

# B S R & Co. LLP

Chartered Accountants

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## To Board of Directors AstraZeneca Pharma India Limited

We have audited the accompanying Statement of Financial results ("the Statement") of AstraZeneca Pharma India Limited ("the Company") for the year ended 31 March 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also, the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

The Statement has been prepared on the basis of the annual financial statements of the current year and reviewed quarterly financial results upto the end of the third quarter. Our responsibility is to express an opinion on the Statement based on our audit of the financial statements of the current year which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956, ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

Without qualifying our opinion, we draw attention to

- note 4 to the Statement for the quarter and year ended 31 March 2014 which states that the Company has entered into a subvention agreement ("the Agreement") dated 7 May 2013 with AstraZeneca Pharmaceuticals AB Sweden ("Promoter Company") wherein to assist the Company in its efforts to establish/grow its presence in the Indian market, the Promoter Company has voluntarily decided to provide a non refundable financial grant. Accordingly, the Company received Rs 2,132.20 lakhs during the quarter ended 31 March 2014, Rs 2,171.40 lakhs during the quarter ended 31 December 2013 and Rs 8,624.00 lakhs during the year ended 31 March 2014 as a financial grant. The Promoter Company vide its letter dated 1 March 2014 informed the Board of Directors of the Company regarding the revision to the agreement, whereby restricting the payment under the agreement to USD 14 million (Indian rupee equivalent 8,624 lakhs) and period covered under the agreement to financial year 2013-14. Accordingly, the Promoter Company vide letter dated 25 April 2014 has terminated the agreement effective 25 March 2014 on the grounds that the Company's business and financial performance has been inline with more recent expectations, and that the Company shall not require any further grant for the financial years

B S R & Co. (a partnership firm with  
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Mumbai - 400 011

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2014-15 and 2015-16. Out of the total receipt of Rs 8,624 lakhs; Rs 1,388.91 lakhs representing loss incurred by the Company during the year ended 31 March 2014 has been credited to statement of profit and loss and balance Rs 7,235.09 lakhs has been transferred to capital reserve during the quarter and year ended 31 March 2014.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net loss and other financial information of the Company for the year ended 31 March 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the Management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm Registration Number: 101248W



**Sunil Gaggar**

*Partner*

Membership No: 104315

Place: Bangalore

Date: 30 May 2014