



health

A photograph of two women, one older with grey hair and one younger with dark hair, both smiling and looking towards the left. The older woman is wearing a dark purple textured top, and the younger woman is wearing a yellow and white patterned top. A dark purple horizontal band is overlaid across the middle of the image, containing the text 'connectsusall'.

connectsusall

Improving health is one of the toughest challenges facing the world today. As a global biopharmaceutical company, AstraZeneca has a key contribution to make by providing innovative medicines for some of the world's most serious diseases.

We know that if we are to deliver medicines that people really need and value, we cannot do it in isolation. We work closely with all our stakeholders to understand their needs and challenges. We are committed to acting with integrity and high ethical standards in everything we do and our goal is always to improve health for patients and bring benefit for our stakeholders, our business and society.



Our activities touch many people's lives and we are committed to working in a spirit of collaboration to achieve our goal of better health for patients:

- For patients and physicians, we provide medicines for some of the world's most serious diseases.
- For the people who pay for healthcare, we work to make sure that our medicines offer real value for money.

Our Business

AstraZeneca is a global, innovation-driven biopharmaceutical business. Our primary focus is the discovery, development and commercialisation of prescription medicines for six important areas of healthcare: Cardiovascular, Gastrointestinal, Infection, Neuroscience, Oncology and Respiratory & Inflammation.



AstraZeneca PLC operates in over 100 countries and our innovative medicines are used by millions of patients worldwide.

We want AstraZeneca to be valued as a source of great medicines and trusted as a company that delivers business success responsibly. Our global Responsible Business Plan provides the framework for ensuring that we operate with integrity and high ethical standards across all our activities.

- For our employees, we provide a culture in which they can feel appreciated, energised and rewarded for their contribution.
- For our shareholders, we aim to deliver value through our continued focus on innovation and running our business efficiently.
- For the wider community, we want to be valued for the contribution our medicines make to society and trusted for the way in which we do business.

We work closely with all our stakeholders to understand their challenges and how we can combine our skills and resources to achieve a common goal: improved health.



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AstraZeneca Pharma India Limited

Board of Directors

Mr. D. E. Udwadia, Chairman
Mr. K. S. Shah
Mr. Ian Brimicombe
Mr. Luigi Felice La Corte
Mr. Anandh Balasundaram, Managing Director
Ms. Ruby Lau, Whole Time Director
(Effective November 10, 2011)

Auditors

BSR & Co., Bangalore

Legal Advisors

Udwadia & 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
Kattigenahalli 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. Udwadia
Mr. Luigi Felice La Corte

Shareholders'/Investors' Grievance Committee

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

Chief Financial Officer

Mr. Himanshu Agarwal

VP Legal & Secretarial and Company Secretary

Mr. Pawan Singhal (Effective May 7, 2012)

Annual General Meeting

at 3.00 PM. on Wednesday, July 18, 2012
at Vivanta by Taj, MG Road, Bangalore 560 001

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held at 3 PM on Wednesday, July 18, 2012 at Vivanta by Taj Hotel, M G Road, Bangalore - 560 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the Financial Year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. K S Shah, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Luigi Felice La Corte, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Messrs. 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.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
“RESOLVED THAT Ms. Ruby Lau, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 116 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing has been received by the Company from a member under Section 257 of the said Act, signifying his/its intention to propose Ms. Ruby Lau as a candidate for the office of Director, be and is hereby appointed as Director, liable to retire by rotation.”
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to Sections 198, 269, 309 and 311 of the Companies Act, 1956 read

with Schedule XIII thereto, and other applicable provisions, if any, of the said Act, the consent be and is hereby granted to the re-appointment of Mr. Anandh Balasundaram as Managing Director of the Company for a period of 3 (three) years from August 1, 2011 at the remuneration including perquisites and upon and subject to the terms and provisions contained in the Agreement dated September 14, 2011 between the Company and Mr. Balasundaram.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to the approval of the Central Government and such conditions, if any, that may be imposed by the Central Government while granting approval and which the Board of Directors is hereby authorized to accept, the consent be and is hereby granted to the appointment of Ms Ruby Lau, not being a resident of India as envisaged in Part I of Schedule XIII to the said Act, as Whole Time Director of the Company for a period of 2 (two) years from November 10, 2011 at the remuneration including perquisites and upon and subject to the terms and provisions contained in the Agreement dated March 7, 2012 between the Company and Ms. Ruby Lau.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’), or any statutory modification or re-enactment thereof, so long as the Company has a Whole-time and/or Managing Director, such sum by way of commission, in no case exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Act, for each of the 5 (five) Financial Years

of the Company commencing on and from April 1, 2012, as may be determined by the Board of Directors be paid to and distributed amongst the Directors of the Company (including Alternate Directors but excluding Whole-time and/or Managing Director), the proportion and manner of such payment and distribution to be as the Board may from time to time decide.

FURTHER RESOLVED THAT if at any time during the aforesaid period of 5 (five) years, the Company does not have a Whole-time and/or Managing Director, such sum by way of commission in no case exceeding in the aggregate 3% of the net profits of the Company, computed in the manner laid down in Section 198 of the Act, as may be determined by the Board, be paid to and distributed amongst the Directors of the Company (including Alternate Directors), for the then residual unexpired part of the aforesaid period of 5 (five) years, the proportion and manner of such payment and distribution to be as the Board may from time to time decide.

FURTHER RESOLVED THAT the aforesaid commission shall be exclusive of the sitting fees payable to such Directors for the meetings of the Board or Committees of the Board attended by such Directors.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this Resolution.”

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. Proxies in order to be effective, must be received at the registered office of the Company at least 48 hours before the meeting.**
2. The Explanatory Statement in terms of Section 173 (2) of the Companies Act, 1956 in respect of Special Business under Item Nos. 6, 7, 8 and 9 is annexed herewith.
3. The relevant details as required by the Clause 49 of the Listing Agreement executed with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 3, 4, 6, 7 and 8 are contained in the Annexure to the Explanatory Statement.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, July 11, 2012 to Wednesday, July 18, 2012 (both days inclusive).
5. The Dividend, if any, that may be declared at the Meeting will be paid on or before Friday, August 17, 2012 to those Members entitled thereto, whose names appear in the Register of Members of the Company at the close of business hours on Tuesday, July 10, 2012 and for those holding the Shares in demat mode, the dividend will be paid to Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL) as beneficial owners on that date and the bank particulars registered with the respective Depository Accounts will be used for this purpose.
6. 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 Nos. 080-23460815/6/7/8, Fax No. 080-23460819).
7. For the convenience of Members and for the proper conduct of the meeting, entry to the place of meeting will be regulated by Attendance Slip, which is annexed to the Proxy Form. Members/ Proxies attending the meeting are kindly requested to complete the Attendance Slip and affix their signature at the place provided thereon and hand it over at the entrance.
8. Members holding more than one Share Certificate in different folios are requested to kindly apply for consolidation of shares folios and send the relative share certificates to the Company's Registrar and Share Transfer Agents. Members are requested to quote the Folio numbers/ Client IDs/ Depository Participant (DP) IDs in all correspondence.
9. 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 CSDL, as the case may be, through their respective DP.

- 10.(a) Members may please note that the unpaid or unclaimed Dividends in respect of the Financial Year upto 1993-94 have been transferred to the credit of the Government 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 as per Sections 205A (5) and 205C of the Companies Act, 1956, all amounts transferred to the Unpaid Dividend Account of the Company for the years 1994-95 to 2004 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 (IEPF) established by the Central Government.

11. 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 dematerialized form only. Hence, Members who are yet to dematerialize their shares are advised to do so. The Company has entered into Agreements with NSDL and CSDL for demat facilities.
12. Corporate Members desiring to depute their authorized representatives to attend and vote at the meeting are requested to send a certified true copy of the relevant Board Resolution, authorizing their representatives to attend and vote on their behalf at the Meeting, to the Company.

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

Pawan Singhal
Vice President-Legal & Secretarial

Place: Bangalore
Dated: June 1, 2012

Registered Office:
'Avishkar', Off Bellary Road
Hebbal, Bangalore-560024

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 7

At the meeting of the Board held on September 14, 2011, Mr. Anandh Balasundaram was re-appointed as the Managing Director of the Company, subject to the approval of the Members in General Meeting, for a period of 3 (three) years effective August 1, 2011.

An Agreement dated September 14, 2011 ('the Agreement') has been entered into between the Company and Mr. Anandh setting out the terms and conditions of his re-appointment as Managing Director of the Company.

The terms of his re-appointment including his remuneration are set out in the Agreement referred to in the resolution at Item No. 7 of the Notice. An

abstract dated September 14, 2011 pursuant to Section 302 of the Act, setting out the material terms of Mr. Anandh's re-appointment and remuneration provided in the Agreement dated September 14, 2011, was sent to the Members.

The material terms of the Agreement are set out below:

1. Subject to the consent of the Company in General Meeting, Mr. Anandh be appointed as Managing Director of the Company for a period of 3 (three) years effective August 1, 2011 unless his employment is previously determined in pursuance of any of the provisions of the Agreement.

2. Mr. Anandh, as Managing Director of the Company, to have general control of the business of the Company and be vested with the management of the day to day affairs of the Company and to have power to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in ordinary course of such business he may consider necessary or proper or in the best interest of the Company, subject to the superintendence, control and direction of the Board and subject to such restrictions or limitations on his powers and authorities as the Board may in its discretion determine from time to time.
3. Mr. Anandh to devote his whole time and attention during business hours to the business and affairs of the Company and shall exert his best endeavours to promote its interests and welfare.
4. Mr. Anandh to undertake such travelling in and outside India as may be necessary in the interests of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.
5. The Company to pay to Mr. Anandh in consideration of the faithful and proper performance by him of his duties and functions as Managing Director:
 - I. a. Salary: A salary of ₹ 4,83,000/- (Rupees four lakh eighty three thousand only) per month with such annual increments as the Board may in its absolute discretion determine.
 - b. Personal Pay: An amount of ₹ 4,74,000/- (Rupees four lakh seventy four thousand only) per month with such annual increments as the Board may in its absolute discretion determine.
 - c. Performance Bonus: Such performance linked bonus, as the Board may in its absolute discretion determine.
 - II. Mr. Anandh to be entitled to the following benefits:
 - a. (i) House Rent Allowance @ 40% of Salary; and
 - (ii) use of one Computer, one Telephone and Broadband facility at Mr. Anandh's residence, the rent, call charges and other outgoings in respect thereof to be paid by the Company save and except for personal

long distance calls which to be billed by the Company to, and payable by, Mr. Anandh directly;

b. reimbursement of entertainment expenses reasonably incurred by Mr. Anandh exclusively for the purpose of the business of the Company.

c. utilisation of the club facilities of the Company, in accordance with the Rules of the Company for the time being in force, but excluding admission and life membership fees.

d. the benefit of a personal accident insurance policy in accordance with the Company's Scheme for the time being in force.

e. the benefit of the Company's Provident Fund Scheme in accordance with the Rules of the Scheme for the time being in force, subject to the condition that the Company's contribution thereto not to exceed such percentage of Mr. Anandh's salary as may be permitted from time to time under the Income Tax Rules, 1962 for the time being in force.

f. the benefit of the Company's Superannuation Scheme in accordance with the Rules of the Scheme for the time being in force, subject to the condition that the Company's contribution thereto together with the Company's contribution to the Provident Fund not to exceed such percentage of Mr. Anandh's salary as is permitted from time to time under Income Tax Rules, 1962 for the time being in force.

g. gratuity at the rate of one month's salary for each completed year of service as Managing Director.

h. encashment of unavailed privilege leave at the end of his tenure of office as Managing Director of the Company in accordance with the Rules of the Company for the time being in force.

i. use of a Company owned or leased motor car with driver, all expenses for running of such motor car to be borne by the Company. The use of such motorcar by Mr. Anandh for private purpose to be billed by the Company to, and payable by, Mr. Anandh directly.

III. In addition to the foregoing, Mr. Anandh also to be entitled to medical benefits, leave travel concessions and expenses for providing Security guard at residence, in accordance with the Rules of the Company in force from time to time.

IV. Income Tax, if any, on or in respect of the aforesaid remuneration to be borne and paid by Mr. Anandh.

V. The total remuneration of Mr. Anandh including salary, performance bonus and perquisites as aforesaid, not in any event, to exceed 5% of the net profits of the Company in any year computed in accordance with the Act.

VI. If in any financial year during the continuance of the employment of Mr. Anandh as Managing Director, the Company has no profits or its profits are inadequate, he be entitled to remuneration as aforesaid subject to the limits of minimum remuneration prescribed by Schedule XIII to the Act.

6. Mr. Anandh not to engage, directly or indirectly, in any other business, occupation or employment whatsoever while in the employment of the Company.
7. Mr. Anandh to maintain strict confidentiality of any information or knowledge obtained by him during his employment as to the business affairs of the Company or its customers or its methods or as to any trade secrets or secret processes of the Company.
8. The Agreement may be terminated by giving not less than 90 (ninety) days notice in writing by either party without necessity of assigning any reason. Mr. Anandh's employment may be terminated by the Company at any time by payment to him of 3 months' salary in lieu of such notice.

The approval of the Members is being sought to Mr. Anandh's re-appointment as Managing Director of the Company for a period of 3 (three) years from August 1, 2011 and to payment to him of the above remuneration. Hence, the resolution is proposed at Item No. 7 of the Notice.

The Board considers the above remuneration of Mr. Anandh to be reasonable and commensurate with his increasing duties and responsibilities as Managing Director of the Company.

The Agreement will be open for inspection by the Members at its Registered Office between 10:30 a.m. and 12:30 p.m. on any working day except Saturday.

Mr. Anandh is interested in the resolution at Item No. 7 of the Notice since it relates to his re-appointment as the Managing Director of the Company and to his remuneration.

Item Nos. 6 and 8

At the meeting of the Board held on November 10, 2011, Ms. Ruby Lau, Vice President-Operations of the Company was inducted as Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956 ('the Act') she holds office upto the date of the ensuing Annual General Meeting. Notice has been received from a member signifying his/its intention to propose her as a Director at the ensuing Annual General Meeting. Ms. Lau was, at the above Board Meeting, also appointed as a Whole-time Director of the Company for a period of 2 (two) years from November 10, 2011 subject to the approval of the Members in general meeting and of the Central Government as per the Act in view of the fact that she is not a resident of India as envisaged in Part I of Schedule XIII to the Act.

An Agreement dated March 7, 2012 ('the Agreement') has been entered into between the Company and Ms. Lau setting out the terms and conditions of her appointment as a Whole-time Director of the Company, subject to the approval of the Members in a General Meeting.

The terms of her appointment including her remuneration are set out in the Agreement referred to in the resolution at Item No. 8 of the Notice.

An Abstract dated November 10, 2011 pursuant to Section 302 of the Act, setting out the material terms of Ms. Lau's appointment and remuneration provided in the Agreement, was sent to all the Members.

The material terms of the Agreement are set out below:

1. Subject to the consent of the Company in a general meeting, and approval of the shareholders in a general meeting and Central Government at the remuneration, Ms. Lau to serve as Whole-time Director of the Company for a period of 2 (two) years from November 10, 2011 unless her employment is previously determined in pursuance of any of the provisions of the Agreement.
2. Ms. Lau to manage the day to day manufacturing operations of the company and be vested with power to enter into contracts and perform such acts as is required for running the manufacturing operations, subject to the superintendence, control and direction of the Board and subject to such restrictions or limitations on her powers and authorities as the Board may in its discretion determine from time to time.

3. Ms. Lau to devote her whole time and attention during business hours to the business and affairs of the Company and to exert her best endeavors to promote its interests and welfare.
4. Ms. Lau to undertake such travelling in and outside India as may be necessary in the interests of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.
5. The Company to pay to Ms. Lau in consideration of the faithful and proper performance of her duties and functions as Whole-time Director:
 - I. a. Salary: A salary of ₹ 1,89,586/- (Rupees One lakh eighty nine thousand five hundred and eighty six only) per month with such increments as the Board may in its absolute discretion determine.
 - b. Personal Pay: An amount of ₹ 1,23,481/- (Rupees One lakh twenty three thousand four hundred and eighty one only) per month with such increments as the Board may in its absolute discretion determine.
 - c. Performance Bonus: Such performance linked bonus, as the Board may in its absolute discretion determine.
 - II. Ms. Lau to be entitled to the following benefits:
 - a. (i) House Rent Allowance @ ₹ 95,000 per month; and
 - (ii) use of one Computer, Telephone and Broadband facility at Ms. Lau's residence; the rent, call charges and other outgoings in respect thereof to be paid by the Company save and except for personal long distance calls which are to be billed by the Company to, and payable by, Ms. Lau directly.
 - b. reimbursement of entertainment expenses reasonably incurred by Ms. Lau exclusively for the purpose of the business of the Company.
 - c. utilisation of the club facilities of the Company, in accordance with the Rules of the Company for the time being in force, but excluding admission and life membership fees.
 - d. the benefit of personal accident insurance policy in accordance with the Company's Scheme for the time being in force.
 - e. the benefit of the Company's Provident Fund Scheme in accordance with the Rules of the

Scheme for the time being in force, subject to the condition that the Company's contribution thereto not to exceed such percentage of Ms. Lau's salary as may be permitted from time to time under the Income Tax Rules, 1962, for the time being in force.

f. the benefit of the Company's Superannuation Scheme in accordance with the Rules of the Scheme for the time being in force, subject to the condition that the Company's contribution thereto together with the Company's contribution to the Provident Fund not to exceed such percentage of Ms. Lau's salary as is permitted from time to time under Income Tax Rules, 1962 for the time being in force.

g. gratuity at the rate of one month's salary for each completed year of service as a Whole-time Director.

h. encashment of unavailed privilege leave at the end of her tenure of office as a Whole-time Director of the Company in accordance with the Rules of the Company for the time being in force.

i. use of a Company owned or leased motor car with driver, all expenses for running of such motor car to be borne by the Company. The use of such motorcar by Ms. Lau for private purpose to be billed by the Company to and payable by Ms. Lau directly.

III. In addition to the foregoing, Ms. Lau also be entitled to medical benefits, leave travel concessions and expenses for providing security guard at her residence, in accordance with the Rules of the Company in force from time to time.

IV. Income Tax, if any, on or in respect of the aforesaid remuneration to be borne and paid by Ms. Lau.

V. The total remuneration of Ms. Lau including salary, performance bonus and perquisites as aforesaid, not in any event to exceed 5% of the net profits of the Company in any year computed in accordance with the Act.

VI. If in any financial year during the continuance of the employment of Ms. Lau as a Whole-time Director, the Company has no profits or its profits are inadequate, she to be entitled to remuneration as aforesaid subject to the limits of minimum remuneration prescribed by Schedule XIII to the Act.

6. Ms. Lau not to engage in any other business, occupation or employment whatsoever while in the Company's employment.
7. The Agreement may however be terminated by giving not less than 90 days notice in writing by either party without necessity of showing any cause. Ms. Lau's employment may however be terminated by the Company at any time by payment to her of 3 months' salary in lieu of such notice.

The approval of the Members is being sought to Ms. Lau's appointment as Whole-time Director of the Company for a period of 2 (two) years from November 10, 2011 and to payment to her of the above remuneration. Hence, the resolution is proposed at Item Nos. 6 and 8 of the Notice.

The Company has submitted an application to the Central Government seeking approval to the appointment of Ms. Lau as Wholetime Director for a period of 2 (two) years from November 10, 2011 upon and subject to the terms and conditions contained in the Agreement. The Company is awaiting Central Government's approval.

The Board considers the above remuneration of Ms. Lau to be reasonable and commensurate with her duties and responsibilities as a Whole-time Director of the Company.

The Agreement will be open for inspection by the Members at its Registered Office between 10:30 a.m. to 12:30 p.m. on any working day except Saturday.

Ms. Lau is interested in the resolutions at Item Nos. 6 and 8 of the Notice since these relates to her appointment as Whole-time Director of the Company and to her remuneration.

Item No.9

At the 28th (Twenty Eighth) Annual General Meeting of the Company held on April 30, 2007, approval was accorded through a Special Resolution passed

pursuant to Section 309 of the Companies Act, 1956 (hereinafter referred to as 'the Act'), to the payment of commission not exceeding 1% of the net profits of the Company for each of the 5 (five) financial years commencing on and from January 1, 2007, so long as the Company had a Whole-time Director and/or Managing Director and commission not exceeding 3% of the net profits of the company in case there was no Whole-time Director and/or Managing Director at any time during the said period of 5 (five) financial years. At that time the Company's financial year was the calendar year. The Company's financial year presently is from April 1 to the March 31.

It is proposed to seek the approval of the shareholders to the payment of commission to the Non Whole-time Directors for a period of 5 (five) financial years from April 1, 2012, in the manner and to the extent indicated in the first paragraph of the Special Resolution at Item No. 8 set out in the Notice.

The Company presently has a Managing Director and a Whole-time Director. In view thereof, the commission payable to Non Whole-time Directors pursuant to Sections 198 and 309(4) of the Act can not exceed 1% of the net profits of the Company.

The second paragraph of the said Special Resolution at Item No. 9 set out in the Notice deals with a situation where the Company does not have a Managing Director or Whole-time Director at any time during the period of 5 (five) years commencing from April 1, 2012, in which case the maximum commission payable to the Non Whole-time Directors pursuant to Section 309(4) of the Act would be 3% of the net profits of the Company.

All the Directors of the Company, except Mr. Anandh Balasundaram, Managing Director and Ms. Ruby Lau, Whole-time Director, may be deemed to be interested in the Special Resolution set out in Item No. 9 of the Notice to the extent of the commission that may be received by them.

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

Pawan Singhal
Vice President-Legal & Secretarial

Place: Bangalore
Dated: June 1, 2012
Registered Office:
'Avishkar', Off Bellary Road
Hebbal, Bangalore - 560 024

Annexure to Notice

Information pertaining to Directors seeking appointment or re-appointment at the 33rd Annual General Meeting as required by Clause 49 (IV) (G) of the Corporate Governance Guidelines.

Particulars	Mr. K S Shah	Mr. Luigi Felice La Corte	Mr. Anandh Balasundaram	Ms. Ruby Lau
Date of Birth & Nationality	September 3, 1940 Indian	December 9, 1969 Italian	September 22, 1965 Indian	September 15, 1971 Australian
Date of Appointment	May 5, 2004	March 25, 2010	June 1, 2007	November 10, 2011
Qualifications	Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Company Secretaries of India.	Graduated with honours in 'Economia e Commercio' (Business & Economics) at LUISS University in Rome, Italy. Obtained a Research Scholarship for the final dissertation. Completed two terms at the Management School of Lancaster University (UK) within the Erasmus Scholarship/ Exchange Program. Scientific Upper School Diploma ('Maturita Scientifica') in Rome. Studied four years in Williamsburg, Va., USA.	Post Graduate Diploma In Management from Indian Institute of Management (IIM-Ahmedabad). Bachelor of Technology from Indian Institute of Technology (IIT-Delhi).	Bachelor of Engineering (Honours), University of NSW. Certificate of Management, Mt Eliza University VIC. Certificate of Post-experience Manufacturing Professional Program, Warwick University UK.

Particulars	Mr. K S Shah	Mr. Luigi Felice La Corte	Mr. Anandh Balasundaram	Ms. Ruby Lau
Expertise in specific functional area	<p>Mr. Shah has wide experience in the Industry including Finance, general management & Administration.</p> <p>Formerly, Managing Director of AstraZeneca Pharma India Limited.</p>	<p>Mr. Luigi Felice La Corte has 17 years of experience.</p> <p>He is Regional Finance Director of AstraZeneca (AZ) working in AsiaPac Region leading Finance, IS and Purchasing. Prior to this he was CFO and member of the Board for AZ Italy for over 3 years.</p> <p>Before joining AZ, he has worked as a Director – Finance & Administration at Alliance Unichem Italy, Senior Consultant at Bain & Company, Italy, Manager International Corporate finance at PepsiCo for Europe and Middle East Region, Group manager Financial Planning & Analysis at P&G Nordic, Manager – Capital markets/Treasury at P&G Europe and Financial Analysis & Planning at P&G Belgium.</p>	<p>Mr. Balasundaram has over 22 yrs of experience.</p> <p>Mr. Balasundaram joined the Company in the year 2005 as Vice President – Sales & Marketing. He took the charge of Managing Director of AstraZeneca Pharma India Limited from 2007. Before joining the Company, he worked with Cadbury India and Hindustan Unilever in various capacities in Sales & Marketing. He headed all India Sales in Cadbury India, and he worked on E-commerce initiatives in Hindustan Unilever.</p>	<p>Ms. Ruby Lau has over 18 years experience in manufacturing and engineering in the Pharma and Food Industries.</p> <p>Ms. Ruby Lau has been with AstraZeneca (AZ) for over 12 years, joined in 2000 and worked in AZ Australia for 11 years prior to joining AZ India as VP Operations. Ruby has held various roles over her 12 years in AZ as process engineer, production manager, maintenance manager and Site leads. Prior to joining AZ, Ruby has worked at Goodman Fielder (a leading Australian food manufacturer) and at Mars Food, for 3 years each in Australia. She has an honours degree from the University of NSW in Sydney and a post-graduate Management Diploma from Warwick University in the UK.</p>

Particulars	Mr. K S Shah	Mr. Luigi Felice La Corte	Mr. Anandh Balasundaram	Ms. Ruby Lau
Directorships held in other Public Companies (excluding foreign companies)	NIL	NIL	Member of Organisation of Pharmaceutical Producers of India (OPPI)	NIL
Membership/ Chairmanships of Committees of other public companies (includes only Audit and Shareholders/ Investors Grievance Committee)	NIL	NIL	NIL	NIL
Shareholding in the Company (No. of shares)	NIL	NIL	NIL	NIL

DIRECTORS' REPORT

Your Directors present their 33rd Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2012.

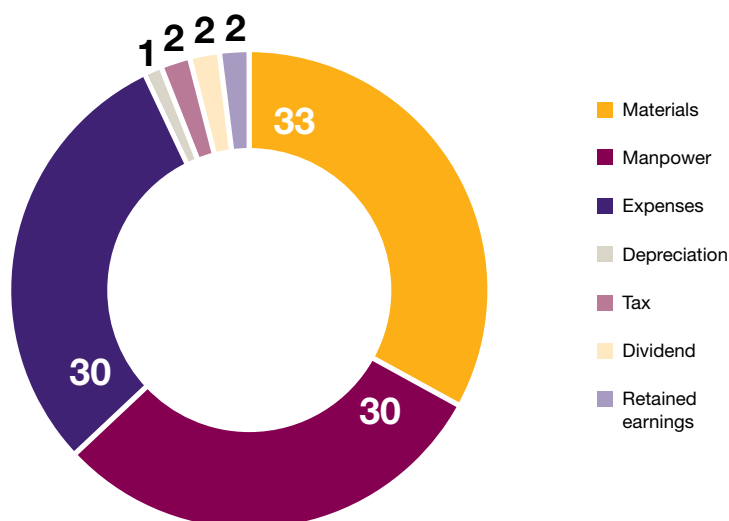
Financial Results

(₹ in Mio)

Particulars	2011-12 (12 months)	2010-11 (15 months)*
Sales and Other Income	5379	6003
Profit Before Tax	293	1010
Provision for Taxation		
- Income Tax	197	415
- Adjustment for Deferred Tax	(102)	(46)
Total Tax	95	369
Profit after Taxation	198	641
Surplus brought forward from the previous year	1235	948
Total amount available for appropriation	1433	1589
Appropriation made by Directors		
Transfer to General Reserve	19	64
Appropriation recommended by Directors		
Dividend	88	250
Tax on proposed Dividend	14	40
Surplus carried over	1312	1235

*Previous accounting period was for 15 months from January 2010 to March 2011.

Distribution of Total Revenue (%)

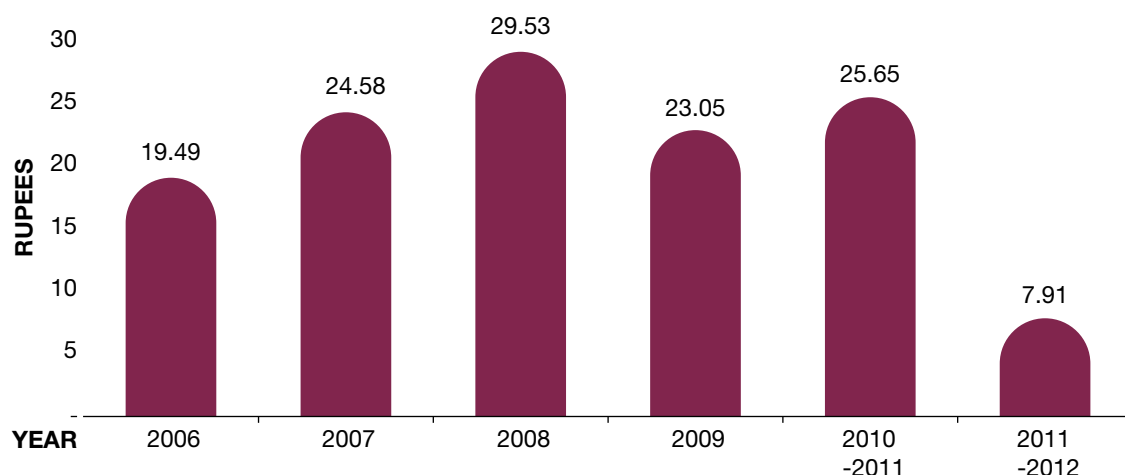


Dividend

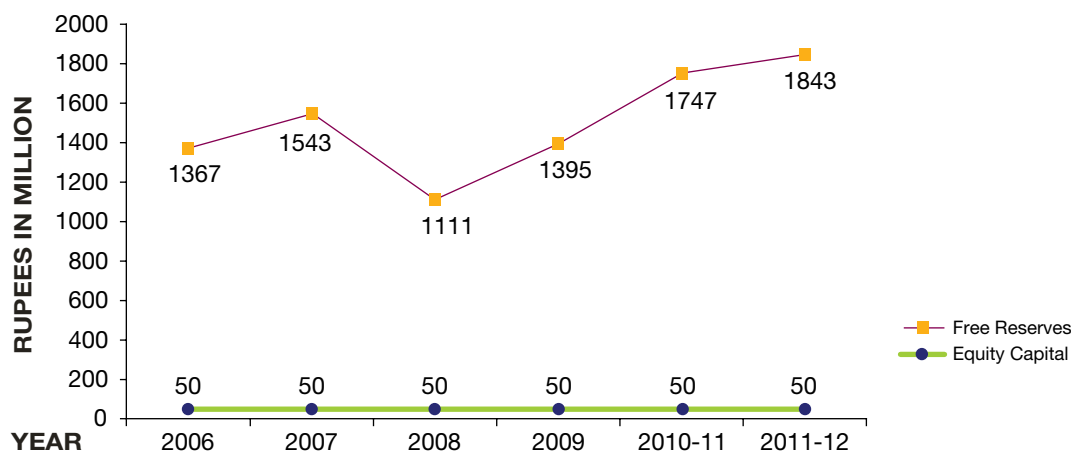
The Directors recommend a dividend payment of 175% (₹ 3.50 per equity share of ₹ 2/- each), which, if approved by the members at the Annual General Meeting will involve an outflow of ₹ 88 Mio towards dividend and ₹ 14 Mio as Dividend Distribution

Tax resulting in a total outflow of ₹ 102 Mio. This amounts to a distribution of 51% of the net profits of the Company for the financial year 2011-12.

Earnings Per Share



Net Worth



Sales and Marketing

The Company registered sales of ₹ 4653 Mio (excluding export sales) in the financial year ended March 31, 2012, clocking a growth of 4% over the corresponding 12 months period ended March 31, 2011.

In the last quarter of 2011-12, the Company's sales declined by 29% over the same quarter of the previous financial year. The sales for the quarter and the financial year ended March 31, 2012 were impacted by the following:

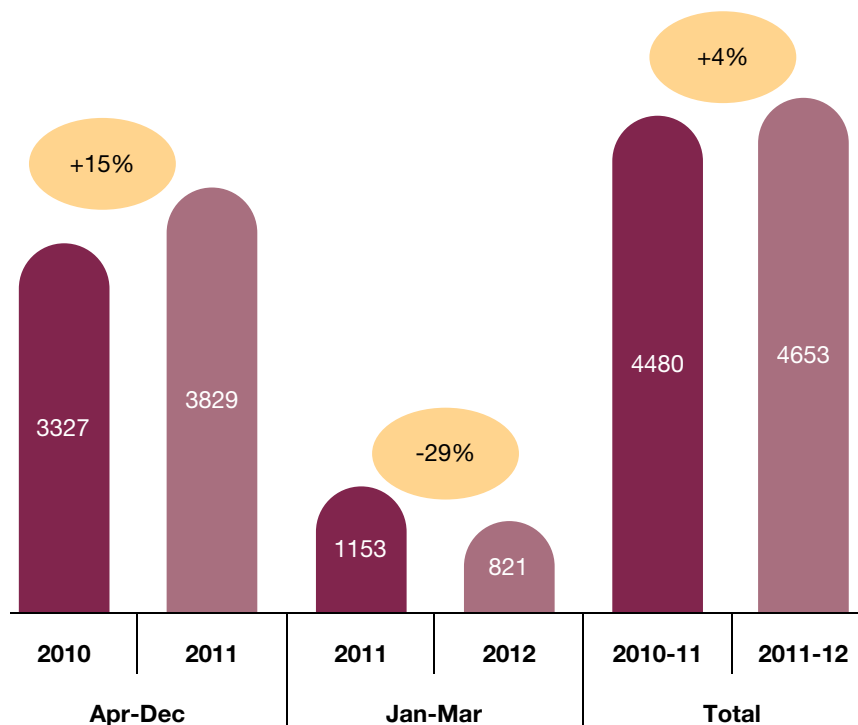
A) As a measure of extra and abundant caution, the Company undertook a voluntary recall of sterile products manufactured at its Bengaluru plant of a value of ₹ 26.8 million, following AstraZeneca Worldwide Audit Group's (WWAG) quality audit. As a precautionary measure, the Company also voluntarily suspended production temporarily to review manufacturing practices at the plant resulting in a temporary interruption of supplies. The net sales of the products affected by supply constraint amounted to ₹ 272 million in the last

quarter ended March 31, 2012 as against ₹ 606.8 million in the quarter ended December 31, 2011.

B) Provision for potential prior period charge back amounting to ₹ 143 million (quarter ended March 31, 2011: ₹ Nil, Period ended March 31, 2011: ₹ Nil) from customers.

However, sales during the first three quarters of 2011-12 registered a growth of 15% over the same period in the previous year.

Sales Performance – Excluding Exports (₹ Mio)



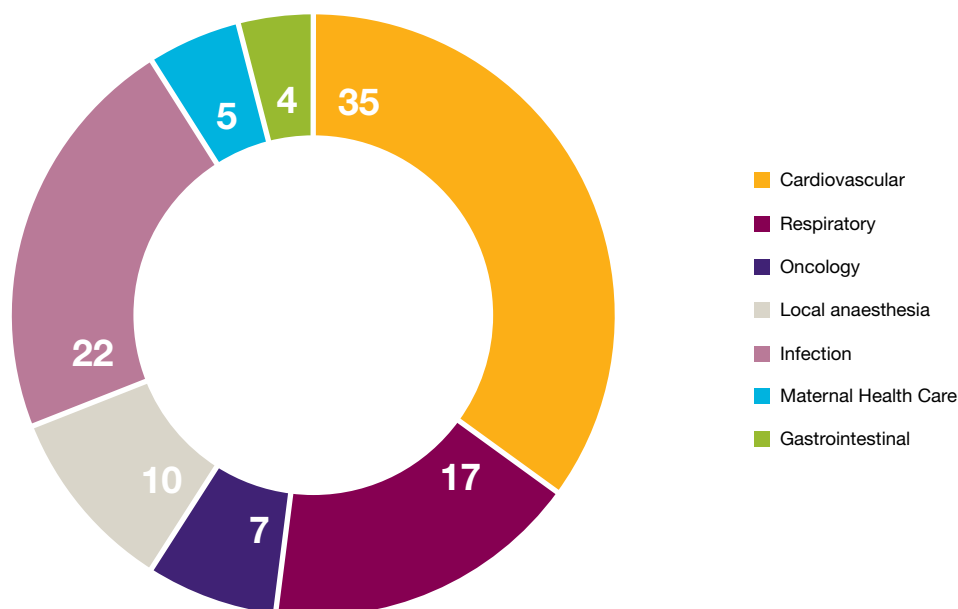
The Company's key growth brands – Crestor, Seloken XL, Selomax, Actamase, Meronem and Nexsium – witnessed robust growth, providing strong momentum to the Company's performance throughout the year.

Branded Generics products launched over the last three years made significant contribution to the Company's sales and growth. Seloram, Actamase and Enclere Forte drove the performance of the branded generics portfolio, which grew by 38% over the corresponding 12 months period ended March 31, 2011 and contributed 8% to the Company's total sales. During the financial year, the Company launched Remergin (Colistimethate sodium) and Rhinomax (montelukast sodium and levocetirizine

dihydrochloride) and one line extension in the infection therapeutic area.

During the Financial Year 2012-13, your Company will continue to focus on driving growth in its established key growth brands and launching new branded generics in the market. The Company has obtained marketing approval from the Drugs Controller General of India (DCGI) for its patented innovator brand – Brilinta (ticagrelor). Brilinta is approved for the prevention of cardiac events in patients with Acute Coronary Syndrome (ACS). It is an oral anti-platelet medicine that works to prevent platelets from sticking together and forming potentially harmful blood clots.

Therapeutic Area wise Sales contribution (%)



Key Sales and Marketing Initiatives

Driving commercial innovation to bring value to customers in an ethical manner is a priority for the Company. Various innovative marketing methods have been initiated during the year to achieve this goal.

The Company's commitment to disseminate relevant and valuable inputs to the medical fraternity was further strengthened by utilizing webcasts. Conducting medico-marketing activities via webcasts has expanded the Company's reach to Health Care Professionals (HCPs) dispersed across geographies.

The Company's medical information team fulfils the information needs of HCPs by providing them relevant scientific and academic information. This year the team responded to approximately 33,000 queries received from HCPs.

The sales force has started interactive detailing of products with iPads in certain therapeutic areas.

Commercial innovation will continue to remain a focus area for the Company in 2012-13.

Manufacturing

The Company had to deal with some significant challenges that emerged at its manufacturing facility in Bengaluru during the last quarter of the financial

year, as stated under the heading 'Sales and Marketing' earlier in this Report.

The Company explored multiple options to resume quality supplies of its sterile and other products, and has recommenced production at the existing manufacturing facility in a phased manner.

In the last Directors' Report, the members were informed that the Company had invested in a new tablet manufacturing facility at its manufacturing site in Bengaluru. The facility will be ready for operation towards the end of the current financial year.

Safety Health and Environment (SHE)

Providing a safe workplace and promoting the health and wellbeing of all its people remains a core consideration. During the period under review, the Company's field force was trained in safe driving techniques as part of a larger 'Drive Success' programme. Accidents impacting the Company's employees have decreased as a result. To improve health awareness among the sales force and corporate office staff various initiatives like Annual Health Check-up, Hypertension Awareness, and Enrich (smoking cessation) were launched during the year.

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 vis-à-vis the industry. Other important developments included the launch of AZ Engage, a global employee management system. Your Company's employee strength as of March 31, 2012 was 1674.

During the period under review, the Company announced a Voluntary Retirement Scheme (VRS) for permanent workmen at the Company's manufacturing facility in Bengaluru. This is in line with the Company's long term strategy for the facility. Seventy workmen have opted for retirement under this scheme.

Factory Land at Yelahanka

In the last Directors' Report the 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 – Bengaluru 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 did not accept the amended award and has disputed the same. The Company invoked the arbitration provisions under the National Highway Act, 1956 and 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 said Writ Petition filed by the Company was allowed by the Karnataka High Court. The modified order of SLAO was quashed. The High Court further directed NHAI to pay the original award amount of ₹ 2.37 Crores to the Company upon it furnishing a Bank guarantee. NHAI has filed a review petition before the Karnataka High Court stating that while the High Court in its judgment was pleased to reserve liberty to NHAI to raise arbitration proceedings but due to inadvertence, the operative portion of the order did not mention the same. The Company's Counsel has filed a vakalatnama in the Court.

NHAI has acquired a further portion of the factory land at Yelahanka for expansion of the Hyderabad–Bengaluru Highway. The SLAO has vide his Award

dated May 24, 2011 awarded compensation @ ₹ 1,314/- per square feet for the said land. The Company has sought from SLAO details of exact measurement of the said portion of the land, which is yet to be received. The Company is also reviewing the adequacy of the amount of compensation awarded by SLAO and will take appropriate action, if required, seeking enhancement of the said compensation.

Other Matters

On October 20, 2011, the Company received a notice from Bruhat Bangalore Mahanagar Palike (BBMP) asking the Company to stop the construction of the Tablet Production Facility. The Company filed a Writ Petition before the Karnataka High Court challenging the notice from BBMP and the Court granted stay against the notice issued by BBMP.

A First Information Report was filed on February 23, 2012 by the Central Bureau of Investigation against, among others, the Company wherein it has been alleged that the Company submitted a false affidavit with respect to rates quoted by the Company to the institution (Directorate of Health Services, Delhi). It is further alleged that unknown officers of the Directorate of Health Services, Delhi (DHS) and unknown officials of the Company conspired to cancel the recovery proceedings by DHS. The Company is fully cooperating with the ongoing investigations.

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

Members have been advised in previous Directors' Reports of the Writ Petition 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, 2012 continues to remain unchanged, in that the Writ Petition filed by Ms. Annie Koshy in the Kerala High Court, Kochi, is still pending 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 year March 31, 2012 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 is undertaking a comprehensive review of the existing Institutional Business Processes and Internal Control systems and is strengthening them 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 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

Young Health Programme

Your Company has introduced AstraZeneca's signature global initiative the Young Health Programme designed to help marginalized young

people deal with the health problems they face and improve their chances of living a better life. The aim of this program is to improve the health of adolescents by empowering them with necessary information, skills and access to services. In partnership with a NGO, the program is targeting people between the age of 14 and 24 years, their families and communities across the five resettlement areas in New Delhi – Dwarka, Holambi Kalan, Mangolpuri, Badarpur and Madanpur Khadar.

In India, the adolescent population constitutes more than one fifth (23%) of the total population. Key issues for adolescent health in urban slum areas include malnutrition; hygiene and sanitation; infections such as TB and malaria; substance abuse; anaemia in girls; unwanted pregnancy; illegal and unsafe abortion and sexually transmitted diseases. The Young Health Programme in India is addressing these key issues. Some activities that the Company has undertaken in these areas include providing schools with low cost sanitary kits, establishing and creating referral services to Health Information Centres, arranging thematic camps and fairs, and addressing adolescent health issues.

Other Activities

The Company continues to support community activities focused on making the Katigenahalli Primary School, Yelahanka - Bengaluru, as a more conducive place to enable study by needy children.

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, along with a certificate from the Statutory Auditors confirming compliance, is annexed as Annexure-III and forms part of this Report.

Directors

In accordance with the applicable provisions of the Companies Act 1956 and the Company's Articles of Association, Mr. K. S. Shah and Mr. Luigi Felice La Corte, Directors will retire by rotation at the ensuing Annual General Meeting. Being eligible, they

offer themselves for re-appointment. Your Board of Directors recommends their re-appointment. Ms. Ruby Lau, Vice President – Operations, was inducted on the Board and appointed as Whole Time Director with effect from November 10, 2011, subject to requisite approvals of the shareholders and the Central Government.

Auditors

The present Auditors Messrs. BSR & Co., Chartered Accountants, hold office up to the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Acknowledgements

Your Directors take this opportunity to thank AstraZeneca Pharmaceuticals AB, Sweden and

AstraZeneca PLC, for their valuable guidance and 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 11, 2012

Annexure I to the Directors' Report

Form A

1. Disclosure of Particulars with Respect to Conservation of Energy

SI No.	Particulars	2011-12 Apr-Mar	2010-11 Jan-Mar
A	Power and Fuel Consumption		
1	Electricity Purchased Unit(kwh) million Total amount (in INR mio) Rate per unit	 2.56 14.70 5.74	 3.21 17.77 5.54
	(i) Own Generation Through Diesel Generation Unit(kwh) million Unit per Litre of Diesel Cost/Unit (Rs)	 0.344 2.59 14.41	 0.385 2.75 12.39
	(ii) Through Steam Turbine/Generator Units Unit per Litre of Fuel Oil/Gas Cost/Unit (Rs)	 NIL 	 NIL
2	Coal (including Agro Husk & Briquettes) Quantity (Tonne) Total Cost (in INR mio) Average Rate (Rs/tonne)	 1648 7.63 4628.96	 1461 6.72 4600.87
3	Furnace Oil Quantity (Kilo Litre) Total Amount (in INR mio) Average Rate	 NIL 	 NIL
4	Other/Internal Generation Quantity (Kilo Litre) Total Amount (in INR mio) Average Rate	 NIL 	 NIL
B	Consumption per Unit of Production		
	Standards* (if any)	2011-12+ Apr-Mar	2010-11+ Jan-Mar
	(i) Electricity		
	(ii) Furnace Oil		
	(iii) Coal		
	(iv) Others		

*Owing to the range of products manufactured and the ever changing product mix, it has not been possible to establish standards relating to consumption of energy per unit of production.

+For the same reasons and as per the Records and Books, maintained by the Company, under the Companies Act, 1956, the Company is not in a position to furnish the required information in the prescribed format for the current and the previous year.

Annexure I to the 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.	
2	Benefits derived as a result of the above R&D	The key benefits expected are usage of advanced technology like 'Fluid Bed Processing' in tablets manufacturing which will help in process efficiencies. Development of additional products will add volumes to the business.	
3	Future plan of action	There will be greater efforts to scale up the process and commercialization of products after necessary approval.	
4	Expenditure on R&D		
	Capital	₹	Nil
	Recurring	₹	14,412,244
	Total	₹	14,412,244
	Total R&D expenditure as a percentage of total sales.		0.29%
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 trials were successful.	

Annexure I to the Directors' Report

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 continues 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 therefor and future plan of action.	Technologies have been fully absorbed.

Foreign Exchange Earnings and Outgo

(i) Activities relating to Exports, etc.:

The Company has exported goods of a value of ₹ 342,562,619 during the 12 months period ended March 31, 2012.

(ii) Total foreign exchange used and earned:

The Company used foreign exchange amounting to ₹ 1,258,107,238 and earned ₹ 147,831,772 excluding export of goods as specified in (i) above.

Management Discussion & Analysis Report

Annexure II to the Directors' Report

Industry structure and developmentsⁱ

The Indian Pharmaceutical market grew by 16.3% during the financial year 2011-12 and was over ₹ 659,626 million at the end of March 31, 2012. Multinational pharmaceutical companies accounted for 30% of the market, and grew at 17.7% in 2011-12.

According to an IMS publication the Indian Pharmaceutical market is expected to grow at 15% during 2012-2013. The following are the key drivers of industry growth:

- Increased penetration of pharmaceutical companies into extra-urban and rural areas.
- Rise in chronic and age-related diseases
- Increase in patients covered by the private healthcare sector
- Rise in percentage of population covered by health insurance

Opportunities and threats / Risk and concerns

The continued growth of the Indian pharma market in the growth range mentioned above presents the most attractive opportunity for pharmaceutical companies.

However the ongoing discussions on pricing policy present an uncertainty. In October, the Government of India released a draft on "Drug Pricing Policy" that envisages bringing approximately 60% of the Indian pharmaceutical market under the purview of price controls. The industry awaits a final decision on this matter.

The Company believes that protection of Intellectual Property (IP) is the fundamental principle driving the growth of the pharmaceutical industry, aiding its ability to introduce innovative medicines to address unmet patient needs. The Company hopes that the risks of diluting protection of IP are adequately assessed and addressed by the regulators while considering issues pertaining to the Patent Act and to the introduction of Regulatory Data Protection.

The underlying trend observed in the foreign exchange market since the beginning of the year is a matter of concern to the Company. The rapid

depreciation of the rupee against the US dollar will increase import costs for the Company during the year. The Company currently imports number of products from various AstraZeneca manufacturing sites across the globe.

Risk Management

The Company has a formal Risk Management process and the risk register is established and updated periodically.

Segment-wise or product-wise performance

The Company has three primary business segments:

- (i) The **Healthcare** division engages in the manufacture and sale of pharmaceutical products. During the year under review, the healthcare division generated total revenue of ₹ 4997.8 million out of which domestic salesⁱⁱ contributed ₹ 4655.2 million (93%) and exports sales ₹ 342.6 million (7%).
- (ii) The **Clinical Trial** division renders clinical trial services on pharmaceutical products to its group companies. During the year, the division generated revenue of ₹ 147.8 million from export of services.
- (iii) The **Co-promotional Services** division renders co-promotion services for pharmaceutical products to its customers. During the year, the division generated an income of ₹ 169.6 million.

Clinical Trial and Co-promotional services do not qualify as separate segments as defined in Accounting Standard 17 - Segment Reporting and hence have been disclosed as others in the financial statements.

Outlook

During the financial year 2012-13, the Company will focus on driving growth through its key growth brandsⁱⁱⁱ and branded generics portfolio.

The Company will also launch its patented innovator brand, 'Brilinta' (ticagrelor) for which it has obtained marketing approval from the Drugs Controller General of India (DCGI). Brilinta is approved for the prevention of cardiac events in patients with Acute Coronary Syndrome (ACS). It is an oral anti-platelet medicine that works to prevent platelets from sticking together and forming potentially harmful blood clots.

The Company will continue to ensure strong customer focus and effective execution of sales and marketing activities through introduction of various commercial innovations during the year. This innovation will enable our sales force to deliver meaningful services to HCPs in an ethical manner.

While the Company has begun supply of products affected by the temporary interruption of supplies in a phased manner, it is expected that supply issues will have an impact on topline for the current financial year as well.

Internal control systems and their adequacy

The Company has internal control systems 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. During the year 2011-12, Deloitte the internal auditors of the Company, have carried 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 are being taken to implement their recommendations.

Discussion on financial performance with respect to operational performance

During the year ended March 31, 2012, the Company's total sales were ₹ 4,995 million as against ₹ 5,744 million reported for the fifteen month

period ended March 31, 2011. The total cost was at ₹ 5,086 million during the year as compared to ₹ 4,993 million in the 15 month period ended March 31, 2011. The PBT and PAT were at ₹ 293 million and ₹ 198 million respectively during the year.

As a measure of extra and abundant caution, the Company undertook a voluntary recall of sterile products manufactured at its Bengaluru plant of a value of to ₹ 26.8 million, following AstraZeneca Worldwide Audit Group's (WWAG) quality audit. As a precautionary measure, the Company also voluntarily suspended production temporarily to review manufacturing practices at the plant resulting in a temporary interruption of supplies. The net sales of the products affected by supply constraint amounted to ₹ 272 million in the quarter ended March 31 2012 as against ₹ 606.8 million in the quarter ended December 31 2011.

Developments in Human Resources/ Industrial Relations

During the period under review, the Company announced a Voluntary Retirement Scheme (VRS) for permanent workmen at the Company's manufacturing unit in Bengaluru. This is in line with the Company's long term strategy for the plant. Seventy workmen have opted for retirement under this scheme. As on March 31 2012, the Company had 1,674 employees on its rolls.

ⁱ Source: 1) IMS TSA Data – MAT March 2012; 2) IMS Prognosis Report 2012-2016.

ⁱⁱ Includes sale of scrap of ₹ 2.4 Mio.

ⁱⁱⁱ Key growth brands: Crestor, Seloken XL, Selomax, Actamase, Meronem, and Nexsium.

Report on Corporate Governance

Annexure III to the 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 has been following the Code of Conduct of its ultimate parent Company and continues to do so. 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. The Senior Management Team headed by the Managing Director and supported by the Whole Time 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, high standards of Corporate Governance since its inception. The 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 six Directors. The Company has a Managing Director, one Whole Time Director (appointed during the year) and four Non-Executive Directors, two of whom 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 ₹ 3,081,076 (excluding out of pocket expenses) during the year ended March 31, 2012 to the law firm of Messrs Udhwadia & Udeshi as fees for professional services that were provided by them on specific legal matters entrusted by the Company to them for legal advice from time to time. Mr. D E Udhwadia is a partner of the above firm. The Board does not consider the firm's association with the Company to be of a material nature so as to affect the independence of judgment of Mr. Udhwadia as a Director of the Company.

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

**Number of Directorships and Committee Memberships/
Chairmanships excluding AstraZeneca Pharma India Limited
as at March 31, 2012**

Name of the Director	Category	Other Directorships #	Committee Memberships	Committee Chairman	Number of shares held
Mr. D. E. Udawadia Chairman	Non- Executive Independent Director	12	8	1	-
Mr. K. S. Shah	Non- Executive Independent Director	-	-	-	-
Mr. Ian Brimicombe	Non- Executive Non- Independent Director	-	-	-	-
Mr. Anandh Balasundaram Managing Director	Executive Non- Independent Director	-	-	-	-
Mr. Luigi Felice La Corte	Non- Executive Non- Independent Director	-	-	-	-
Ms. Ruby Lau (Appointed w.e.f. November 10, 2011)	Executive Non- Independent Director	-	-	-	-

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

b. Number of Board meetings held during the year ended 31st March 2012 and attendance of each Director at Board Meetings and the last Annual General Meeting

Name of the Director	Dates of Board Meetings in 2011-12								Date of Last AGM
	May 13, 2011	Jun 14, 2011	Aug 8, 2011	Sep 14, 2011	Nov 10, 2011	Feb 2, 2012	Mar 6, 2012	Mar 14, 2012	Jul 22, 2011
Mr. D. E. Udawadia	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. K. S. Shah	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ian Brimicombe	x	x	✓	x	x	✓	x	✓	✓
Ms. Ruby Lau *	-	-	-	-	-	✓	✓	✓	-
Mr. Anandh Balasundaram	✓	✓	✓	-	✓	✓	✓	✓	✓
Mr. Luigi Felice La Corte	x	x	✓	x	✓	x	✓	✓	x

*Ms. Ruby Lau was appointed as Whole-time Director with effect from November 10, 2011.

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 on 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, 2012, 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; he is Fellow Member of the Institute of Chartered Accountants of India, Fellow Member of 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

Five meetings of the Audit Committee were held during the year ended 31st March 2012, the details of which are as under:

Name of the Audit Committee Member	May 13, 2011	Jun 14, 2011	Aug 8, 2011	Nov 10, 2011	Feb 2, 2012
Mr. K. S. Shah	✓	✓	✓	✓	✓
Mr. D. E. Udwadia	✓	✓	✓	✓	✓
Mr. Luigi Felice La Corte	x	x	✓	✓	x

The Chairman of the Audit Committee, Mr. K. S. Shah, was present at the Annual General Meeting held on July 22, 2011.

The Audit Committee met on May 11, 2012 to review the Annual Accounts for the year ended 31st March 2012 and recommended acceptance of the Annual Accounts by the Board of Directors of the Company.

Managing Director & Whole time Director

Mr. Anandh Balasundaram is the Managing Director whose reappointment was made during the year under report by the Board of Directors. Ms Ruby Lau, Vice President-Operations was appointed as Whole time Director i.e. Executive Director during the year under report. The terms of appointments of the Managing Director and Whole time Director will be subject to the approvals of the Shareholders. The approval of the Central Government has been

sought for the appointment of Whole Time Director, she being a foreign national.

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 other than those nominated by the Holding Company are also paid sitting fees of ₹ 20,000/- each for every Board and every Committee Meeting attended by them, as permitted under the relevant statutory provisions.

Details of remuneration paid to the Directors during the year ended 31st March 2012:

Non-Executive Directors

Name of the Director	Sitting Fees (₹)	Commission # (₹)	Total (₹)
Mr. D. E. Udawadia	260,000	850,000	1,110,000
Mr. K. S. Shah	260,000	1,200,000	1,460,000
Mr. Ian Brimicombe	-	-	-
Mr. Luigi Felice La Corte	-	-	-

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 and preparation for the said meetings. It also takes into account the additional

time the Chairman of the Audit Committee has spent in connection with business transacted at the Audit Committee meetings. Commission for the period January 2010 to March 2011 was paid during the above period.

Managing Director

Name of the Director	Salary (₹)	Perquisites (₹)	P.F & other Funds (₹)	Total (₹)
Mr. Anandh Balasundaram				
April - December, 2011	12,117,509	881,579	1,104,139	14,103,227
January - March, 2012	6,179,249	646,860	439,830	7,265,939
Total	18,296,758	1,528,439	1,543,969	21,369,166

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 2500 Share Options under the AstraZeneca Share Option

Plan and 701 (Net) Shares under the AstraZeneca Performance Share Plan by AstraZeneca Plc. The total number of shares during the previous period was 8933. The cost incurred by AstraZeneca Plc pursuant to the said AstraZeneca Shares for the financial year ended March 31, 2012 amounts to ₹ 2,299,516 (Previous period ₹ 14,32,657).

Whole time Director

Name of the Director	Salary (₹)	Perquisites (₹)	P.F & other Funds (₹)	Total (₹)
Ms. Ruby Lau				
November - December, 2011	532,214	256,056	38,675	826,945
January - March, 2012	919,395	694,678	77,625	1,691,698
Total	1,451,609	950,734	116,300	2,518,643

Remuneration to Ms. Ruby Lau 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. Central Government approval for Ms. Lau's appointment is awaited.

5. Shareholders' Committees:

a. Shareholders'/Investors' Grievance Committee:

As on March 31, 2012, 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 ended 31st March 2012, one meeting of the said Committee was held viz., August 08, 2011; both Members were present at the meeting. The minutes of the committee were tabled and noted at the Board meeting.

b. Name and designation of the Compliance Officer

Mr. Pawan Singhal, Vice President - Legal & Secretarial who joined the Company on May 7, 2012 is now designated as the Compliance Officer of the

Company, as per the listing agreement with stock exchanges.

c. Details of Shareholders'/Investors' complaints:

The Committee attends inter-alia to complaints from Shareholders/Investors and for 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 year ended 31st March 2012 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	1	Nil	2	3	6	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, Managing Director and Mr. Himanshu Agarwal, Chief Financial Officer 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, re-materialization of shares, etc.

The meetings of the Share Transfer Committee are

need based. Nine meetings of the said Committee were held during the year under review.

An Independent Practicing Company Secretary carries out the Secretarial Audits 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
July 22, 2011	2011	32nd Annual General meeting	Taj West End Hotel, Bangalore	3.00 P.M.
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.

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

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. No Special Resolution was 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 no resolution passed through Postal Ballot during the year under report.

7. Disclosures

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

(i) Materially significant related party transactions during the financial year ended March 31, 2012:

Name of the Entity	Relationship	Nature of transaction	Amount (₹)
AstraZeneca Pharmaceuticals AB, Sweden	Holding Company	Dividend Paid	224,999,500
AstraZeneca AB, Sweden	Holding Company of AstraZeneca Pharmaceuticals AB, Sweden	i) Purchase of Raw Materials and traded goods ii) Payment towards reimbursement of expenses iii) Sale of services iv) Sale of products	233,467,862 1,179,471 132,496,617 93,860,774
AstraZeneca Plc., 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	754,465,925 23,103,984 65,947,272
AstraZeneca Pty Ltd., Australia	Group Company	Payment towards reimbursement of expenses	6,046,791
AstraZeneca SDN Bhd, Malaysia	Group Company	Sale of products	132,822,467
AstraZeneca Singapore Pte Ltd.	Group Company	i) Receipts towards reimbursement of expenses ii) Sale of products iii) Payment towards reimbursement of expenses iv) Sale of services	28,155,470 4,712,280 707,712 15,335,155
AstraZeneca India Pvt Ltd.	Group Company	i) Payment towards reimbursement of expenses ii) Receipts towards reimbursement of expenses iii) Rent income iv) Rent expenses	6,571,310 4,582,700 4,804,560 20,334,072
IPR Pharmaceuticals INC	Group Company	Purchase of Raw Materials	90,982,726

Name of the Entity	Relationship	Nature of transaction	Amount (₹)
Astra Zeneca Philippines	Group Company	Sale of products	111,625,116
AstraZeneca China	Group Company	Receipt towards reimbursement of expenses	40,200
AstraZeneca Japan	Group Company	Receipt towards reimbursement of expenses	12,356
AstraZeneca Pharmaceutical - USA	Group Company	Receipt towards reimbursement of expenses	8,587,911
Anandh Balasundaram	Managing Director	Managerial Remuneration	21,369,167
Ruby Lau	Whole Time Director	Managerial Remuneration	2,518,643

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.

(ii) 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.

(iii) 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.

(iv) The 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:

The Company did not receive any notice from the Stock Exchanges nor from SEBI or any other authorities on matters relating to capital markets during the last three years.

(v) 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.

(vi) 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 year ended March 31, 2012.

(vii) 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's approval; 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

(i) Annual General Meeting:

Date & Time of AGM	Wednesday, July 18, 2012 at 3:00 P.M.
Venue	Vivanta by Taj, MG Road, Bangalore
Financial Year	2011-12
Book Closure Date	July 11, 2012 to July 18, 2012 (both days inclusive)
Dividend Payment Date	If approved, payment on or before August 17, 2012.

(ii) Financial Calendar & announcement of financial results

The financial accounts and annual report are drawn out from April to March next. The announcement of financial results during 2012-13 shall be as follows:

First Quarter Results	On or before August 15, 2012
Second Quarter Results	On or before November 15, 2012
Third Quarter Results	On or before February 15, 2013
Fourth Quarter & Annual Results	On or before May 31, 2013

(iii) 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 2011-12 have been paid to all the above Stock Exchanges.

(iv) 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

(v) Market Price Data: High, Low during each month in the year ended March 31, 2012

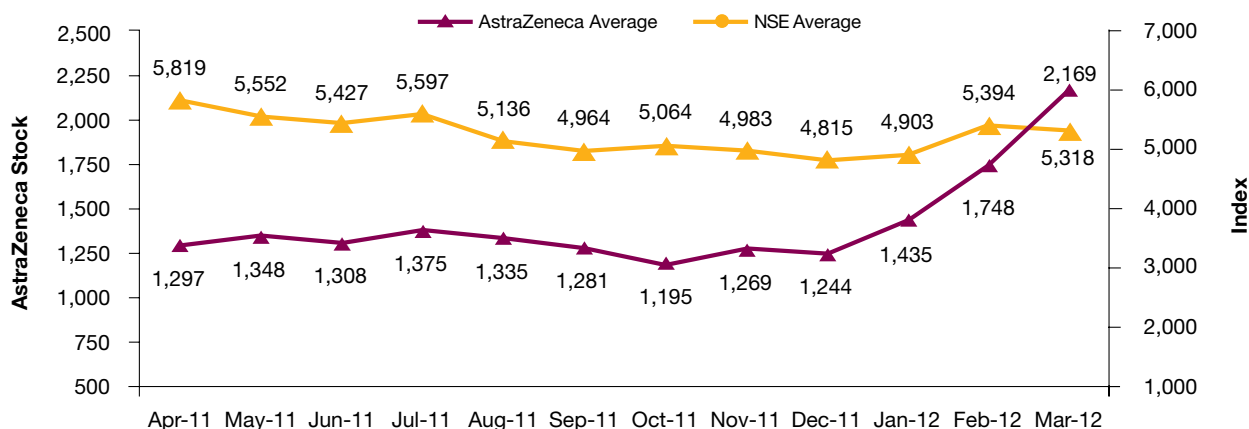
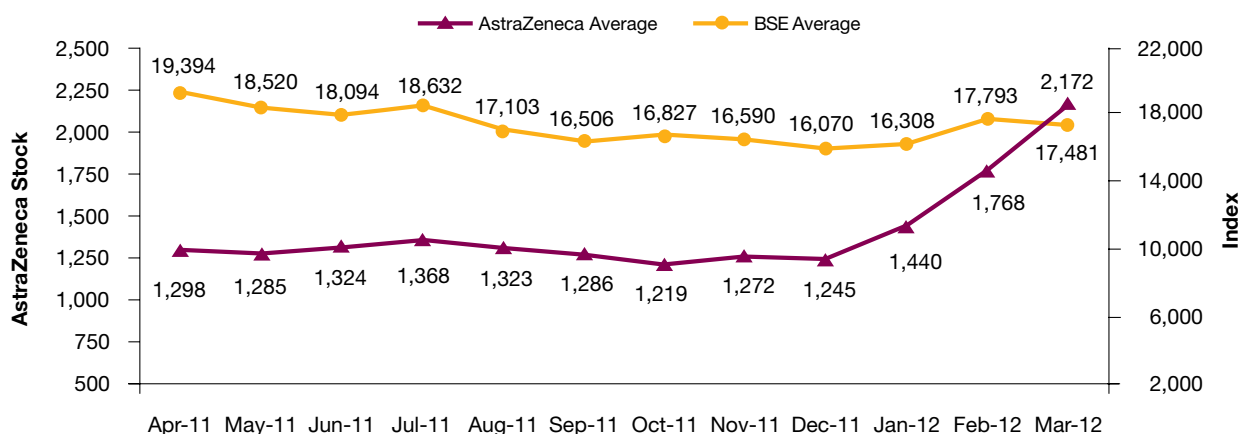
Monthly High/Low of market price of the Company's shares traded on Bombay Stock Exchange Limited (BSE), and National Stock Exchange of India Limited (NSE):

Period	Bombay Stock Exchange (₹)		BSE Sensex Index		National Stock Exchange (₹)		NSE S&P CNX Nifty Index	
	High	Low	High	Low	High	Low	High	Low
Apr-11	1385.00	1211.20	19811.14	18976.19	1,385.00	1,209.00	5,944.45	5,693.25
May-11	1348.00	1221.00	19253.87	17786.13	1,473.00	1,223.00	5,775.25	5,328.70
Jun-11	1437.00	1211.00	18873.39	17314.38	1,399.00	1,216.00	5,657.90	5,195.90
Jul-11	1471.95	1265.00	19131.70	18131.86	1,475.00	1,274.00	5,740.40	5,453.95
Aug-11	1417.95	1227.10	18440.07	15765.53	1,425.00	1,244.00	5,551.90	4,720.00
Sep-11	1354.50	1217.00	17211.80	15801.01	1,355.00	1,206.60	5,169.25	4,758.85
Oct-11	1275.00	1162.00	17908.13	15745.43	1,290.00	1,100.00	5,399.70	4,728.30

Period	Bombay Stock Exchange (₹)		BSE Sensex Index		National Stock Exchange (₹)		NSE S&P CNX Nifty Index	
	High	Low	High	Low	High	Low	High	Low
Nov-11	1349.00	1195.00	17702.26	15478.69	1,355.25	1,183.00	5,326.45	4,639.10
Dec-11	1281.00	1209.95	17003.71	15135.86	1,283.00	1,205.00	5,099.25	4,531.15
Jan-12	1650.00	1229.40	17258.97	15358.02	1,649.00	1,220.00	5,217.00	4,588.05
Feb-12	1933.00	1602.00	18523.78	17061.55	1,935.00	1,561.10	5,629.95	5,159.00
Mar-12	2489.00	1855.65	18040.69	16920.61	2,488.70	1,850.05	5,499.40	5,135.95

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

(vi) Performance of the Company's equity shares in comparison to BSE Sensex and S&P CNX Nifty Index during the financial year 2011-12.



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

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

(vii) Registrar & Share Transfer Agents

Integrated Enterprises India Limited,
30, Ramana Residency, 4th Cross,
Sampige Road, Malleshwaram,
Bangalore – 560 003
Tel:(080) 23460815-8
Fax: (080) 23460819

(viii) 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–

- 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.
- 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.
- The Shareholding Pattern and financial results are being uploaded in 'Electronic Data Information Filing and Retrieval' (EDIFAR) quarterly and in the Annual Report.

(ix) Distribution of Shareholding as on March 31, 2012

No. of equity shares held	No. of Shares	%	No. of Shareholders	%
Upto 5,000	1704388	6.82	8094	99.62
5,001 to 10,000	73186	0.29	10	0.12
10,001 to 20,000	115869	0.46	9	0.11
20,001 to 30,000	126627	0.51	5	0.06
30,001 to 40,000	37830	0.15	1	0.01
40,001 to 50,000	0	0.00	0	0.00
50,001 to 1,00,000	64340	0.26	1	0.01
1,00,001 and above	22877760	91.51	5	0.06
Total	25000000	100.00	8125	100.00

(x) Shareholding pattern as on March 31, 2012

Particulars	Physical Holdings	Electronic Holdings	Total Holdings	%
AstraZeneca Pharmaceuticals AB	13394850	9105100	22499950	89.99
Banks	125	250	375	0.00
Trusts	0	275	275	0.00
Mutual Fund	0	399665	399665	1.60
FII	0	78184	78184	0.31
Non-Resident Indians	2250	34044	36294	0.15
Clearing Members	0	18215	18215	0.07
Indian Corporate Bodies	3375	128186	131561	0.53
Others - Public	583479	1252002	1835481	7.34
Total	13984079	11015921	25000000	100.00
Percentage :	55.94	44.06	100.00	

(xi) Dematerialization of shares and liquidity

44.06% of total equity capital is held in dematerialized form with National Securities Depository Limited and Central Depository Securities (India) Limited.

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

None

(xiii) Plant location

12th Mile on Bellary Road

Kattigenahalli Village

Yelahanka, Bangalore - 560 063

(xiv) 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

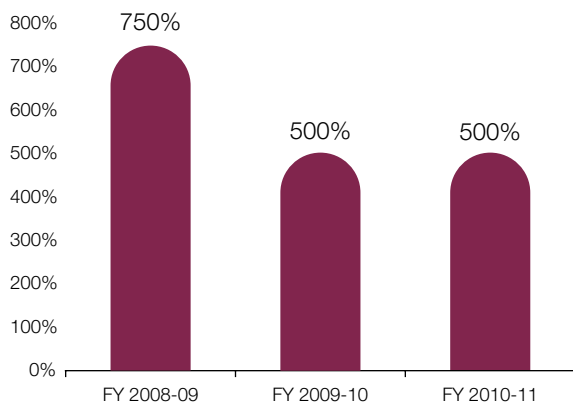
Fax: (080) 23622015

Email: comp.secy@astrazeneca.com

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

(xv) Dividend declared in earlier years

Dividend for the year	Percentage
FY 2008-09	750%
FY 2009-10	500%
FY 2010-11	500%

**(xvi) 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**(i) 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.

(ii) Audit Qualifications

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

(iii) 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 and Marketing fields. 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.

(iv) 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 year ended March 31, 2012, 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, 2012.

On behalf of the Board of Directors

Anandh Balasundaram
Managing Director

Place: Bangalore
Date: May 11, 2012

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 year ended on 31 March 2012, 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 Registration Number: 101248W

Zubin Shekary

Partner

Membership No. 048814

Place: Bangalore

Date: May 11, 2012

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 2012, the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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:

(i) 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;

(ii) 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;

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

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

(v) on the basis of written representations received from the directors of the Company as on 31 March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(vi) without qualifying our opinion, we draw attention to Para 2.47 of the notes to the financial statements wherein it is stated that a foreign national was appointed as Whole time Director during the year. The appointment and remuneration payable for the year is subject to the approval of the Central Government. The Company has filed an application with the central government for the approval of the aforesaid appointment and remuneration payable; and,

(vii) 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 2012;
- b. in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
- c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

for **B S R & Co.**

Chartered Accountants

Firm Registration Number: 101248W

Zubin Shekary

Partner

Membership No. 048814

Place: Bangalore

Date: May 11, 2012

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 year ended 31 March 2012. We report that:

(i) (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 year. No material discrepancies were noticed on such verification.

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

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

(iii) 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.

(iv) In our opinion and according to the information and explanations given to us, and having regard 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.

(v) (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 year 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 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.

(vi) The Company has not accepted any deposits from the public.

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

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the 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.

(ix) (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 year with the appropriate

authorities though there has been a slight delay in a few cases.

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 and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, 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	968,801	July 2005 to September 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	Income Tax Appellate Tribunal, Bangalore

* The amount shown above is net of amount paid ₹ 10,000,000.

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

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

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

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

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

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

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) 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.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) *We have been informed by the Management that one of the distributors sold certain goods to an Institutional customer at prices higher than the agreed price. According to the information available with the Company, the wholesaler did not provide*

true information and it appears to have forged sales documents resulting in a potential loss to the Company in the region of ₹ 11 million which is based on sales made by the Company to the distributor.

A First Information Report (FIR) was filed by the Central Bureau of Investigation against the Company on 23 February 2012 wherein it is alleged that the Company submitted a false affidavit with respect to rates quoted by the Company to the institution (Directorate of Health Services, Delhi). It is further alleged that unknown officers of the Directorate of Health Services, Delhi (DHS) and unknown officials of the Company conspired to cancel the recovery proceedings by DHS. We are informed by the management that the Company is fully cooperating with the ongoing investigations.

According to the information and explanations given to us, save as above, no other allegation of fraud on or by the Company has been reported and no fraud on or by the Company has been noticed by the Company during the course of the audit.

for B S R & Co.

Chartered Accountants

Firm Registration Number: 101248W

Zubin Shekary

Partner

Membership No. 048814

Place: Bangalore

Date: May 11, 2012

Financial Statements

AstraZeneca Pharma India Limited

Balance Sheet

(Amount in ₹)

	Notes	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	50,000,000	50,000,000
Reserves and surplus	2.2	1,842,852,120	1,746,895,560
		1,892,852,120	1,796,895,560
Non-current liabilities			
Other long-term liabilities	2.3	5,443,760	5,243,760
Long-term provisions	2.4	-	30,991,618
		5,443,760	36,235,378
Current liabilities			
Trade payables	2.5	177,653,658	143,757,975
Other current liabilities	2.6	861,932,769	627,078,469
Short-term provisions	2.7	482,959,906	482,852,386
		1,522,546,333	1,253,688,830
Total		3,420,842,213	3,086,819,768
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	316,930,881	274,547,155
Intangible assets	2.8	-	-
Capital work-in-progress		584,892,629	239,329,724
		901,823,510	513,876,879
Non-current investments	2.9	56,916	56,916
Deferred tax assets, net	2.35	177,622,850	75,419,327
Long-term loans and advances	2.10	346,040,121	269,066,898
Other non-current assets	2.11	19,691,797	32,898,299
		543,411,684	377,441,440
Current assets			
Inventories	2.12	750,969,273	572,025,749
Trade receivables	2.13	323,078,978	437,142,218
Cash and bank balances	2.14	536,507,065	853,901,703
Short term loans and advances	2.15	241,595,269	283,271,088
Other current assets	2.16	123,456,434	49,160,691
		1,975,607,019	2,195,501,449
Total		3,420,842,213	3,086,819,768

Significant accounting policies 1

Notes to accounts 2

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

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm Registration Number: 101248W

Zubin Shekary

Partner

Membership Number: 048814

for and on behalf of the Board of Directors

D E Udwadia

Chairman

Pawan Singhal

Company Secretary

Anandh Balasundaram

Managing Director

Himanshu Agarwal

Chief Financial Officer

Place : Bangalore
Date: May 11, 2012

Place : Bangalore
Date: May 11, 2012

AstraZeneca Pharma India Limited

Statement of Profit and Loss

(Amount in ₹)

	Notes	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Revenue from operations			
Sale of products	2.26	5,119,888,445	5,853,982,996
Less: Excise duty		(124,501,838)	(110,363,069)
Net sale of products		4,995,386,607	5,743,619,927
Sale of services	2.17	317,409,971	196,630,480
Other operating revenues	2.17	2,405,452	2,823,232
Net revenue from operations		5,315,202,030	5,943,073,639
Other income	2.18	63,304,386	59,991,162
Total revenue		5,378,506,416	6,003,064,801
Expenses			
Cost of material consumed	2.19	715,168,125	760,439,839
Purchase of stock in trade	2.20	1,192,312,730	1,168,117,110
Changes in inventories of finished goods, work-in-progress and stock in trade	2.21	(121,038,144)	(135,895,045)
Employee benefit expense	2.22	1,619,123,795	1,504,976,159
Depreciation and amortisation expense	2.8	73,386,152	88,127,950
Other expense	2.23	1,607,005,533	1,607,835,507
Total expense		5,085,958,191	4,993,601,520
Profit before tax		292,548,225	1,009,463,281
Tax expenses:			
- current tax		197,100,500	414,185,061
- deferred tax		(102,203,523)	(46,019,313)
Profit for the year/ period		197,651,248	641,297,533
Earnings per share (equity shares, par value of ₹ 2 each)			
- Basic and diluted	2.31	7.91	25.65
Weighted average number of equity shares outstanding		25,000,000	25,000,000
Significant accounting policies	1		
Notes to accounts	2		

The notes referred to above form an integral part of statement of profit and loss.

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm Registration Number: 101248W

for and on behalf of the Board of Directors

Zubin Shekary

Partner

Membership Number: 048814

D E Udawadia

Chairman

Pawan Singhal

Company Secretary

Anandh Balasundaram

Managing Director

Himanshu Agarwal

Chief Financial Officer

Place : Bangalore

Date: May 11, 2012

Place : Bangalore

Date: May 11, 2012

AstraZeneca Pharma India Limited

Cash flow statement

(Amount in ₹)

	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
A) Cash flow from operating activities:		
Profit before tax	292,548,225	1,009,463,281
<i>Adjustments for:</i>		
Depreciation	73,386,152	88,127,950
Interest income on deposit	(48,218,310)	(57,624,323)
(Profit)/ loss on sale of fixed assets, net	(7,297,525)	240,580
Operating profit before working capital changes	310,418,542	1,040,207,488
<i>Adjustments for:</i>		
Increase in trade and other receivables	70,513,845	41,905,710
Increase in inventories	(178,943,524)	(220,024,946)
Increase in liabilities and provisions	484,210,473	229,695,985
Cash generated from operations	686,199,336	1,091,784,237
Direct taxes paid, net of refund	(308,934,902)	(451,594,068)
Fringe benefit tax paid	-	4,820,182
Net cash from operating activities (A)	377,264,434	645,010,351
B) Cash flow used in investing activities :		
Interest received	52,547,320	48,509,390
Purchase of fixed assets	(398,427,025)	(322,746,684)
Decrease/ (increase) in other bank balances	10,005,062	(5,312,915)
Sale of fixed assets	9,054,448	2,692,704
Net cash used in investing activities (B)	(326,820,195)	(276,857,505)

AstraZeneca Pharma India Limited

Cash flow statement

(Amount in ₹)

	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
C) Cash flow used in financing activities :		
Dividend paid	(249,604,226)	(249,318,373)
Tax on proposed dividend	(40,556,250)	(41,521,875)
Debenture principal paid	(517,408)	(78,697)
Debenture interest	(41,392)	(6,296)
Net cash used in financing activities (C)	(290,719,276)	(290,925,241)
D) Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(240,275,037)	77,227,605
E) Cash and cash equivalents as at the beginning of the year/ period*	728,417,825	651,190,220
F) Cash and cash equivalents as at the end of the year/ period*	488,142,788	728,417,825

[Net of book overdraft of ₹ 27,412,347 (previous year: 94,526,886 included in note 2.6)]

* Refer to note 2.14 to the financial statements

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm Registration Number: 101248W

for and on behalf of the Board of Directors

Zubin Shekary

Partner

Membership Number: 048814

D E Udawadia

Chairman

Pawan Singhal

Company Secretary

Anandh Balasundaram

Managing Director

Himanshu Agarwal

Chief Financial Officer

Place : Bangalore

Date: May 11, 2012

Place : Bangalore

Date: May 11, 2012

AstraZeneca Pharma India Limited

Notes to accounts

1 Significant accounting policies

(i) 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 had approved the change in the company's statutory accounting year from "January-December" to "April- March". Accordingly, the previous period financial accounts are for a period of 15 months, i.e. from 1 January 2010 to 31 March 2011 ("the Period").

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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

Notes to 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 year. Assets costing individually Rs 5,000 or less are depreciated fully in the year of purchase.

(vi) 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 statement of profit and loss. 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.

(vii) 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 year are recognised in the statement of profit and loss for the year.

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 statement of profit and loss.

(viii) Employee benefits

Employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident plan equal to a specified percentage of the employee's salary. The Company contributes a part of the contributions to the AstraZeneca Pharma India Limited Management Staff Provident Fund Trust. The remaining portion is contributed to the government administrated pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make shortfall, if any, between the returns from the investments of the trust and the notified interest rate.

The Company has an arrangement with Life Insurance Corporation of India and ICICI Prudential Life Insurance Company to administer its superannuation scheme, which is a defined contribution scheme. The contributions to the said scheme are charged to the statement of profit and loss 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 statement of profit and loss. The Company makes contributions towards gratuity into the approved gratuity fund administered by ICICI Prudential Life Insurance Company.

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

(ix) Investments

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

(x) 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.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

(xi) 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 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

(xii) 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.

(xiii) 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.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

(xiv) Earnings per share

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

(xv) Leases

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

(xvi) 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.

(xvii) 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

Notes to accounts (continued)

2.1 Share capital

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Authorised		
25,000,000 (previous period: 25,000,000) equity shares of ₹ 2 each	50,000,000	50,000,000
Issued, subscribed and paid up		
25,000,000 (previous period: 25,000,000) equity shares of ₹ 2 each, fully paid up	50,000,000	50,000,000
	50,000,000	50,000,000
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year		
Equity shares	No. of shares	Amount
Number of shares at the beginning of the year	25,000,000	50,000,000
Movement during the year	-	-
Number of shares outstanding at the end of the year	25,000,000	50,000,000
Reconciliation of the number of shares outstanding at the beginning and at the end of the previous period		
Equity shares	No. of shares	Amount
Number of shares at the beginning of the period	25,000,000	50,000,000
Movement during the period	-	-
Number of shares outstanding at the end of the period	25,000,000	50,000,000

Terms and rights attached to equity shares

The Company has only one class of share referred to as equity shares having par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognized as proposed distributions to equity shareholders is ₹ 3.50 per share (31 March 2011: ₹ 10 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Name of the share holder	As at 31 March 2012	As at 31 March 2011
AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)	22,499,950	22,499,950

List of person holding more than 5 percent shares in the Company

Name of the share holder	As at 31 March 2012	
	No of shares	% holding
AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)	22,499,950	89.9998

Name of the share holder	As at 31 March 2011	
	No of shares	% holding
AstraZeneca Pharmaceuticals AB, Sweden (Holding Company)	22,499,950	89.9998

2.2 Reserves and surplus

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
General reserve		
Opening balance	511,542,833	447,413,080
Add: Transfer from surplus	19,765,125	64,129,753
	<u>531,307,958</u>	<u>511,542,833</u>
Surplus		
Opening balance	1,235,352,727	947,769,322
Add: Net profit after tax transferred from statement of profit and loss	197,651,248	641,297,533
Amount available for appropriation	<u>1,433,003,975</u>	<u>1,589,066,855</u>
Appropriations:		
Amount transferred to general reserve	19,765,125	64,129,753
Proposed dividend	87,500,000	250,000,000
Tax on proposed dividend	14,194,688	39,584,375
Balance in statement of profit and loss carried forward	<u>1,311,544,162</u>	<u>1,235,352,727</u>
	<u><u>1,842,852,120</u></u>	<u><u>1,746,895,560</u></u>

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.3 Other long-term liabilities

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Dealer deposits	5,443,760	5,243,760
	<u>5,443,760</u>	<u>5,243,760</u>

2.4 Long-term provisions

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Provision for employee benefits	-	30,991,618
	<u>-</u>	<u>30,991,618</u>

2.5 Trade payables

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
- Dues to micro and small enterprises	-	-
- Dues to other creditors	177,653,658	143,757,975
	<u>177,653,658</u>	<u>143,757,975</u>

Refer note 2.42 for details of dues to micro and small enterprises

2.6 Other current liabilities

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Book overdraft	27,412,347	94,526,886
Security deposit on leased asset	9,860,000	9,860,000
Advance from customers	16,021,924	10,606,244
Payable for capital goods	63,732,312	65,282,752
Investor Protection and Education Fund shall be credited when due		
- Unclaimed dividends	13,494,979	13,099,205
- Unclaimed redeemable debentures	2,913,051	3,430,459
- Unclaimed interest on debentures	233,044	274,436
Other liabilities		
- Statutory liabilities	46,827,748	51,637,928
- Payable to employees	85,592,003	87,443,589
- Payable for expenses	381,452,449	248,080,216
- Others	214,392,912	42,836,754
	<u>861,932,769</u>	<u>627,078,469</u>

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.7 Short-term provisions

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Provision for employee benefits	279,199,719	90,234,148
Proposed dividend	87,500,000	250,000,000
Tax on proposed dividend	14,188,438	40,550,000
Taxation, net of advance tax	20,775,010	20,771,499
Fringe benefit tax, net of advance tax	2,646,970	2,646,970
Provision for contingencies	78,649,769	78,649,769
	<u>482,959,906</u>	<u>482,852,386</u>

The provision for direct and indirect taxes is utilised to settle adverse outcomes of cases against the Company. The provisions are 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 ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Opening balance	78,649,769	51,796,227
Add: Charge for the year/ period	-	26,853,542
Less: Utilisation	-	-
Less: Reversal	-	-
Closing balance	<u>78,649,769</u>	<u>78,649,769</u>

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.8 Fixed Assets

(Amount in ₹)

Asset description	Gross book value				Depreciation and amortisation				Net book value	
	As at 1 April 2011	Additions during the year	Deletions during the year	As at 31 March 2012	As at 1 April 2011	Charge for the year	Deletions during the year	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Tangible assets										
<i>Owned assets</i>										
Freehold land	5,073,921	-	99,535	4,974,386	-	-	-	-	4,974,386	5,073,921
Buildings	129,843,106	38,766,912	-	168,610,018	67,910,395	6,376,939	-	74,287,334	94,322,684	61,932,711
Roads and culverts	2,015,544	-	-	2,015,544	1,914,766	-	-	1,914,766	100,778	100,778
Plant and machinery	458,500,692	20,765,323	-	479,266,015	329,025,289	29,140,141	-	358,165,430	121,100,585	129,475,403
Vehicles	39,356,600	11,896,717	8,387,151	42,866,166	24,887,730	6,840,964	6,729,763	24,998,931	17,867,235	14,468,870
Office equipment	100,705,859	26,827,562	-	127,533,421	54,919,668	27,703,960	-	82,623,628	44,909,793	45,786,191
Furniture and fixtures	30,307,465	19,270,287	-	49,577,752	22,458,184	3,324,148	-	25,782,332	23,795,420	7,849,281
<i>Leased assets</i>										
Plant and machinery	49,300,000	-	-	49,300,000	39,440,000	-	-	39,440,000	9,860,000	9,860,000
Intangible assets										
License for use and application of know-how and trademark	815,103,187	117,526,801	8,486,686	924,143,302	540,556,032	73,386,152	6,729,763	607,212,421	316,930,881	274,547,155
	30,068,449	-	-	30,068,449	30,068,449	-	-	30,068,449	-	-
Total	845,171,636	117,526,801	8,486,686	954,211,751	570,624,481	73,386,152	6,729,763	637,280,870	316,930,881	274,547,155
<i>Previous period</i>	<i>828,039,608</i>	<i>65,426,089</i>	<i>48,294,061</i>	<i>845,171,636</i>	<i>527,857,308</i>	<i>88,127,950</i>	<i>45,360,777</i>	<i>570,624,481</i>	<i>274,547,155</i>	

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.9 Non-current investments

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Trade investments		
<i>Quoted, fully paid at cost</i>		
Investment in equity instruments		
100 (previous period: 100) equity shares of TTK Healthcare Limited of ₹ 10 each	5,325	5,325
100 (previous period: 100) equity shares of Torrent Gujarat Biotech Limited of ₹ 10 each	1,935	1,935
	<u>7,260</u>	<u>7,260</u>
<i>Unquoted, fully paid, at cost</i>		
100 (previous period: 100) equity shares of Dee Pharma Limited of ₹ 10 each	3,568	3,568
100 (previous period: 100) equity shares of Mesco Pharmaceuticals Limited of ₹ 10 each	3,768	3,768
100 (previous period: 100) equity shares of SOL Pharmaceuticals Limited of ₹ 10 each	7,820	7,820
	<u>15,156</u>	<u>15,156</u>
Non-trade investments		
Other investments		
<i>Un-quoted, at cost</i>		
Investment in national saving certificate	34,500	34,500
	<u>56,916</u>	<u>56,916</u>
Market value of quoted investments	48,770	47,685

2.10 Long-term loans and advances

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Secured		
Loan to employees	36,644,208	28,004,262
	<u>36,644,208</u>	<u>28,004,262</u>
Unsecured, considered good		
Capital advance	19,170,594	85,383,715
Security deposits	48,351,672	32,606,719
Advances recoverable in cash or in kind or for value to be received	33,022,700	37,600,636
Receivable from related parties	15,163,694	15,163,694
Advance tax, net of provision for tax	193,687,253	70,307,872
	<u>309,395,913</u>	<u>241,062,636</u>
Unsecured, considered doubtful		
Receivable from suppliers	2,298,268	2,298,268
Security deposits	584,468	584,468
	<u>2,882,736</u>	<u>2,882,736</u>
Less: Provision for doubtful advances	(2,882,736)	(2,882,736)
	<u>-</u>	<u>-</u>
	<u>346,040,121</u>	<u>269,066,898</u>

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.11 Other non-current assets

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Compensation receivable from NHAI for transfer of land*	19,691,797	19,691,797
VAT receivable	-	13,206,502
	19,691,797	32,898,299

*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 invoked the arbitration provision under the National Highways Act, 1956. During the current year, the writ petition filed by the Company was allowed by the High Court of Karnataka vide its order dated 14 September 2011. The modified order of special land acquisition officer was quashed. The High Court further directed NHAI to pay the original award to the Company subject to the Company giving a bank guarantee of the same amount to NHAI. The Company is to approach NHAI and collect the compensation amount as per the High Court Order. NHAI has filed a review petition bearing No.603 of 2011 stating that operative portion of the order did not mention about the liberty granted to initiate arbitration.

2.12 Inventories

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Raw materials	163,812,142	111,651,197
Raw materials-in-transit	8,648,705	9,532,257
Packing materials	46,772,537	41,830,523
Packing materials-in-transit	2,297,100	-
Work-in-process	67,943,478	58,827,136
<i>Finished goods</i>		
Manufactured	106,993,260	124,079,074
Traded	345,398,442	210,434,971
Traded goods-in-transit	9,103,609	15,670,591
	750,969,273	572,025,749

Inventories are valued at lower of cost and net realisable value.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.13 Trade receivables

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Unsecured		
Outstanding for a period exceeding six months		
Considered good	875,378	6,671,026
Considered doubtful	62,200,282	57,696,515
Other trade receivables, considered good	322,203,600	430,471,192
	<u>385,279,260</u>	<u>494,838,733</u>
Less : Provision for doubtful receivables	(62,200,282)	(57,696,515)
	<u>323,078,978</u>	<u>437,142,218</u>

2.14 Cash and bank balances

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents		
Cash on hand	195,376	240,499
<i>Balances with banks:</i>		
In current accounts	5,749,733	-
In exchange earners foreign currency account	9,541,026	23,039,178
Short term deposits with bank	500,069,000	799,665,034
<i>Other bank balances:</i>		
In unclaimed dividend accounts, redeemable debentures and interest on debentures	16,641,074	16,804,100
Deposit held as margin money for guarantee*	4,310,856	14,152,892
	<u>536,507,065</u>	<u>853,901,703</u>

* Out of the above deposits amounting to ₹ 561,930 (previous year: ₹ 3,748,926) having a maturity period exceeding 12 months.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.15 Short term loans and advances

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Secured, considered good		
Loan to employees	14,007,279	12,007,546
	14,007,279	12,007,546
Unsecured, considered good		
Receivable from related parties	18,496,088	48,364,993
Advances recoverable in cash or in kind or for value to be received	209,091,902	222,898,549
	227,587,990	271,263,542
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	3,075,079	3,075,079
	3,075,079	3,075,079
Less: Provision for doubtful advances	(3,075,079)	(3,075,079)
	-	-
	241,595,269	283,271,088

2.16 Other current assets

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Unbilled revenue	87,485,193	30,997,963
Compensation receivable from NHAI for transfer of land	7,105,429	-
Interest accrued but not due on deposits	5,935,372	10,264,382
VAT receivable	14,469,915	-
Stock of samples	8,460,525	7,898,346
	123,456,434	49,160,691

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.17 Sale of services and other operating income

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
<i>Sale of services includes</i>		
Co-promotion	169,578,199	127,496,487
Clinical trials	147,831,772	69,133,993
	<u>317,409,971</u>	<u>196,630,480</u>
<i>Other operating income</i>		
Sale of scrap	2,405,452	2,823,232
	<u>2,405,452</u>	<u>2,823,232</u>

2.18 Other income

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Interest income	48,218,310	57,624,323
Rent	5,779,806	1,122,150
Profit on sale/ transfer of assets, net	7,297,525	-
Miscellaneous income	2,008,745	1,244,689
	<u>63,304,386</u>	<u>59,991,162</u>

2.19 Cost of material consumed Raw material and packing material

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Consumption of raw material	550,719,444	557,828,090
Consumption of packing material	164,448,681	202,611,749
	<u>715,168,125</u>	<u>760,439,839</u>

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.20 Purchase of stock in trade

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
<i>Stock in trade</i>		
Opening stock	226,105,562	125,454,301
Cost of stock in trade sold	1,063,916,241	1,067,465,849
Closing stock	354,502,051	226,105,562
	<u>1,192,312,730</u>	<u>1,168,117,110</u>

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

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Inventory at the beginning of the year/ period		
Finished goods	124,079,074	89,966,226
Work in progress	58,827,136	51,161,286
Stock in trade	226,105,562	125,454,301
A	<u>409,011,772</u>	<u>266,581,813</u>
Inventory at the end of the year/ period		
Finished goods	106,993,260	124,079,074
Work in progress	67,943,478	58,827,136
Stock in trade	354,502,051	226,105,562
B	<u>529,438,789</u>	<u>409,011,772</u>
Less: Excise duty on opening stock of finished goods	(16,316,605)	(9,781,691)
Add: Excise duty on closing stock of finished goods	15,705,478	16,316,605
C	<u>(611,127)</u>	<u>6,534,914</u>
Changes in inventory (A - B + C)	<u>(121,038,144)</u>	<u>(135,895,045)</u>

2.22 Employee benefit expense

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Salaries and wages *	1,366,040,641	1,221,981,382
Contribution to provident and other funds	107,891,815	142,451,509
Staff welfare expense	145,191,339	140,543,268
	<u>1,619,123,795</u>	<u>1,504,976,159</u>

* Employee benefit expense for the year ended 31 March 2012 include provision for terminal compensation benefits payable under the voluntary retirement scheme rolled out by the Company amounting to ₹ 187,718,110 (period ended 31 March 2011: ₹ 14,660,167). The scheme was announced by the Company on 30 March 2012.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.23 Other expense

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Travel and conveyance	318,360,909	377,082,908
Conference and symposia	291,393,687	238,447,006
Publicity and literature	46,812,946	131,395,730
Other marketing	138,257,481	210,248,388
Legal and professional	217,175,103	168,911,712
Carriage outwards	71,137,880	71,664,100
Clinical trial	141,157,592	20,939,822
Repairs and maintenance		
- Buildings	7,489,073	5,115,354
- Plant and machinery	9,232,019	12,055,217
- Others	18,504,051	19,666,281
Power and fuel	31,029,744	33,131,332
Rent	44,287,280	40,525,556
Consumption of stores and spare parts	25,425,514	28,811,968
Communication	31,684,164	27,884,340
Commission	40,218,925	50,751,424
Cost of samples distributed	45,749,862	45,751,578
Excise duty	6,955,306	7,870,675
Provision for doubtful debts, net	4,503,768	25,162,447
Bad debts written off	4,589,156	4,485,326
Printing and stationery	9,561,264	16,315,621
Insurance	11,125,135	8,737,150
Processing charges	16,660,757	5,131,112
Rates and taxes	22,671,771	10,750,204
Discounts	1,204,719	1,513,925
Royalty	-	2,483,726
Loss on sale/ scrapping of fixed assets, net	-	240,580
Loss on foreign exchange transactions/ translations, net	2,872,092	2,000,055
Miscellaneous	48,945,335	40,761,970
	1,607,005,533	1,607,835,507

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.24 Contingent liabilities

(a) Claims against the company not acknowledged as debt

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Excise and service tax matters	2,665,077	2,665,077

(b) Guarantees

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
In respect of bank guarantees	18,341,417	14,152,892

(c) Others

The Company had received a notice from Bruhat Bangalore Mahanagara Palike (BBMP) on 23 February 2011 demanding a payment of ₹ 113,328,767 as Land Improvement Charges towards its factory land. The Company filed a writ petition on 28 May 2011 before the High Court of Karnataka challenging the levy of the improvement charges and obtained an interim stay order on 2 June 2011 against cancellation by BBMP of the Khata of the factory land, if the improvement charges were not paid.

On 20 October 2011, the Company has received a notice from BBMP to stop the construction of the tablet production facility pending the construction license from BBMP. The Company's writ petition filed in the High Court of Karnataka challenging the notice and the High Court allowed the construction by granting a stay. Subsequent to the year end, on 20 April 2012, the high court has passed an order quashing the levy of differential improvement charges on different dimension of property. The Company is awaiting for a certified copy of the order.

2.25 Commitments

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	189,778,117	386,929,664
Other commitments		
Contractual liability on cancellation of agreement for custom manufactured products	14,538,000	-
Amounts payable under non-cancellable lease agreements for residential and office premises	12,520,260	2,256,680

2.26 Sale of products for the year ended 31 March 2012 is net of prior period charge amounting to ₹ 143,000,000 (previous period: ₹ Nil). This prior period charge pertains to expected charge back from customers for sales made in prior years.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.27 As a measure of extra and abundant caution, the Company undertook a voluntary recall of sterile products manufactured at its plant amounting to ₹ 26,826,401, following AstraZeneca's Global quality audit. As a precautionary measure, the Company also voluntarily suspended production temporarily to review manufacturing practices at the plant resulting in a temporary interruption of supplies. Sales for the year ended 31 March 2012 is net of the returns received on account of the voluntary recall.

2.28 Research expenditure (including depreciation) amounting to ₹ 14,412,244 (previous period: ₹ 32,177,960) incurred during the year has been charged to the respective heads of account in the statement of profit and loss.

2.29 During the year, a First Information Report (FIR) was filed by the Central Bureau of Investigation against the Company on 23 February 2012 wherein it is alleged that the Company submitted a false affidavit with respect to rates quoted by the Company to the institution (Directorate of Health Services, Delhi). It is further alleged that unknown officers of the Directorate of Health Services, Delhi (DHS) and unknown officials of the Company conspired to cancel the recovery proceedings by DHS. The Company is fully cooperating with the ongoing investigations.

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

(Amount in ₹)		
Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Audit fees**	3,501,250	3,801,250
Tax audit fees	367,500	667,500
Other taxation matters	690,000	1,035,000
Reimbursement of out of pocket expenses	475,354	412,585
	<u>5,034,104</u>	<u>5,916,335</u>

* Excludes service tax

** Audit fee for the year ended 31 March 2012 excludes ₹ 1,087,500 for the cost overruns charged for the year ended 31 March 2011.

2.31 Earnings per share

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

(Amount in ₹, except number of shares)		
Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Net profit for the year/period attributable to equity shareholders	A 197,651,248	641,297,533
Weighted average number of equity shares of ₹ 2 each used for calculation of earnings per share	B 25,000,000	25,000,000
Earnings per share, basic and diluted	(A/B) 7.91	25.65

The Company does not have potentially dilutive equity shares.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.32 (a) Details of goods manufactured and traded

(i) Class of goods manufactured

(Amount in ₹)

Particulars	Opening stock ³ as at 1 April 2011	Turnover ¹ for the year ended 31 March 2012	Closing stock ³ as at 31 March 2012
Bulk drugs	- (-)	85,752,285 (86,435,166)	- (-)
Balance in statement of profit and loss carried forward			
Liquids	15,771,529 (7,447,603)	570,679,936 (758,148,907)	13,877,889 (15,771,529)
Tablets and capsules	63,421,716 (39,978,957)	1,675,631,925 (1,843,739,901)	85,310,033 (63,421,716)
Injectables	36,772,766 (29,738,108)	500,574,482 (618,176,356)	6,356,059 (36,772,766)
Ointments	11,999,649 (8,999,590)	319,455,336 (378,073,720)	4,463,672 (11,999,649)
Inhalation products	153,345 (6,451,891)	(2,614,217) (9,058,874)	2,109 (153,345)
	128,119,005 (92,616,149)	3,149,479,747 (3,693,632,924)	110,009,762 (128,119,005)

(ii) Class of goods traded

(Amount in ₹)

Particulars	Opening stock ³ as at 1 April 2011	Turnover ¹ for the year ended 31 March 2012	Closing stock ³ as at 31 March 2012
Formulations:			
Tablets and capsules	113,255,662 (41,939,760)	547,095,874 (555,509,879)	85,003,186 (113,255,662)
Injectables	112,172,505 (83,909,005)	1,173,797,548 (1,419,602,604)	266,913,796 (112,172,505)
Dry powder	- (307,824)	4,662,852 (-1,176,778)	1,524,018 (-)
Inhalation products	4,535,810 (2,561,381)	34,639,390 (31,746,043)	6,120,155 (4,535,810)
Liquids	- (-)	85,711,196 (44,305,256)	384,919 (-)
	229,963,977 (128,717,970)	1,845,906,860 (2,049,987,004)	359,946,074 (229,963,977)
	358,082,982 (221,334,119)	4,995,386,607 (5,743,619,927)	469,955,836 (358,082,982)

Notes:

1. Turnover indicated above is net of excise duty.
2. Current year figures are bold and previous period figures are given in brackets.
3. 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.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

(iii) Work in progress

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Bulk drugs	41,026,673	37,286,895
Formulations:		
Liquids	2,691,851	1,262,677
Tablets and capsules	20,881,964	14,185,472
Injectables	3,342,990	4,564,869
Ointments	-	1,527,223
	<u>67,943,478</u>	<u>58,827,136</u>

2.32 (b) Purchase of traded goods*

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Formulations:		
Tablets and capsules	217,414,688	330,522,532
Injectables	932,862,675	814,763,311
Dry powder	7,226,203	-
Liquids	31,396,969	17,438,340
Inhalation products	27,906,015	24,120,835
	<u>1,216,806,550</u>	<u>1,186,845,018</u>

* Includes purchase of traded goods distributed as free samples

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.32 (c) Details of consumption of raw and packing materials

(Amount in ₹)

Particular	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Raw materials		
Seloken XL 50mg (Bulk tablets)	77,787,472	53,421,707
Codeine phosphate	55,024,285	97,181,992
Crestor 10mg (Bulk tablets)	54,987,535	56,417,873
Seloken XL 25mg (Bulk tablets)	54,486,845	37,879,379
*Other raw materials	308,433,307	312,927,139
	550,719,444	557,828,090
Packing materials		
Vial clear glass	18,504,371	26,716,367
Bottle amber 100ml	33,373,486	40,705,137
*Other packing material	112,570,824	135,190,245
	164,448,681	202,611,749

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.

2.32 (d) Consumption of imported and indigenous raw and packing materials

(Amount in ₹)

Particular	For the year ended 31 March 2012		For the period from 1 January 2010 to 31 March 2011	
	Amount	Percentage of total consumption	Amount	Percentage of total consumption
Imported	380,600,005	53.22	334,485,432	43.99
Indigenous	334,568,120	46.78	425,954,407	56.01
	715,168,125	100.00	760,439,839	100.00

2.32 (e) Consumption of imported and indigenous spares and stores

(Amount in ₹)

Particular	For the year ended 31 March 2012		For the period from 1 January 2010 to 31 March 2011	
	Amount	Percentage of total consumption	Amount	Percentage of total consumption
Imported	138,783	0.55	660,875	2.29
Indigenous	25,286,731	99.45	28,151,093	97.71
	25,425,514	100.00	28,811,968	100.00

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.33 Related parties

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

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
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 PR Pharmaceuticals Inc
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) Ruby Lau (appointed w.e.f 10 November 2011)

AstraZeneca Pharma India Limited

Notes to accounts (continued)

(ii) Related party transactions

(Amount in ₹)

Nature of transactions	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Purchase of materials and traded goods		
AstraZeneca Plc, United Kingdom	754,465,925	683,277,852
AstraZeneca AB, Sweden	233,467,862	191,409,596
AstraZeneca Pty Ltd, Australia	-	64,408,178
IPR Pharmaceuticals Inc	90,982,726	118,280,908
	1,078,916,513	1,057,376,534
Payment towards reimbursement of expenses		
AstraZeneca Plc, United Kingdom	23,103,984	5,739,615
AstraZeneca AB, Sweden	1,179,471	64,501
AstraZeneca Singapore Pte Ltd	707,712	2,422,930
AstraZeneca India Private Limited	6,571,310	8,710,960
AstraZeneca Australia	6,046,791	-
Others	-	168,707
	37,609,268	17,106,713
Receipt towards reimbursement of expenses		
AstraZeneca Plc, United Kingdom	65,947,272	74,498,184
AstraZeneca Singapore Pte Ltd	28,155,470	24,552,492
Others	13,223,167	4,743,960
	107,325,909	103,794,636
Rent expenses		
AstraZeneca India Private Limited	20,334,072	23,032,020
Royalty		
AstraZeneca AB, Sweden	-	2,483,726
Sales of products		
AstraZeneca AB, Sweden	93,860,774	91,684,812
AstraZeneca SDN Bhd, Malaysia	132,822,467	155,133,182
AstraZeneca Philippines	111,625,116	147,743,477
AstraZeneca Singapore Pte Ltd	4,712,280	9,862,012
	343,020,637	404,423,483
Sale of services		
AstraZeneca AB, Sweden	132,496,617	69,133,993
AstraZeneca Singapore Pte Ltd	15,335,155	-
	147,831,772	69,133,993
Rent deposit		
AstraZeneca India Private Limited	-	715,000
Dividend paid		
AstraZeneca Pharmaceuticals AB, Sweden	224,999,500	224,999,500
Rental income		
AstraZeneca India Private Limited	4,804,560	-
Director's remuneration		
Anandh Balasundaram	21,369,167	20,853,413
Ruby Lau	2,518,643	-
	23,887,810	20,853,413

AstraZeneca Pharma India Limited

Notes to accounts (continued)

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

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Long-term loans and advances		
AstraZeneca India Private Limited	15,163,694	15,163,694
Other current assets		
AstraZeneca AB, Sweden	41,063,459	-
Short term loans and advances		
AstraZeneca Singapore Pte Ltd	5,526,306	3,121,398
AstraZeneca India Private Limited	8,969,708	-
AstraZeneca Plc, United Kingdom	2,977,701	45,104,402
Others	1,022,373	139,193
	18,496,088	48,364,993
Trade receivables		
AstraZeneca AB, Sweden	5,998,297	6,090,305
AstraZeneca SDN Bhd, Malaysia	-	18,618,710
AstraZeneca Philippines	-	7,550,348
	5,998,297	32,259,363
Trade payables and other current liabilities		
AstraZeneca Plc, United Kingdom	33,869,833	21,318,192
AstraZeneca AB, Sweden	70,815,938	-
AstraZeneca Singapore Pte Ltd	306,867	49,522
AstraZeneca Pty Ltd, Australia	2,897,655	-
Others	4,795,161	2,256,076
	112,685,454	23,623,790

The Company has outsourced certain accounting function to an external service provider in the previous 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.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.34 Segment reporting

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

- (i) **Healthcare** - The Company engages in the manufacture, trading and sale of pharmaceutical products.
- (ii) **Clinical trial services** - The Company renders clinical trial services on pharmaceuticals products to its group companies.
- (iii) **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	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Segment revenue		
(a) Healthcare	4,997,792,059	5,746,443,159
(b) Others	317,409,971	196,630,480
	5,315,202,030	5,943,073,639
Less: Inter-segment revenue	-	-
Net Income from operations	5,315,202,030	5,943,073,639
Segment results		
Profit before tax and interest		
(a) Healthcare	216,527,616	938,263,741
(b) Others	12,716,223	11,208,378
	229,243,839	949,472,119
Other un-allocable income, net of interest expenses	63,304,386	59,991,162
Total profit before tax	292,548,225	1,009,463,281
Less: Provision for taxation	94,896,977	368,165,748
Profit after taxation	197,651,248	641,297,533

AstraZeneca Pharma India Limited

Notes to accounts (continued)

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Segment assets		
(a) Healthcare	2,357,264,268	1,980,948,442
(b) Others	130,076,692	76,229,329
(c) Unallocated assets	933,501,253	1,029,641,997
	<u>3,420,842,213</u>	<u>3,086,819,768</u>
Segment liabilities		
(a) Healthcare	1,185,039,482	768,715,410
(b) Others	48,309,255	11,809,176
(c) Unallocated liability	294,641,356	509,399,622
	<u>1,527,990,093</u>	<u>1,289,924,208</u>
Capital expenditure		
(a) Healthcare	463,089,706	301,619,376
(b) Others	-	-
	<u>463,089,706</u>	<u>301,619,376</u>
Depreciation		
(a) Healthcare	73,386,152	88,127,950
(b) Others	-	-
	<u>73,386,152</u>	<u>88,127,950</u>

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.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

Secondary segment information

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

- a) Domestic
- b) Exports

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Segment revenue		
(a) Domestic	4,824,807,639	5,469,516,163
(b) Export	490,394,391	473,557,476
	<u>5,315,202,030</u>	<u>5,943,073,639</u>
Segment assets		
(a) Domestic	3,404,648,957	3,006,195,412
(b) Export	16,193,256	80,624,356
	<u>3,420,842,213</u>	<u>3,086,819,768</u>
Capital expenditure		
(a) Domestic	463,089,706	301,619,376
(b) Export	-	-
	<u>463,089,706</u>	<u>301,619,376</u>

2.35 Details of deferred tax asset

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Deferred tax assets		
Section 43B items and provision for expenses	170,714,394	73,303,052
Provision for doubtful debts	20,180,881	18,722,518
Total	<u>190,895,275</u>	<u>92,025,570</u>
Deferred tax liabilities		
Depreciation on fixed assets	13,272,425	16,606,243
Total	<u>13,272,425</u>	<u>16,606,243</u>
Deferred tax assets, net	<u>177,622,850</u>	<u>75,419,327</u>

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.36 Value of imports on CIF basis

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Raw and packing materials (net of returns)	349,955,233	343,025,273
Components and spare parts	138,783	609,459
Capital goods	37,593,747	28,162,433
	<u>387,687,763</u>	<u>371,797,165</u>

2.37 Expenditure in foreign currency

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
Legal and professional	29,370,784	5,758,613
Marketing	2,367,147	4,017,806
Royalty	-	2,483,726
Foreign travel	-	2,189,225
Others	2,939,316	1,380,005
	<u>34,677,247</u>	<u>15,829,375</u>

2.38 Earnings in foreign currency

(Amount in ₹)

Particulars	For the year ended 31 March 2012	For the period from 1 January 2010 to 31 March 2011
F.O.B. value of exports	342,562,619	404,423,483
Sale of services (Gross)	147,831,772	69,133,993
	<u>490,394,391</u>	<u>473,557,476</u>

2.39 Amount remitted in foreign currency on account of dividend

(Amount in ₹ except number of shares)

Year to which dividend relates	31 March 2011	31 December 2009
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	224,999,500

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.40 Leases

The Company is obligated under non-cancellable operating leases for residential and office premises. Total rental expense under non-cancellable operating leases amounted to ₹ 6,010,958 (previous period: ₹ 1,809,856) for the year ended 31 March 2012.

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

(Amount in ₹)

Period	As at 31 March 2012	As at 31 March 2011
Not later than 1 year	8,448,760	1,934,986
Later than 1 year and not later than 5 years	4,071,500	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 ₹ 38,276,322 (previous period: ₹ 38,715,700) for the year ended 31 March 2012.

Further the Company is obligated under operating lease agreements for vehicles. Total lease rental expense under the said agreement amounted to ₹ 1,857,704 (previous period: ₹ 2,096,998) for the year ended 31 March 2012.

2.41 Forward contracts entered for the hedging purpose, which were outstanding as on 31 March 2012 amounted to ₹ Nil (previous period: ₹ Nil). Foreign currency exposure as on 31 March 2012, which was not hedged, are as follows:

Un-hedged foreign currency exposure

Underlying asset / liability		As at 31 March 2012		As at 31 March 2011	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Short term loans and advances	USD	194,366	9,947,401	1,068,437	48,364,993
Trade receivables	USD	122,040	6,245,855	712,724	32,259,363
Trade payables and other current liabilities	USD	996,631	51,006,627	476,011	21,635,294
	SEK	9,573,690	73,907,452	-	-
	SGD	2,434	99,794	-	-
	EUR	211,611	14,701,190	-	-
			155,908,319		102,259,650

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.42 Dues to micro and small enterprises

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 Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2012 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

(Amount in ₹)		
Particulars	As at 31 March 2012	As at 31 March 2011
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting 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 Micro, Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
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 for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.43 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 .

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 ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
Obligations at year/ period beginning	175,373,599	104,449,472
Current service cost	16,317,992	12,189,310
Interest cost	14,721,928	10,870,820
Benefits settled	(11,928,093)	(12,448,602)
Actuarial (gain)/loss	(901,853)	60,312,599
Obligations at year/ period end	193,583,573	175,373,599
Change in plan assets		
Plan assets at year/ period beginning, at fair value	129,048,752	101,032,221
Expected return on plan assets	14,830,611	9,651,664
Actuarial gain/(loss)	(2,465,531)	813,469
Contributions	102,786,151	30,000,000
Benefits settled (estimated)	(11,928,093)	(12,448,602)
Plans assets at year/ period end, at fair value	232,271,890	129,048,752

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.43 Gratuity plan (continued)

(Amount in ₹)

Particulars	As at 31 March 2012	As at 31 March 2011
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 year/ period	232,271,890	129,048,752
Present value of the defined benefit obligations at the end of the year/ period	193,583,573	175,373,599
Liability (-)/assets (+) recognised in balance sheet	38,688,317	(46,324,847)
Gratuity cost for the year/ period		
Service cost	16,317,992	12,189,310
Interest cost	14,721,928	10,870,820
Expected return on plan assets	(14,830,611)	(9,651,664)
Actuarial (gain)/loss	1,563,678	59,499,130
Net gratuity cost	17,772,987	72,907,596
Investment details of plan assets		
Equity instruments	9.73%	17.68%
Debt instruments	90.27%	82.32%
Assumptions		
Interest rate	8.75%	8.00%
Discount factor	8.75%	8.00%
Estimated rate of return on plan assets	8.50%	8.00%
Salary increase	1st 2 years 8% and thereafter 6%	1st 3 years 8% and thereafter 6%
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.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.44 Provident fund

The Company contributed ₹ 29,086,637 towards provident fund during the year ended 31 March 2012

The guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Boards that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefits plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities for the year ended 31 March 2012. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at 31 March 2012.

The details of fund plan assets as at 31 March 2012 is given below:

(Amount in ₹)	
Particulars	As at 31 March 2012
Plan assets at the year end, at fair value	328,461,321
Present value of the defined benefit obligations at the end of the year	328,461,321
Assets recognised in balance sheet	-

Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach.

Particulars	As at 31 March 2012
Discount rate	8.75%
Remaining term of maturity	12.37 years
Expected guaranteed interest rate	8.50%

2.45 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.

2.46 The Board of Directors of the Company at its meeting held on 11 May 2012, approved the financial statements for the year ended 31 March 2012. The Board of Directors, at the said meeting, also recommended a final dividend of ₹ 3.50 on equity share of ₹ 2 each for the year ended 31 March 2012. The payment of the said dividend is subject to the approval of the shareholders at the Annual General Meeting.

2.47 A foreign national was appointed as Whole time Director of the Company during the year. The Company has filed an application with the Central Government under the Companies Act, 1956 seeking approval for the appointment of, and remuneration payable to, the said Director. The application is pending before the Central Government.

AstraZeneca Pharma India Limited

Notes to accounts (continued)

2.48 The comparatives in 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 current year numbers are for a year i.e. twelve months period, the previous period figures may not be strictly comparable to the current year figures.

2.49 Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous period figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm Registration Number: 101248W

for and on behalf of the Board of Directors

Zubin Shekary

Partner

Membership Number: 048814

D E Udwadia

Chairman

Pawan Singhal

Company Secretary

Anandh Balasundaram

Managing Director

Himanshu Agarwal

Chief Financial Officer

Place : Bangalore

Date: May 11, 2012

Place : Bangalore

Date: May 11, 2012

TEN YEAR SUMMARY

Particulars	Unit	2002	2003	2004	2005
Sales & Earnings					
Total income	₹	1,401.15	1,808.16	1,965.45	2,328.78
Profit before depn, int & tax	₹	217.10	431.58	481.36	700.25
Profit before int & tax	₹	168.57	384.70	437.21	648.31
Profit before tax	₹	167.79	384.22	436.89	647.76
Profit after tax	₹	103.62	245.08	257.50	430.58
Deferred Tax Liability for earlier years	₹	-	-	-	-
Balance Profit after Tax	₹	103.62	245.08	257.50	430.58
Dividend paid	₹	18.50	19.50	250.00	100.00
Retained earnings	₹	85.12	220.72	(25.17)	316.56
Capital Employed					
Fixed assets					
- Gross including Cwip & Cap Adv	₹	586.57	646.60	681.31	742.92
- Net	₹	240.24	261.73	293.07	312.16
Investments	₹	0.59	0.57	0.57	0.12
Deferred tax assets	₹			4.58	12.24
Net current assets (working capital)	₹	520.92	724.20	657.18	947.44
Misc. expenditure not written off		0.57			-
Total		762.32	986.50	955.40	1,271.95
Represented by					
Networth	₹	762.32	986.50	955.40	1,271.95
Share capital	₹	50.00	50.00	50.00	50.00
Reserves	₹	709.85	930.56	905.40	1,221.95
Borrowings - secured	₹	-	-	-	-
Deferred tax Liability	₹	2.47	5.94	-	-
Total		762.32	986.50	955.40	1,271.95
Ratios					
Measures of Performance					
PBT to total income	%	11.98	21.25	22.23	27.82
PAT to total income	%	7.40	13.55	13.10	18.49
Material consumption to sales	%	37.90	34.93	35.39	33.85
Employee cost to sales	%	21.99	18.48	17.77	16.90
Net fixed assets to net worth	%	31.51	26.53	30.67	24.54
Fixed assets usage	Times	6.25	7.77	7.20	7.86
Measures of Investments					
Return on Networth	%	13.59	24.84	26.95	33.85
Earnings per share @	₹	4.14	9.80	10.30	17.22
Dividend payout ratio	%	89.27	39.78	485.43	116.12
Dividend coverage ratio	Times	5.60	12.57	1.03	4.31
Measures of Financial Status					
Current ratio	Unit	2.28	2.64	1.97	2.96
Quick ratio	Unit	1.22	1.54	1.59	2.44
Debt equity ratio	Unit	-	-	-	-
Inventory holding (on sales)	Days	116	100	49	41
Other information					
Contribution to exchequer *	₹	445.90	620.22	640.64	717.52
Employee					
- Cost	₹	299.43	325.50	338.55	375.95
- Numbers		950	948	942	902
Number of shareholders		3,972	4,175	4,340	5,026
Dividend	%	37.00	39.00	500.00	200.00
Book value = net worth per share @	₹	30.49	39.46	38.22	50.88

* inclusive of sales tax,@ Stock split since 2006

(₹ in Million)

2006	2007	2008	2009	2010-11 (15 months)	2011-12
2,773.65	3,135.63	3,681.40	4,023.77	6,003.06	5,378.51
806.82	1,011.89	1,261.15	946.06	1,097.98	365.93
749.51	953.49	1,192.39	885.29	1,009.85	292.55
749.51	953.49	1,143.76	883.92	1,009.85	292.55
487.36	614.59	738.35	576.17	641.30	197.65
-	-	-	-	-	-
487.36	614.59	738.35	576.17	641.30	197.65
300.00	375.00	375.00	250.00	250.00	87.50
145.29	175.86	299.62	283.68	351.71	95.96
793.54	829.89	811.52	831.29	1,169.89	1,558.27
332.77	332.34	304.50	303.44	513.88	901.82
0.07	0.07	0.06	0.06	0.06	0.06
9.81	17.26	23.71	29.40	75.42	177.62
1,074.60	1,243.43	1,458.23	1,112.29	1,207.54	813.35
-	-	-	-	-	-
1,417.24	1,593.10	1,786.50	1,445.18	1,796.90	1,892.85
1,417.24	1,593.10	1,161.50	1,445.18	1,796.90	1,892.85
50.00	50.00	50.00	50.00	50.00	50.00
1,367.24	1,543.10	1,111.50	1,395.18	1,746.90	1,842.85
-	-	-	625.00	-	-
-	-	-	-	-	-
1,417.24	1,593.10	1,786.50	1,445.18	1,796.90	1,892.85
27.02	30.41	31.07	21.97	16.82	5.44
17.57	19.60	20.06	14.32	10.68	3.67
34.66	31.67	29.29	31.38	31.21	35.76
16.74	16.97	18.30	21.49	26.20	32.41
23.48	20.86	26.22	21.00	28.60	47.64
9.15	9.48	12.12	13.40	21.87	16.97
34.39	38.58	63.57	39.87	35.69	10.44
19.49	24.58	29.53	23.05	25.65	7.91
61.56	61.02	50.79	43.39	38.98	44.27
1.62	1.64	1.97	2.30	2.57	2.26
2.10	2.43	2.33	2.24	1.95	1.30
1.75	2.16	2.02	1.85	1.50	0.80
-	-	0.54	-	-	-
47	29	37	33	45	55
970.29	1,024.34	1,096.15	765.51	1,052.90	803.37
442.65	502.03	621.73	828.29	1,504.98	1,619.12
895	937	1038	1464	1705	1674
6,981	7172	7375	7025	6058	8125
600.00	750.00	750.00	500.00	500.00	175.00
56.69	63.72	46.46	57.81	71.88	75.71

AstraZeneca Pharma India Limited

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

PROXY

33rd 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 33rd Annual General Meeting of the Company to be held at 3:00 P.M. on Wednesday, July 18, 2012 at Vivanta by Taj, MG Road, Bangalore or at any adjournment thereof.

Signed this _____ day of _____ 2012

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 33rd Annual General Meeting of the Company held at 3:00 P.M. on Wednesday, July 18, 2012 at Vivanta by Taj, MG Road, 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



Improving the health of young people

The Young Health Programme is a global programme. In India it is focused on improving hygiene, infection and reproductive health in five settlement areas in Delhi.

India has the fastest growing number of urban poor in the world. However, services and infrastructure have not kept pace with rapid urbanisation. There are significant issues related to water and sanitation, including lack of potable water, waste disposal and sewage maintenance. Access to health services is limited and awareness about sexual and reproductive health and HIV/AIDS is low.

Our programme seeks to improve the health of adolescents by empowering them with necessary information, skills and access to services. Objectives for the programme include enabling better choices about health and lifestyle, as well as improving health seeking behaviours through raising awareness and knowledge about healthcare and access to available healthcare systems.

The programme is being implemented by Plan India in partnership with the Community Aid and Sponsorship Programme (CASP). Since its launch in November 2010, over 30,000 young people have received health information.



AstraZeneca Pharma India Limited

'Avishkar', Off Bellary Road, Hebbal, Bangalore 560024, India.
www.astrazenecaindia.com