership No. 76124

Place: Bangalore
Date: May 13, 2011

AstraZeneca Pharma India Limited

Balance sheet

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 December 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	2	50,000,000	50,000,000
Reserves and surplus	3	1,746,895,560	1,395,182,402
		1,796,895,560	1,445,182,402
APPLICATION OF FUNDS			
Fixed assets			
Gross block	4	845,171,636	828,039,608
Less: Accumulated depreciation		(570,624,481)	(527,857,308)
Net block		274,547,155	300,182,300
Capital work-in-progress		239,329,724	3,136,437
		513,876,879	303,318,737
Investments	5	56,916	56,916
Deferred tax asset, net	17(11)	75,419,327	29,400,014
Current assets, loans and advances			
Inventories	6	572,025,749	352,000,803
Sundry debtors	7	426,535,975	682,060,613
Cash and bank balances	8	853,901,703	682,353,768
Loans and advances	9	561,495,096	262,720,341
Other current assets	10	68,852,488	26,754,838
		2,482,811,011	2,005,890,363
Current liabilities and provisions			
Current liabilities	11	761,424,569	461,985,715
Provisions	12	513,844,004	431,497,913
		1,275,268,573	893,483,628
Net current assets		1,207,542,438	1,112,406,735
		1,796,895,560	1,445,182,402
Significant accounting policies	1		
Notes to the accounts	17		

The schedules referred to above form an integral part of the balance sheet.

As per our report attached
for **B S R & Co.**
Chartered Accountants
Firm Reg No : 101248W

Rajesh Arora
Partner
Membership No. 76124

Place: Bangalore
Date: May 13, 2011

for and on behalf of the Board of Directors

D E Udwadia
Chairman

N R Srinivasan
Company Secretary

Place: Bangalore
Date: May 13, 2011

Anandh Balasundaram
Managing Director

Himanshu Agarwal
Chief Financial Officer

AstraZeneca Pharma India Limited

Profit and loss account

(Amount in ₹)

		For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Schedule			
Income			
Gross sales		5,853,982,996	3,935,564,383
Less: Excise duty		(110,363,069)	(80,352,668)
Net sales		5,743,619,927	3,855,211,715
Service income	13	196,630,480	112,928,422
Other income	14	62,814,394	55,632,176
		6,003,064,801	4,023,772,313
Expenditure			
Materials cost	15	1,792,661,904	1,209,593,991
Other expenses	16	3,112,425,582	1,868,120,269
Depreciation/amortisation	4	88,127,950	60,766,684
Interest on debentures		-	1,369,863
		4,993,215,436	3,139,850,807
Profit before tax		1,009,849,365	883,921,506
Provision for tax:			
Income tax		414,185,061	309,920,374
Wealth tax		386,084	150,438
Deferred tax credit		(46,019,313)	(5,688,413)
Fringe benefit tax		-	3,366,666
		368,551,832	307,749,065
Profit after tax		641,297,533	576,172,441
Balance in profit and loss account brought forward		947,769,322	409,201,625
Amount available for appropriation		1,589,066,855	985,374,066
Appropriations			
Transfer to general reserve		64,129,753	57,617,244
Transfer from debenture redemption reserve		-	(312,500,000)
Proposed dividend		250,000,000	250,000,000
Tax on proposed dividend		39,584,375	42,487,500
Balance in profit and loss account carried forward		1,235,352,727	947,769,322
		1,589,066,855	985,374,066
Earnings per share (equity shares, par value ₹2 each, not annualised)	17(7)	25.65	23.05
- Basic and diluted			
Significant accounting policies	1		
Notes to the accounts	17		

The schedules referred to above form an integral part of the profit and loss account.

As per our report attached

for **B S R & Co.**

Chartered Accountants

Firm Reg No : 101248W

Rajesh Arora

Partner

Membership No. 76124

for and on behalf of the Board of Directors

D E Udwadia

Chairman

N R Srinivasan

Company Secretary

Anandh Balasundaram

Managing Director

Himanshu Agarwal

Chief Financial Officer

Place: Bangalore

Date: May 13, 2011

Place: Bangalore

Date: May 13, 2011

AstraZeneca Pharma India Limited

Cash flow statement

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
A) Cash flow from operating activities:		
Profit before tax	1,009,849,365	883,921,506
Adjustments for :		
Depreciation	88,127,950	60,766,684
Interest income on deposit	(57,624,323)	(35,809,845)
Interest on debentures	-	1,369,863
Loss on sale of fixed assets, net	240,580	5,489,661
Operating profit before working capital changes	1,040,593,572	915,737,869
Adjustments for:		
Increase in trade and other receivables	56,561,345	(250,445,961)
Increase in inventories	(220,024,946)	(11,936,801)
Increase in current liabilities and provisions	219,609,683	28,443,630
Cash generated from operations	1,096,739,654	681,798,737
Direct taxes paid, net of refund	(451,980,152)	(347,666,508)
Fringe benefit tax paid	4,820,182	(8,418,107)
Net cash from operating activities (A)	649,579,684	325,714,122
B) Cash flow (used in)/from investing activities:		
Interest received	48,509,390	87,814,814
Purchase of fixed assets	(327,316,017)	(71,190,100)
Sale of fixed assets	2,692,704	5,281,605
Net cash (used in)/from investing activities (B)	(276,113,923)	21,906,319

AstraZeneca Pharma India Limited

Cash flow statement

(Amount in ₹)

For the period from
1 January 2010 to
31 March 2011

For the year ended
31 December 2009

C) Cash flow used in financing activities:

Dividend paid	(249,318,373)	(373,884,235)
Tax on dividend paid	(41,521,875)	(63,731,250)
Repayment of debentures	(78,697)	(621,490,844)
Interest on debentures	(6,296)	(49,719,268)
Net cash used in financing activities (C)	(290,925,241)	(1,108,825,597)

D) Net increase/(decrease) in cash and cash equivalents (A+B+C) **82,540,520** (761,205,156)

E) Cash and cash equivalents as at the beginning of the period * **676,834,297** 1,438,039,453

F) Cash and cash equivalents as at the end of the period (D+E) * **759,374,817** 676,834,297

[Net of book overdraft of ₹ 94,526,886 (previous year: ₹ 5,519,471) included in Schedule 11]

* Refer to schedule 8 to the financial statements

As per our report attached
for **B S R & Co.**
Chartered Accountants
Firm Reg No : 101248W

for and on behalf of the Board of Directors

Rajesh Arora
Partner
Membership No. 76124

D E Udawadia
Chairman

Anandh Balasundaram
Managing Director

N R Srinivasan
Company Secretary

Himanshu Agarwal
Chief Financial Officer

Place: Bangalore
Date: May 13, 2011

Place: Bangalore
Date: May 13, 2011

AstraZeneca Pharma India Limited

Schedules to the accounts

1. Significant accounting policies

1. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and mandatory Accounting Standards ('AS') prescribed by the Companies (Accounting Standards), Rules 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

The Board of Directors at their meeting held on 23 February 2010 have approved the change in the company's statutory accounting year from "January-December" to "April- March". Accordingly, the current period financial accounts are for a period of 15 months, i.e. from 1 January 2010 to 31 March 2011 ("the Period").

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future years.

3. Revenue recognition

Revenue from sale of goods (including sale of scrap) is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax and net of trade discounts and sales returns. Sales are presented both gross and net of excise duty.

Interest on deployment of surplus funds is recognised using the time proportion method, based on underlying interest rates.

The Company derives its service income from services for clinical trials provided to its group companies and co-promotion services to its customers. The income from clinical trials is based on a 'cost plus' model as agreed with its group companies. As per the agreement, costs incurred internally are charged with a mark-up and those incurred externally are charged at actuals. Revenue

from such services is recognised when the service is performed in accordance with agreement with the group companies. The income from co-promotion services is recognised when the service is performed in accordance with the agreement with the customer.

Revenues which have not been billed, but have been accrued as per the terms of the contract with the customers are debited as unbilled revenue.

The Company derives its rental income from group companies for the assets leased. Income is accrued based on the agreement entered.

4. Fixed assets and capital work-in-progress

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective fixed assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Intangible assets are recorded at their acquisition cost.

The cost of the fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

5. Depreciation

Depreciation on fixed assets is provided on the straight-line method, based on useful lives of assets as estimated by management.

Management's estimate of the useful lives of fixed assets is as follows:

	Years
Buildings	6 to 20
Roads and culverts	10
Plant and machinery	5 to 10
Vehicles	5
Furniture and fixtures	10
Office equipment	2 to 10

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

License for use and application of know-how and trademark are being amortised on straight-line method over its useful life of 60 months as specified in the contract, from the date it was available for use.

Pro-rata depreciation is provided on all assets purchased and sold during the period. Assets costing individually ₹5,000 or less are depreciated fully in the period of purchase.

6. Impairment of assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

7. Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the profit and loss account for the period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date, the resultant exchange differences are recognised in the profit and loss account.

8. Employee benefits

Contribution to provident and pension funds, which are defined contribution schemes, are charged to the profit and loss account on an accrual basis.

The Company has an arrangement with Life Insurance Corporation of India and ICICI Prudential to administer its superannuation scheme, which is a defined contribution scheme. The contributions to the said scheme are charged to the profit and loss account on an accrual basis.

Liability for gratuity, which is a defined benefit, is provided based on an actuarial valuation at the balance sheet date, carried out by an independent actuary using projected unit credit method and charged to the profit and loss account. The Company makes contributions towards gratuity into the approved gratuity fund administered by ICICI Prudential Life Insurance.

Liability for compensated absences, which is a defined benefit, is provided on the basis of an actuarial valuation and is charged to the profit and loss account on an accrual basis.

9. Investments

Long-term investments are stated at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

10. Other current assets

Stock of samples have been valued at cost, as in the ordinary course of business they have a realisable value at least equal to cost.

11. Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing inventories to their present location and condition.

The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

The methods of determination of cost of various categories of inventories are as follows:

(i) Raw materials and packing materials	Monthly moving weighted average cost
(ii) Work-in-process and finished goods (Manufactured)	Weighted average cost of production. Fixed production overheads are allocated on the basis of normal capacity of production facilities
(iii) Traded goods	Weighted average cost
(iv) Goods in transit	Actual cost

12. Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources.

No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of outflow of resources is remote.

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

13. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and

the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/ liabilities are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Income-tax expense also comprises Fringe Benefit Tax (FBT) for the period until 31 March 2009. Provision for FBT until March 31, 2009 is made based on the tax liability computed in accordance with the provisions of Income-tax Act, 1961. Effective 1 April 2009, no provision for FBT is made as FBT stands abolished as per the Finance Act, 2009.

14. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

15. Leases

Lease payments under operating lease are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

16. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax are adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue

generating, investing and financing activities of the Company are segregated.

17. Research and development

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

	(Amount in ₹)	
	As at 31 March 2011	As at 31 December 2009
2 Share capital		
Authorised		
25,000,000 (previous year: 25,000,000) equity shares of ₹2 each	50,000,000	50,000,000
Issued, subscribed and paid up		
25,000,000 (previous year: 25,000,000) equity shares of ₹2 each	50,000,000	50,000,000
[Of the above 12,500,000 (previous year: 12,500,000) equity shares of ₹2 each were allotted as fully paid-up bonus shares by capitalisation of general reserve] [Of the above, 22,499,950 (previous year: 22,499,950) equity shares of ₹2 each are held by the holding company AstraZeneca Pharmaceuticals AB, Sweden. AstraZeneca Plc, United Kingdom is the ultimate holding company.]		
	50,000,000	50,000,000
3 Reserves and surplus		
Debenture redemption reserve		
At the commencement of the period	-	312,500,000
Utilised during the period	-	(312,500,000)
	-	-
General reserve		
At the commencement of the period	447,413,080	389,795,836
Additions during the period	64,129,753	57,617,244
	511,542,833	447,413,080
Profit and loss account	1,235,352,727	947,769,322
	1,746,895,560	1,395,182,402

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

4 Fixed assets

(Amount in ₹)

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 January 2010	Additions	Deletions	As at 31 March 2011	Charge	Deletions	As at 31 March 2011	As at 31 December 2009
Tangible assets								
Freehold land	5,073,921	-	-	5,073,921	-	-	5,073,921	5,073,921
Buildings	129,843,106	-	-	129,843,106	6,247,264	-	67,910,395	68,179,975
Roads and culverts	2,015,544	-	-	2,015,544	32,719	-	1,914,766	133,497
Plant and machinery	495,113,007	22,573,078	9,885,393	507,800,692	37,165,544	9,477,939	368,465,289	154,335,323
Vehicles	38,048,845	6,116,734	4,808,979	39,356,600	7,410,299	2,562,692	24,887,730	18,008,722
Furniture and fixtures	29,541,916	773,008	7,459	30,307,465	2,415,253	6,170	22,458,184	9,492,815
Office equipment	98,334,820	35,963,269	33,592,230	100,705,859	27,953,485	33,313,976	54,919,668	38,054,661
Total	797,971,159	65,426,089	48,294,061	815,103,187	81,224,564	45,360,777	540,556,032	293,278,914
Intangible assets								
License for use and application of know-how and trademark	30,068,449	-	-	30,068,449	6,903,386	-	30,068,449	6,903,386
Total	30,068,449	-	-	30,068,449	6,903,386	-	30,068,449	6,903,386
Grand total	828,039,608	65,426,089	48,294,061	845,171,636	88,127,950	45,360,777	570,624,481	300,182,300
<i>Previous year</i>	<i>810,658,920</i>	<i>68,075,754</i>	<i>50,695,066</i>	<i>828,039,608</i>	<i>60,766,684</i>	<i>39,923,800</i>	<i>527,857,308</i>	<i>300,182,300</i>

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
5 Investments		
Long term		
Trade, quoted, at cost		
Equity shares, fully paid-up		
100 (previous year: 100) equity shares of TTK Healthcare Limited of ₹10 each	5,325	5,325
100 (previous year: 100) equity shares of Torrent Gujarat Biotech Limited of ₹10 each	1,935	1,935
	7,260	7,260
Trade, unquoted		
Equity shares, fully paid-up		
100 (previous year: 100) equity shares of Dee Pharma Limited of ₹10 each	3,568	3,568
100 (previous year: 100) equity shares of Mesco Pharmaceuticals Limited of ₹10 each	3,768	3,768
100 (previous year: 100) equity shares of SOL Pharmaceuticals Limited of ₹10 each	7,820	7,820
	15,156	15,156
Non trade, unquoted		
Others		
National Savings Certificates	34,500	34,500
Total unquoted investments	49,656	49,656
	56,916	56,916
Market value of quoted investments	47,685	40,300
6 Inventories		
Raw materials	111,651,197	64,450,683
Raw materials-in-transit	9,532,257	2,527,335
Packing materials	41,830,523	18,440,972
Work-in-process	58,827,136	51,161,286
Finished goods		
- Manufactured	124,079,074	89,966,226
- Traded	226,105,562	125,454,301
	572,025,749	352,000,803
7 Sundry debtors		
Unsecured		
Debtors outstanding for a period exceeding six months		
- Considered good	3,571,169	5,912,788
- Considered doubtful	57,696,514	32,534,067
Other debts, considered good	422,964,806	676,147,825
	484,232,489	714,594,680
Provision for doubtful debts	(57,696,514)	(32,534,067)
	426,535,975	682,060,613

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
<i>Debts due from entities under the same management</i>		
AstraZeneca AB, Sweden	6,090,305	28,818,555
AstraZeneca SDN Bhd, Malaysia	18,618,710	74,981,980
AstraZeneca, Philippines	7,550,348	-
8 Cash and bank balances		
Cash on hand	240,499	240,500
Balances with scheduled banks		
- Exchange earners foreign currency account	23,039,178	2,275,876
- Unclaimed dividend accounts, redeemable debentures and interest on debentures	16,804,100	16,207,466
- Deposit accounts	813,817,926	663,629,926
[Deposits include ₹14,152,892 (previous year: ₹9,436,611) pledged with bank as margin money against guarantees issued]		
	853,901,703	682,353,768
9 Loans and advances		
<i>Secured, considered good</i>		
Advances recoverable in cash or in kind or for value to be received	40,011,808	21,342,277
<i>Unsecured</i>		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	451,137,942	213,501,142
- Considered doubtful	5,957,815	5,957,815
	457,095,757	219,458,957
Less: Provision for doubtful advances	(5,957,815)	(5,957,815)
	491,149,750	234,843,419
<i>Others, unsecured, considered good</i>		
Advance tax, net of provision for tax	70,307,872	18,679,607
Fringe benefit tax, net of provision for tax	-	4,100,001
Balance with excise authorities	37,474	5,097,314
	561,495,096	262,720,341

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
<i>Amount due from entities under the same management</i>		
AstraZeneca Singapore Pte Limited	3,121,398	5,904,588
AstraZeneca India Private Limited	15,163,694	14,330,171
AstraZeneca Plc, United Kingdom	45,104,402	4,538,991
PT AstraZeneca, Indonesia	-	20,543
AstraZeneca, Philippines	-	60,971
AstraZeneca, China	139,193	-
AstraZeneca, Belgium	-	518,054
AstraZeneca, Sweden	-	1,009,449
AstraZeneca Pharmaceuticals LP USA	-	534,477
AstraZeneca, Thailand	-	23,781
<i>Maximum amount due from the entities under the same management</i>		
AstraZeneca Singapore Pte Limited	7,113,487	51,895,486
AstraZeneca India Private Limited	16,841,182	14,330,171
AstraZeneca Plc, United Kingdom	45,104,402	40,467,386
PT AstraZeneca, Indonesia	20,543	20,543
AstraZeneca Philippines	103,614	60,971
AstraZeneca SDN Bhd, Malaysia	-	852,924
AstraZeneca, Belgium	518,054	2,289,772
AstraZeneca, Sweden	1,063,932	4,637,678
AstraZeneca Pharmaceuticals LP USA	534,477	534,477
AstraZeneca, Thailand	23,781	23,781
AstraZeneca, China	139,193	-
10 Other current assets		
Stock of samples	7,898,346	5,913,592
Compensation receivable from NHAI for sale of land (Refer to note 2 to Schedule 17)	19,691,797	19,691,797
Interest accrued but not due on deposits	10,264,382	1,149,449
Unbilled revenue	30,997,963	-
	68,852,488	26,754,838

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
11 Current liabilities		
Sundry creditors		
- Due to micro and small enterprises (refer note 18 to Schedule 17)	-	-
- Others	223,654,797	121,569,937
Other liabilities		
- Statutory liabilities	38,431,428	22,382,357
- Others	372,903,598	281,202,724
Book overdraft	94,526,886	5,519,471
Security deposit on leased asset	9,860,000	9,860,000
Dealers' deposits	5,243,760	5,243,760
Investor Protection and Education Fund shall be credited when due		
- Unclaimed dividends	13,099,205	12,417,578
- Unclaimed redeemable debentures	3,430,459	3,509,156
- Unclaimed interest on debentures	274,436	280,732
	761,424,569	461,985,715
12 Provisions		
Taxation, net of advance tax	20,771,499	33,405,783
Fringe benefit tax, net of advance tax	2,646,970	1,926,789
Proposed dividend	250,000,000	250,000,000
Tax on proposed dividend	40,550,000	42,487,500
Gratuity	46,324,847	3,417,251
Compensated absences	74,900,919	48,464,363
Provision for contingencies (refer note 21 to Schedule 17)	78,649,769	51,796,227
	513,844,004	431,497,913

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
13 Service income		
Co-promotion	127,496,487	1,807,575
Clinical trials	69,133,993	111,120,847
	196,630,480	112,928,422
14 Other income		
Interest on deposits [Tax deducted at source ₹5,745,200 (previous year: ₹ 8,158,740)]	57,624,323	35,809,845
Rent received	1,122,150	517,550
Sale of scrap	2,823,232	3,125,784
Miscellaneous income	1,244,689	16,178,997
	62,814,394	55,632,176
15 Materials cost		
Materials consumed		
Raw materials	557,828,090	325,574,425
Packing materials	202,611,749	131,966,471
Cost of traded goods sold	A 760,439,839 B 1,067,465,849	457,540,896 765,968,992
Decrease in manufactured finished goods and work-in-process		
Opening stock		
- Manufactured finished goods	89,966,226	82,584,480
- Work-in-process	51,161,286	48,795,500
	141,127,512	131,379,980
Less: Excise duty on opening stock of finished goods	(9,781,691)	(13,950,056)
Add: Excise duty on closing stock of finished goods	16,316,605	9,781,691
Less: Closing stock		
- Manufactured finished goods	(124,079,074)	(89,966,226)
- Work-in-process	(58,827,136)	(51,161,286)
	(182,906,210)	(141,127,512)
	C (35,243,784)	(13,915,897)
	A+B+C 1,792,661,904	1,209,593,991

AstraZeneca Pharma India Limited

Schedules to the accounts (continued)

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
16 Other expenses		
<i>Employee costs</i>		
Salaries, wages and bonus	1,221,981,382	678,149,253
Contribution to provident and other funds	142,451,509	44,846,405
Workmen and staff welfare	140,543,268	105,298,548
	1,504,976,159	828,294,206
Travel and conveyance	377,082,908	240,200,407
Conference and symposia	238,447,006	110,679,119
Publicity and literature	131,395,730	80,471,999
Other marketing expenses	210,248,388	101,354,509
Legal and professional	168,911,712	113,054,122
Carriage outwards	71,664,100	44,188,020
Clinical trial expenses	20,939,822	79,074,678
Repairs and maintenance		
- Buildings	5,115,354	1,262,174
- Plant and machinery	12,055,217	6,050,062
- Others	19,666,281	17,607,555
Power and fuel	33,131,332	19,612,520
Rent	42,622,554	32,960,017
Stores, spares and loose tools consumed	28,811,968	21,949,501
Communication	27,884,340	20,509,996
Commission	50,751,424	36,251,770
Cost of samples distributed	45,751,578	32,930,542
Excise duty	7,870,675	1,276,614
Provision for doubtful debts, net	25,162,447	8,559,022
Bad debts written off	4,485,326	-
Printing and stationery	16,315,621	11,947,262
Insurance	8,737,150	6,553,885
Processing charges	5,131,112	8,516,326
Rates and taxes	10,364,120	4,561,557
Discounts	1,513,925	1,111,656
Royalty	2,483,726	2,692,071
Loss on sale/ scrapping of fixed assets, net	240,580	5,489,661
Loss on foreign exchange transactions/ translations, net	2,000,055	5,566,225
Miscellaneous	38,664,972	25,394,793
	3,112,425,582	1,868,120,269

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

1. Contingent liabilities and commitments

	As at 31 March 2011	As at 31 December 2009
(Amount in ₹)		
Claims against the Company not acknowledged as debts in respect of:		
a) Excise and service tax matters	2,665,077	1,696,077
Other commitments/ contingent liability		
a) In respect of bank guarantees	14,152,892	9,436,611
b) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	386,929,664	3,481,145

The Company received a notice from Bruhat Bangalore Mahanagara Palike (BBMP) on February 23, 2011 demanding a payment of ₹113,328,767 as Land Improvement Charges towards its land located at its factory. Management believes that, based on legal advice received by the Company, the said charges are not payable, and the Company has prima facie a strong case on merits to challenge the constitutional validity of the Rules empowering BBMP to collect the said charges. Management plans to file a writ before the High Court of Karnataka against the above charges in due course.

2. The net compensation awarded amounting to ₹19,691,797 by the National Highways Authorities of India (NHAI) vide the award dated 8 March 2004 for acquiring a portion of factory land, has been subsequently reduced to ₹498,879 by an amended award dated 8 September 2006. The revised compensation is based on the cost at which the land was originally obtained from Karnataka Industrial Area Development Board. The Company has not accepted the amended award and has disputed the same. The Company has invoked the arbitration provision under the National Highways Act, 1956. Additionally, the Company has also filed a writ petition before the honourable High Court of Karnataka on 9 October 2007, praying for the quashing of the amended award. As per legal advice received, the Company has adequate grounds for challenging the amended award.

3. Research expenditure (including depreciation) amounting to ₹32,177,960 (previous year: ₹21,061,982) incurred during the period has been charged to the respective heads of account in the profit and loss account.

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

4. Auditors' remuneration (included in legal and professional fees)*

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
	₹	₹
Audit fees	3,801,250	3,001,250
Tax audit fees	667,500	367,500
Other taxation matters	1,035,000	685,000
Reimbursement of out of pocket expenses	412,585	383,395
	5,916,335	4,437,145

* Excludes service tax

5. Managerial remuneration

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Directors' remuneration		
a) Managing director		
(i) Salary	17,025,524	10,353,490
(ii) Contribution to provident and other funds	1,562,739	1,031,548
(iii) Perquisites	2,265,150	1,589,049
	20,853,413	12,974,087
b) Non-executive directors		
Commission	2,050,000	1,610,000
	22,903,413	14,584,087
Sitting fees	620,000	420,000
	23,523,413	15,004,087

Managerial remuneration does not include cost of retirement benefits such as gratuity and compensated absences since provision for the same is based on actuarial valuation carried out for the Company as a whole.

Anandh Balasundaram (Managing Director) has been issued 8,933 (Previous year: 3,500) Share Options under the AstraZeneca Share Option Plan by AstraZeneca Plc. The cost incurred by AstraZeneca Plc pursuant to the said AstraZeneca Share Option plan for the period ended 31 March 2011 amounts to ₹1,432,657 (previous year: ₹423,967).

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

6. Computation of net profits in accordance with Section 349 of the Companies Act, 1956

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Profit before taxation, as per profit and loss account	1,009,849,365	883,921,506
Add:		
Depreciation as per accounts	88,127,950	60,766,684
Managerial remuneration	22,903,413	14,584,087
Sitting fees	620,000	420,000
	111,611,363	75,770,771
Less:		
Depreciation as per Section 350 of the Companies Act, 1956 *	88,127,950	60,766,684
	88,127,950	60,766,684
Net profit under Section 349 of the Companies Act, 1956	1,033,372,778	898,925,593
Maximum managerial remuneration available to the Managing Director including commission restricted to 5% of profits	51,668,639	44,946,280
Actual remuneration to the Managing Director	20,853,413	12,974,087
Maximum managerial remuneration available to other directors, including commission, restricted to 1% of net profits	10,333,728	8,989,256
Actual commission payable to other directors	2,050,000	1,610,000

* Depreciation computed based on useful lives, which are lower than lives as mentioned in Schedule XIV of the Companies Act, 1956.

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

7. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

(Amount in ₹, except number of shares)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Net profit for the period attributable to equity shareholders	641,297,533	576,172,441
Weighted average number of equity shares of ₹2 each used for calculation of earnings per share	25,000,000	25,000,000
Earnings per share, basic and diluted	25.65	23.05

The Company does not have potentially dilutive equity shares.

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956 (Quantitative information has been compiled from records and technical data in respect of each class of goods manufactured/ purchased by the Company).

8. (a) Details of goods manufactured and traded

Class of goods manufactured

(Amount in ₹)

		Opening stock ⁴ as at 1 January 2010		Turnover ^{1,5} for the period from 1 January 2010 to 31 March 2011		Closing stock ⁴ as at 31 March 2011	
	Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount
1. Bulk drugs ²	Tonnes	-	-	2.79	86,435,166	-	-
		-	-	(2.86)	(76,899,031)	-	-
2. Formulations:							
Liquids	Kilo Ltrs	88.64 (110.85)	7,447,603 (10,617,330)	2,400.41 (1,296.24)	758,148,907 (359,309,529)	143.48 (88.64)	15,771,529 (7,447,603)
Tablets and Capsules	Million Nos.	45.08 (37.47)	39,978,957 (32,123,265)	553.27 (421.75)	1,843,739,901 (1,214,527,661)	72.85 (45.08)	63,421,716 (39,978,957)
Injectables	Million Nos.	3.26 (3.20)	29,738,108 (34,039,218)	22.49 (18.23)	618,176,356 (514,198,550)	3.48 (3.26)	36,772,766 (29,738,108)
Ointments	Tonnes	20.48 (13.56)	8,999,590 (7,041,637)	256.66 (195.25)	378,073,720 (272,641,613)	26.00 (20.48)	11,999,649 (8,999,590)
Inhalation Products	Million Nos.	0.08 (0.03)	6,451,891 (2,472,116)	0.08 (0.16)	9,058,874 (26,139,349)	- (0.08)	153,345 (6,451,891)
Total of class of goods manufactured including samples			92,616,149 (86,293,566)		3,693,632,924 (2,463,715,733)		128,119,005 (92,616,149)

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

Class of goods traded

(Amount in ₹)

		Opening stock ⁵ as at 1 January 2010		Turnover ^{1,5} for the period from 1 January 2010 to 31 March 2011		Closing stock ⁵ as at 31 March 2011	
	Unit	Qty	Amount	Qty	Amount	Qty	Amount
Formulations :							
Tablets and capsules	Million Nos.	22.44 (14.34)	41,939,760 (33,667,308)	86.49 (50.71)	555,509,879 (340,123,624)	27.91 (22.44)	113,255,662 (41,939,760)
Injectables	Million Nos.	0.31 (0.17)	83,909,005 (102,950,893)	3.10 (1.47)	1,419,602,604 (880,399,046)	0.81 (0.31)	112,172,505 (83,909,005)
Dry powder	Million Nos.	0.01 (0.08)	307,824 (2,037,229)	0.01 (0.25)	-1,176,778 (3,626,087)	- (0.01)	- (307,824)
Inhalation products	Million Nos.	0.01 (-)	2,561,381 (838,506)	0.06 (0.03)	31,746,043 (19,541,947)	0.01 (0.01)	4,535,809 (2,561,381)
Liquids	Kiloltrs	- (31.36)	- (5,109,860)	113.53 (393.43)	44,305,256 (147,805,278)	- (-)	- (-)
Total of class of goods traded including samples			128,717,970 (144,603,796)	2,049,987,004 (1,391,495,982)		229,963,977 (128,717,970)	
Grand total			221,334,119 (230,897,362)	5,743,619,927 (3,855,211,715)		358,082,982 (221,334,119)	

Notes:

1. Turnover indicated above is net of excise duty.
2. Bulk drugs are captively consumed and also sold. Opening and closing stocks of such items are included in work-in-process as these items are considered as meant for sale only when they are sold.
3. Previous year figures are given in brackets.
4. Stock indicated above is net of provision to bring down the value of the inventories to their net realisable values and to account for obsolescence.
5. Turnover quantity includes goods issued as bonus quantities, free samples and free replacements.

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

8. (b) Purchase of traded goods

Class of traded goods purchased[^]

(Amount in ₹)

		For the period from 1 January 2010 to 31 March 2011		For the year ended 31 December 2009	
	Unit	Quantity	Amount	Quantity	Amount
Formulations:					
Tablets and capsules	Million Nos.	91.96	330,522,532	58.81	177,211,299
Injectables	Million Nos.	3.60	814,763,311	1.61	508,430,005
Dry Powder	Million Nos.	0.00	-	0.18	4,558,082
Liquids	Kilo Ltrs	113.53	17,438,340	362.07	56,167,760
Inhalation products	Million Nos	0.06	24,120,835	0.04	14,798,749
			1,186,845,018		761,165,895

[^] Includes purchase of traded goods distributed as free samples

8. (c) Details of capacity and production

	Unit	Licensed capacity as at		Installed capacity* as at		Actual production*** for the period ended	
		31 Mar 2011	31 Dec 2009	31 Mar 2011	31 Dec 2009	31 Mar 2011	31 Dec 2009
1. Bulk drugs #	Tonnes	540.65	540.65	**	**	3.69	2.86
	Million units	250.00	250.00	**	**	-	-
	Gms	2,950.00	2,950.00	**	**	820.34	1,603.52
2. Formulations+		++	++				
a) Liquids	Kilo ltrs	364.00	364.00	2,500.00	2,500.00	2,455.25	1,274.03
	Tonnes	2.17	2.17	-	-	-	-
	Million bottles	3.50	3.50	-	-	-	-
b) Tablets and capsules	Million nos.	614.30	614.30	690.00	690.00	581.04	429.36
	Tonnes	47.49	47.49	-	-	-	-
c) Injectables	Million nos.	4.90	4.90	33.00	33.00	22.71	18.29
	Kilo ltrs	50.00	50.00	-	-	-	-
	Tonnes	0.15	0.15	-	-	-	-
d) Ointments	Tonnes	-	-	260.75	260.75	262.18	202.17
	Million nos.	3.00	3.00	-	-	-	-
e) Inhalation products	Gms	2,000.00	2,000.00	-	-	-	-
	Million nos.	0.62	0.62	-	-	-	0.21

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

Notes:

* Installed capacities are as certified by the management and relied on by the auditors being a technical matter.

** Installed capacities cannot be determined as the facilities installed serve multi-purposes and will vary according to product mix.

Includes units captively consumed in the manufacture of formulations.

+ Licensed capacities for formulations do not include either capacities available under various exemption notifications or capacities arising from licences for manufacture of bulk drugs where capacities for dosage forms are not specified.

++ The Company also holds a registration certificate for formulations where licensed capacities are not mentioned. However, as per various notifications issued by Central Government, applications have been made by the Company to authorities concerned for the recognition of installed capacities for formulations and for endorsement of such capacities on the registration certificate. The applications are pending with the relevant authorities.

*** Production includes samples produced. It also includes products manufactured through outside processors.

Installed capacity represents the production capacity for a period of 12 months as at 31 March 2011. The production for the period ended 31 March 2011 represents the actual production for the period of 15 months (from 01 January 2010 to 31 March 2011).

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

8. (d) Consumption of raw and packing materials

(Amount in ₹)

For the period from 1 January 2010 to 31 March 2011				For the year ended 31 December 2009	
Particulars	Unit	Quantity	Amount	Quantity	Amount
Raw materials:					
Codeine phosphate	Kgs	2,875.47	97,181,992	1,134.75	38,212,882
*Other raw materials			460,646,098		287,361,543
			557,828,090		325,574,425
Packing material:					
Vial clear glass	Nos	9,464,461	26,716,367	7,614,702	19,104,389
Bottle amber 100ml	Nos	20,919,358	40,705,137	9,907,460	17,499,896
*Other packing material			135,190,245		95,362,186
			202,611,749		131,966,471

Notes:

* Items, which in value, individually account for less than 10 per cent of the total value of the raw materials and packing material consumed, have not been disclosed separately.

8. (e) Consumption of imported and indigenous raw and packing materials

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011		For the year ended 31 December 2009	
	Amount	Percentage of total consumption	Amount	Percentage of total consumption
Imported	334,485,432	43.99	205,852,617	44.99
Indigenous	425,954,407	56.01	251,688,279	55.01
	760,439,839	100.00	457,540,896	100.00

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Schedule to the accounts (17 Notes to the accounts)

8. (f) Consumption of imported and indigenous spares, stores and loose tools consumed

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011		For the year ended 31 December 2009	
	Amount	Percentage of total consumption	Amount	Percentage of total consumption
Imported	660,875	2.24	1,000,274	4.56
Indigenous	28,151,093	97.76	20,949,227	95.44
	28,811,968	100.00	21,949,501	100.00

9. Related parties

(i) Names of related parties and description of relationship:

1. Holding company	AstraZeneca Pharmaceuticals AB, Sweden
Holding company of AstraZeneca Pharmaceuticals AB, Sweden	AstraZeneca AB, Sweden
Holding company of AstraZeneca AB, Sweden	AstraZeneca Treasury Limited, United Kingdom
Ultimate holding company	AstraZeneca Plc, United Kingdom
2. Fellow subsidiaries	AstraZeneca SDN Bhd, Malaysia; AstraZeneca Singapore Pte Ltd, Singapore; AstraZeneca Philippines; AstraZeneca Belgium; AstraZeneca India Private Limited; PT AstraZeneca Indonesia; AstraZeneca Pty Ltd, Australia; AstraZeneca China; AstraZeneca Pharmaceuticals LP USA; AstraZeneca Thailand; and IPR Pharmaceuticals Inc
3. Key management personnel	
- Managing Director	Anandh Balasundaram
- Directors	Ian Brimicombe Bhasker V Iyer (resigned w.e.f 23 February 2010) Mr. Luigi Felice Lacorte (appointed w.e.f 25 March 2010) Francis McNamara III (resigned w.e.f 30 September 2010)

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

(ii) Related party transactions

(Amount in ₹)

Nature of transaction	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Purchase of materials and traded goods		
AstraZeneca Plc, United Kingdom	683,277,852	452,438,617
AstraZeneca AB, Sweden	191,409,596	104,892,559
AstraZeneca Pty Ltd, Australia	64,408,178	12,497,568
IPR Pharmaceuticals Inc	118,280,908	62,088,970
Total	1,057,376,534	631,917,714
Redemption of debentures		
AstraZeneca Pharmaceuticals AB, Sweden	-	562,498,750
Payment towards reimbursement of expenses		
AstraZeneca Plc, United Kingdom	5,739,615	7,226,561
AstraZeneca AB, Sweden	64,501	2,108,756
AstraZeneca Singapore Pte Ltd	2,422,930	1,597,851
AstraZeneca India Private Limited	8,710,960	2,331,192
Others	168,707	561,811
Total	17,106,713	13,826,171
Receipt towards reimbursement of expenses		
AstraZeneca Plc, United Kingdom	74,498,184	69,377,921
AstraZeneca Singapore Pte Ltd	24,552,492	93,947,453
Others	4,743,960	5,844,139
Total	103,794,636	169,169,513
Rent expenses		
AstraZeneca India Private Limited	23,032,020	17,141,697
Royalty		
AstraZeneca AB, Sweden	2,483,726	2,692,071
Sales of goods		
AstraZeneca AB, Sweden	91,684,812	80,411,656
AstraZeneca SDN Bhd, Malaysia	155,133,182	95,078,837
AstraZeneca Philippines	147,743,477	-
AstraZeneca Singapore Pte Ltd	9,862,012	-
Total	404,423,483	175,490,493

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

(Amount in ₹)

Nature of transaction	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Service income		
AstraZeneca AB, Sweden	69,133,993	111,120,847
Rent deposit		
AstraZeneca India Private Limited	715,000	-
Dividend paid		
AstraZeneca Pharmaceuticals AB, Sweden	224,999,500	337,499,250
Director's remuneration		
Anandh Balasundaram	20,853,413	12,974,087
Interest on debentures		
AstraZeneca Pharmaceuticals AB, Sweden	-	1,232,874

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

	As at 31 March 2011	As at 31 December 2009
Loans and advances		
AstraZeneca Singapore Pte Ltd	3,121,398	5,904,588
AstraZeneca India Private Limited	15,163,694	14,330,171
AstraZeneca Plc, United Kingdom	45,104,402	4,538,991
Others	139,193	2,167,275
Total	63,528,687	26,941,025
Sundry debtors		
AstraZeneca AB, Sweden	6,090,305	28,818,555
AstraZeneca SDN Bhd, Malaysia	18,618,710	74,981,980
AstraZeneca Philippines	7,550,348	-
Total	32,259,363	103,800,535
Sundry creditors		
AstraZeneca Plc, United Kingdom	21,318,192	7,315,508
AstraZeneca AB, Sweden	-	3,578,543
AstraZeneca Singapore Pte Ltd	49,522	3,451,333
Others	2,256,076	1,784,830
Total	23,623,790	16,130,214

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Schedule to the accounts (17 Notes to the accounts)

The Company has outsourced certain accounting function to an external service provider in the current period. All costs with respect to the transition of the accounting function have been borne by AstraZeneca Group and will not be charged to the Company.

Further, the Company had implemented a new ERP system – SAP during the previous year ended 31 December 2009. All costs with respect to the implementation and licensing of SAP have been borne by AstraZeneca Group and will not be charged to the Company.

10. Segment reporting

The primary segments of the Company are its business segments as follows:

1. Healthcare -

The Company engages in the manufacture, trading and sale of pharmaceutical products.

2. Clinical trial services -

The Company renders clinical trial services on pharmaceuticals products to its group companies.

3. Co-promotional services –

The Company renders co-promotion services for pharmaceuticals products to its customers.

The accounting policies consistently used in the preparation of the financial statements are also

applied to record revenue and expenditure in individual segments.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while other costs, wherever allocable, are apportioned to the segments on an appropriate basis. Certain income and expenses are not specifically allocable to individual segments as the underlying assets and services are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such income and expenses and accordingly such expenses are separately disclosed as 'unallocated' and directly charged against total income.

Assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly these are separately disclosed as 'unallocated'. Assets are primarily located in India.

Clinical trial services and co-promotion services do not qualify as separate segments as defined in AS – 17 – 'Segment Reporting' and hence have been disclosed as others.

Primary segment information

(Amount in ₹)

Particulars	31 March 2011	31 December 2009
Segment revenue		
(a) Healthcare	5,746,443,159	3,858,337,499
(b) Others	196,630,480	112,928,422
Total	5,943,073,639	3,971,265,921
Less: Inter-segment revenue	-	-
Net Income from operations	5,943,073,639	3,971,265,921
Segment results		
Profit before tax and interest		

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Schedule to the accounts (17 Notes to the accounts)

(Amount in ₹)

Particulars	31 March 2011	31 December 2009
(a) Healthcare	938,649,825	828,612,790
(b) Others	11,208,378	2,364,612
Total	949,858,203	830,977,402
Other un-allocable income, net of interest expenses	59,991,162	52,944,104
Total profit before tax	1,009,849,365	883,921,506
Less: Provision for taxation	368,551,832	307,749,065
Profit after taxation	641,297,533	576,172,441
Segment assets		
(a) Healthcare	1,966,292,807	1,568,143,582
(b) Others	76,229,329	15,090,897
(c) Unallocated assets	1,029,641,997	755,431,551
Total	3,072,164,133	2,338,666,030
Segment liabilities		
(a) Healthcare	754,059,775	408,605,564
(b) Others	11,809,176	52,901,695
(c) Unallocated liability	509,399,622	431,976,369
Total	1,275,268,573	893,483,628
Capital expenditure		
(a) Healthcare	301,619,376	70,470,867
(b) Others	-	-
Total	301,619,376	70,470,867
Depreciation		
(a) Healthcare	88,127,950	60,766,684
(b) Others	-	-
Total	88,127,950	60,766,684

Note: Certain assets and liabilities of the Healthcare segment are interchangeably used for 'Other' segment for limited purposes. Identification of such assets and liabilities is not feasible. Hence, such assets have not been allocated to any segment.

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Schedule to the accounts (17 Notes to the accounts)

Secondary segment reporting is performed on the geographical location of customers. The Geographical segments are:

- a) Domestic
- b) Exports

(Amount in ₹)

Particulars	31 March 2011	31 December 2009
Segment revenue		
(a) Domestic	5,469,516,163	3,682,847,006
(b) Export	473,557,476	286,611,340
Total	5,943,073,639	3,969,458,346
Segment assets		
(a) Domestic	3,039,904,770	2,234,865,495
(b) Export	32,259,363	103,800,535
Total	3,072,164,133	2,338,666,030
Capital expenditure		
(a) Domestic	301,619,376	70,470,867
(b) Export	-	-
Total	301,619,376	70,470,867

11. Details of deferred tax asset

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
Deferred tax assets		
Section 43B items	73,303,052	38,855,564
Provision for doubtful debts	18,722,518	11,058,329
Total	92,025,570	49,913,893
Deferred tax liabilities		
Depreciation on fixed assets	16,606,243	20,513,879
Total	16,606,243	20,513,879
Deferred tax assets, net	75,419,327	29,400,014

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Schedule to the accounts (17 Notes to the accounts)

12. Value of imports on CIF basis

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Raw and packing materials (net of returns)	343,025,273	205,809,973
Spare parts	609,459	915,818
Capital goods	28,162,433	4,545,840

13. Expenditure in foreign currency

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
Legal and professional	5,758,613	-
Marketing expense	4,017,806	-
Royalty	2,483,726	2,692,071
Foreign travel	2,189,225	8,020,517
Others	1,380,005	8,576,188

14. Earnings in foreign exchange

(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
F.O.B. value of exports	404,423,483	175,490,493
Service income (Gross)	69,133,993	111,120,847

15. Amount remitted in foreign currency on account of dividend

(Amount in ₹ except number of shares)

Year to which dividend relates	31 December 2009	31 December 2008
Number of non-resident shareholders	1	1
Number of shares held of ₹2 each	22,499,950	22,499,950
Amount remitted	224,999,500	337,499,250

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16. The Company is obligated under non-cancellable operating leases for residential premises. Total rental expense under non-cancellable operating leases amounted to ₹1,809,856 (previous year: ₹2,253,524) for the period ended 31 March 2011.

Future minimum lease payments under non-cancellable operating leases are as follows:

(Amount in ₹)

Period	As at 31 March 2011	As at 31 December 2009
Not later than 1 year	1,934,986	533,085
Later than 1 year and not later than 5 years	321,694	-
Later than 5 years	-	-

The Company is also obligated under cancellable lease for residential and office premises, which are renewable at the option of lessor and lessee. Total rental expense under cancellable operating lease entered amounted to ₹38,715,700 (previous year: ₹27,641,438) for the period ended 31 March 2011.

Further the Company is obligated under operating lease agreements for vehicles. Total lease rental expense under the said agreement amounted to ₹2,096,998 (previous year: ₹3,065,055) for the period ended 31 March 2011.

17. Forward contracts entered for the hedging purpose, which were outstanding as on 31 March 2011 amounted to ₹ Nil (Previous year: ₹ Nil). Foreign currency exposure as on 31 March 2011, which was not hedged, are as follows:

Un-hedged foreign currency exposure

Underlying asset/ liabilities	USD	INR
Loans and advances	1,068,437 (271,310)	48,364,993 (12,610,855)
Sundry debtors	712,724 (2,231,369)	32,259,363 (103,800,535)
Sundry creditors	476,011 (310,136)	21,635,294 (14,666,957)

Note: Previous year figures are given in brackets

18. The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The Ministry of Micro, Small and Medium enterprises has issued an office Memorandum dated 26 August 2008 which recommends that the Micro and Small enterprises should mention in their correspondence with its customers the entrepreneur's Memorandum number as allocated after filing of the Memorandum. The Company has not received any claim for interest from any supplier under the said Act.

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(Amount in ₹)

	For the period from 1 January 2010 to 31 March 2011	For the year ended 31 December 2009
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;		
Principal:	-	-
Interest:	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

19. Gratuity plan

The Company has the following defined Gratuity plan.

Leaving Service Benefit:

Eligibility for benefit: Every employee who has completed 3 years or more of service would be eligible for gratuity benefit as per the terms of the Trust Deed.

For Management staff:

Completed years of service (years)	Number of days eligible for every completed year of service (days)
3 to 9	15 days salary subject to maximum limit as per Gratuity Act
10 to 14	3/4th of month's salary, without limit
15 and above	One month's salary, without limit

For Non-Management Staff:

15 days salary for each year of service, subject to maximum limit specified as per the Gratuity Act, 1972 .

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Normal Retirement Benefit, Death and Disability Benefit:

For Management staff:

One month's salary last drawn by member for each year of service, without limit.

For Non-Management Staff:

One month's salary last drawn by member for each year of service, subject to maximum limit specified as per the Gratuity Act, 1972.

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
Obligations at period beginning	104,449,472	89,206,045
Service cost	12,189,310	6,678,109
Interest cost	10,870,820	6,561,826
Benefits settled	(12,448,602)	(4,287,577)
Actuarial (gain)/loss	60,312,599	6,291,069
Obligations at period end	175,373,599	104,449,472
Change in plan assets		
Plan assets at period beginning, at fair value	101,032,221	85,524,774
Expected return on plan assets	9,651,664	6,170,019
Actuarial gain/(loss)	813,469	10,660,724
Contributions	30,000,000	2,964,281
Benefits settled (estimated)	(12,448,602)	(4,287,577)
Plans assets at period end, at fair value	129,048,752	101,032,221
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	129,048,752	101,032,221
Present value of the defined benefit obligations at the end of the period	175,373,599	104,449,472
Liability (-)/Assets (+) recognised in Balance Sheet	(46,324,847)	(3,417,251)
Gratuity cost for the period		
Service cost	12,189,310	6,678,109
Interest cost	10,870,820	6,561,826
Expected return on plan assets	(9,651,664)	(6,170,019)
Actuarial (gain)/loss	59,499,130	(4,369,655)

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Schedule to the accounts (17 Notes to the accounts)

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
Net gratuity cost	72,907,596	2,700,261
Investment details of plan assets		
Equity instruments	17.68%	22%
Debt instruments	82.32%	78%
Assumptions		
Interest rate	8.00%	7.50%
Discount factor	8.00%	7.50%
Estimated rate of return on plan assets	8.00%	7.50%
Salary increase	1st 3 years 8% and and thereafter 6%	6.00%
Attrition rate	6.00%	6.00%
Retirement age	60 Years	60 Years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

20. In the previous year, the Company transferred the balance of debenture redemption reserve amounting to ₹312,500,000 to the accumulated balance of profit and loss after repaying the 8% secured fully paid-up redeemable non-convertible bonus debentures.

21. The provision for direct and indirect taxes is utilised to settle adverse outcomes of cases against the Company. The provision is based on an informed advice obtained by the Company. The Company, however, cannot estimate with reasonable certainty the period of utilisation of the same.

(Amount in ₹)

	As at 31 March 2011	As at 31 December 2009
Opening balance	51,796,227	61,139,163
Add: Charge for the period	26,853,542	-
Less: Utilisation	-	-
Less: Reversal	-	9,342,936
Closing balance	78,649,769	51,796,227

AstraZeneca Pharma India Limited

Schedule to the accounts (17 Notes to the accounts)

22. Management believes that the Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation

23. The Board of Directors of the Company at its meeting held on 13 May 2011, approved the financial statements for the period ended 31 March 2011. The Board of Directors, at the said meeting, also recommended a final dividend of ₹10 on equity share of ₹2 each for the period ended 31 March 2011. The Payment of the said dividend is subject to the approval of the shareholders at the Annual General Meeting.

24. The financial statements for the period ended 31 March 2011 are for the period from 1 January 2010 to 31 March 2011 i.e. 15 months period. Since the previous year comparatives are for a year i.e. twelve months period, the previous year figures may not be strictly comparable to the current period figures. The comparative figures have been regrouped/ reclassified, wherever necessary, to conform to the current period's presentation.

As per our report attached

for **B S R & Co.**
Chartered Accountants
Firm Reg. No. 101248W

Rajesh Arora
Partner
Membership No. 76124

Place: Bangalore
Date: May 13, 2011

for and on behalf of the Board of directors

D E Udwadia
Chairman

N R Srinivasan
Company Secretary

Place: Bangalore
Date: May 13, 2011

Anandh Balasundaram
Managing Director

Himanshu Agarwal
Chief Financial Officer

AstraZeneca Pharma India Limited

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities: 1,796,896

Total assests: 1,796,896

Sources of Funds (Amount in Rs. Thousands)

Paid-Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax liability

Application of Funds (Amount in Rs. Thousands)

Net Fixed Assets

Investments

Deferred Tax Assets

Net Current Assets

Accumulated Losses

Misc. Expenditure

AstraZeneca Pharma India Limited

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956 (continued)

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total expenditure
6,003,065	4,993,215
Profit/ (Loss) before Tax	Profit/(Loss) after Tax
1,009,850	641,298
Earnings per share (Rs.)	Dividend Rate %
25.65	500%

V. GENERIC Names of Three principal Products/ Services of Company (as per monetary terms).

Item Code No.

ITC Code

30049099

Product description

MEROPENEM

Item Code No.

ITC Code

30044030

Product description

CODIENE PHOSPHATE

Item Code No.

ITC Code

30039034

Product description

LIGNOCAINE

For and on behalf of the Board of Directors

D E Udawadia

Chairman

Anandh Balasundaram

Managing Director

Place: Bangalore

Date: May 13, 2011

N R Srinivasan

Company Secretray

Himanshu Agarwal

Chief Financial Officer

TEN YEAR SUMMARY

Particulars	Unit	2001	2001 (9 months)	2002	2003
Sales & Earnings					
Total income	₹	1,131.67	669.65	1,401.15	1,808.16
Profit before depn, int & tax	₹	264.11	85.14	217.10	431.58
Profit before int & tax	₹	221.81	51.68	168.57	384.70
Profit before tax	₹	218.88	51.26	167.79	384.22
Profit after tax	₹	142.74	22.65	103.62	245.08
Deferred Tax Liability for earlier years	₹	(29.12)	-	-	-
Balance Profit after Tax	₹	113.63	22.65	103.62	245.08
Dividend paid	₹	20.00	15.00	18.50	19.50
Retained earnings	₹	93.63	7.65	85.12	220.72
Capital Employed					
Fixed assets					
- Gross including Cwip & Cap Adv	₹	506.67	539.23	586.57	646.60
- Net	₹	239.00	239.63	240.24	261.73
Investments	₹	62.56	10.61	0.59	0.57
Deferred tax assets	₹				
Net current assets (working capital)	₹	379.51	450.09	520.92	724.20
Misc. expenditure not written off		6.27	3.27	0.57	
Total		687.34	703.60	762.32	986.50
Represented by					
Networth	₹	687.34	703.60	762.32	986.50
Share capital	₹	50.00	50.00	50.00	50.00
Reserves	₹	617.09	624.74	709.85	930.56
Borrowings - secured	₹	-	-	-	-
Deferred tax Liability	₹	20.25	28.86	2.47	5.94
Total		687.34	703.60	762.32	986.50
Ratios					
Measures of Performance					
PBT to total income	%	19.34	7.65	11.98	21.25
PAT to total income	%	12.61	3.38	7.40	13.55
Material consumption to sales	%	40.47	36.24	37.90	34.93
Employee cost to sales	%	14.43	22.15	21.99	18.48
Net fixed assets to net worth	%	34.77	34.06	31.51	26.53
Fixed assets usage	Times	5.16	2.93	6.25	7.77
Measures of Investments					
Return on Networth	%	20.76	3.22	13.59	24.84
Earnings per share @	₹	5.71	0.91	4.14	9.80
Dividend payout ratio	%	70.06	331.13	89.27	39.78
Dividend coverage ratio	Times	5.68	1.51	5.60	12.57
Measures of Financial Status					
Current ratio	Unit	3.17	3.02	2.28	2.64
Quick ratio	Unit	2.46	1.87	1.22	1.54
Debt equity ratio	Unit	-	-	-	-
Inventory holding (on sales)	Days	41	110	116	100
Other information					
Contribution to exchequer *	₹	364.20	171.20	445.90	620.22
Employee					
- Cost	₹	157.49	141.39	299.43	325.50
- Numbers		854	893	950	948
Number of shareholders		10,348	10,388	3,972	4,175
Dividend	%	40.00	30.00	37.00	39.00
Book value = net worth per share @	₹	27.49	28.14	30.49	39.46

* inclusive of sales tax,@ Stock split since 2006

(₹ in Million)

2004	2005	2006	2007	2008	2009	2010-11 (15 months)
1,965.45	2,328.78	2,773.65	3,135.63	3,681.40	4,023.77	6,003.06
481.36	700.25	806.82	1,011.89	1,261.15	946.06	1,097.98
437.21	648.31	749.51	953.49	1,192.39	885.29	1,009.85
436.89	647.76	749.51	953.49	1,143.76	883.92	1,009.85
257.50	430.58	487.36	614.59	738.35	576.17	641.30
-	-	-	-	-	-	-
257.50	430.58	487.36	614.59	738.35	576.17	641.30
250.00	100.00	300.00	375.00	375.00	250.00	250.00
(25.17)	316.56	145.29	175.86	299.62	283.68	351.71
681.31	742.92	793.54	829.89	811.52	831.29	1,169.89
293.07	312.16	332.77	332.34	304.50	303.44	513.88
0.57	0.12	0.07	0.07	0.06	0.06	0.06
4.58	12.24	9.81	17.26	23.71	29.40	75.42
657.18	947.44	1,074.60	1,243.43	1,458.23	1,112.29	1,207.54
-	-	-	-	-	-	-
955.40	1,271.95	1,417.24	1,593.10	1,786.50	1,445.18	1,796.90
955.40	1,271.95	1,417.24	1,593.10	1,161.50	1,445.18	1,796.90
50.00	50.00	50.00	50.00	50.00	50.00	50.00
905.40	1,221.95	1,367.24	1,543.10	1,111.50	1,395.18	1,746.90
-	-	-	-	-	625.00	-
-	-	-	-	-	-	-
955.40	1,271.95	1,417.24	1,593.10	1,786.50	1,445.18	1,796.90
22.23	27.82	27.02	30.41	31.07	21.97	16.82
13.10	18.49	17.57	19.60	20.06	14.32	10.68
35.39	33.85	34.66	31.67	29.29	31.38	31.21
17.77	16.90	16.74	16.97	18.30	21.49	26.20
30.67	24.54	23.48	20.86	26.22	21.00	28.60
7.20	7.86	9.15	9.48	12.12	13.40	21.87
26.95	33.85	34.39	38.58	63.57	39.87	35.69
10.30	17.22	19.49	24.58	29.53	23.05	25.65
485.43	116.12	61.56	61.02	50.79	43.39	38.98
1.03	4.31	1.62	1.64	1.97	2.30	2.57
1.97	2.96	2.10	2.43	2.33	2.24	1.95
1.59	2.44	1.75	2.16	2.02	1.85	1.50
-	-	-	-	0.54	-	-
49	41	47	29	37	33	45
640.64	717.52	970.29	1,024.34	1,096.15	765.51	1,052.90
338.55	375.95	442.65	502.03	621.73	828.29	1,504.98
942	902	895	937	1038	1464	1705
4,340	5,026	6,981	7172	7375	7025	6058
500.00	200.00	600.00	750.00	750.00	500.00	500.00
38.22	50.88	56.69	63.72	46.46	57.81	71.88

Whilst India continues to be the 2nd most populous country in the world (estimated population at 1.21 billion and a birth rate of 2.2 percent) pregnancy related risks are steadily at rise.

Urbanization and life style changes have increased risk factors like obesity, ageing, gestational, diabetes and pregnancy induced hypertension. These have led to high incidence of Post Partum Hemorrhage (PPH) and thereby maternal mortality. The World Health Organization has identified these risks and created interventions to bring maternal mortality rate down. AMTSL (active management of third stage of labour) is now gaining acceptance across the public and private sectors. This acceptance is reflected in the decline of PPH related maternal mortality (NFHS 2009)

AstraZeneca Pharma India has focused on this important area for over 30 years and currently manufactures and markets two brands of prostaglandins - Ceriviprime and Prostodin. The use of prostaglandins in labour is found to control PPH in third stage. Cerviprime (dinoprostone, a prostaglandin) is used in pre-induction cervical ripening and Prostodin (carboprost, a prostaglandin) is used for prevention and management of PPH in the third stage.

The latest FOGSI - AstraZeneca India partnership for a multi centric study in 1000 women reinforces the role of prostaglandins. By creating such meaningful partnerships and leveraging it's strengths, AstraZeneca India will continue to contribute to safer pregnancies and maternal health care in India.



“ Who will help me have a safe pregnancy?”



AstraZeneca Pharma India Limited

Regd.Office: 'Avishkar', Off Bellary Road, Hebbal, Bangalore – 560 024

PROXY

32nd Annual General Meeting

I/We _____ of _____ in the district of _____ being a Member/Members of AstraZeneca Pharma India Limited, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our Proxy to vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at 3:00 P.M. on Friday, July 22, 2011 at The Ball Room, The Taj West End Hotel, Bangalore or at any adjournment thereof.

Signed this _____ day of _____ 2011

Regd. Folio No. _____

Client ID / DP ID No. _____

No. of Shares held _____

Affix One
Rupee
Revenue
Stamp

Signature of Member

NOTE: The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of that power must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

TEAR HERE

AstraZeneca Pharma India Limited

Regd.Office: 'Avishkar', Off Bellary Road, Hebbal, Bangalore – 560 024

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full Name of the Member attending _____

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Comp)

I hereby record my presence at the 32nd Annual General Meeting of the Company held at 3:00 P.M. on Friday, July 22, 2011 at The Ball Room, The Taj West End Hotel, Bangalore.

Regd. Folio No. _____

Client ID / DP ID No. _____

No. of Shares held _____

Signature of the Member/Proxy

NOTE: To be signed at the time of handing over this slip

AstraZeneca Young Health Programme In India



AstraZeneca





AstraZeneca Pharma India Limited

'Avishkar', Off Bellary Road, Hebbal, Bangalore-560 024

www.astrazenecaindia.com

