

Patients -

The centre of our universe



55th Annual Report 2010

Aventis Pharma Limited





Patients - The centre of our universe

Mandala is a mystical and ancient art form that traditionally represents multiple layers of life and spirituality which revolve round a pivotal axis. The 'mandala' also signifies the way different entities come together to create an enchanting portrayal of the cycle of life and philosophy. Its intricate design varies to depict different interpretations and contexts with one common feature – the centre point around which the 'mandala' is formed.

Similarly, in the context of your Company, a 'mandala' represents the holistic approach we have to healthcare. Different facets from within and beyond your Company come together to help create a better life for the patient who is at the '**centre of our universe**'.

The different elements of our 'mandala' represent your Company's efforts to improve healthcare access and provide solutions for patients, with the ultimate aim of becoming the 'most admired' healthcare company in India.

During the year your Company launched many products, introduced innovations in its manufacturing processes, continued its disease awareness and management programmes, conducted studies to understand and generate data on disease prevalence and continued to extend its reach to more patients in rural India. All these efforts resulted in the domestic business growing at a robust 18%.

This Annual Report highlights the achievements of 2010. The following sections will bring to the fore your Company's patient-centric approach and efforts across various therapeutic areas as well as continuous innovations and ethical practices that impact the patients' journey at every stage.

As your Company strides ahead with your support we can together bring hope for a healthy life to patients across all strata of our society.



Patients at the heart
of everything we do





Diabetes, a progressive disease affecting over 50 million Indians is gaining epidemic proportions. Your Company works in close collaboration with the International Diabetes Federation (IDF) and healthcare professionals to bring about awareness and education to the patients apart from providing world-class therapeutic solutions to manage this disease.

In 2010, your Company further strengthened the oral product portfolio with the launch of Amaryl® MP and Amaryl® M Forte which caters to specific types of diabetic patients. Your Company has some of the world's most admired products, Lantus® being one of them. Lantus® is the second fastest* growing brand among the top fifty brands in the Indian pharmaceutical industry.

In addition, your Company partners with doctors to educate clinicians on the latest diabetes management algorithms, thereby empowering them with better insights about the disease, patient needs and evolving guidelines. Various physician education and engagement programmes reach more than 2000 doctors across the country. Your Company continues to touch the lives of more than 50,000 patients through unique patient initiatives like 'Saath7' and 'Together for More'.

Your Company initiated an innovative programme, 'I am a Champ' to celebrate the triumph of patients over diabetes – a unique effort to recognize and reward patients on Lantus® who have managed their diabetes effectively. This and other

unique initiatives were extensively covered by the media to create a strong image of your Company as a leader in the diabetes segment.

Through these and other such initiatives in the coming years, your Company will continue to play a leading role in the management of diabetes in India.



Spreading the message of control - Champs releasing balloons on the occasion of the National Awards ceremony at Mumbai



The seven National Patient Champs



Constantly interacting with Key Opinion Leaders to understand patient needs



Through its flagship brand, Cardace[®], your Company has addressed the needs of millions of **cardiovascular and hypertensive** patients. Cardace[®] AM, a combination of Ramipril+Amlodipine was launched in 2010. The acceptance of this combination by the doctor is good. A structured patient-centric activity was undertaken leading to increased brand confidence by both physicians and patients extending the benefits of Cardace[®] AM to more than 20,000 diabetic hypertensive patients.



The SITE (Screening India's Twin Epidemic) Study conducted last year with 16,000 patients across 8 states, revealed critical health challenges. With this wealth of information, your Company launched a new division called **ONSITE**, to strengthen the medical fraternity in its fight against the growing health challenges of cardiovascular and diabetic disorders in India, by making affordable and quality healthcare accessible to everyone.

The ONSITE team facilitates **doctor education, patient awareness** and **disease screening** for early detection and, thereby, better management of the twin epidemic – hypertension and diabetes, through its various initiatives with a wide range of affordable cardio-diabetic medicines.



In India, nearly 25 lakh patients suffer from **cancer** and this number is likely to triple in the next 20 years. Your Company's flagship brand, Taxotere[®], made a difference in the lives of more than 6000 patients last year through its TMax programme which addresses patient concerns like accessibility, awareness and affordability. Furthermore, your Company's 360-degree approach to cancer was epitomized through the following four initiatives:

- 1) **'Pink Poll'**, a revolutionary CME (Continuous Medical Education) series to reach a consensus amongst 250 oncologists on the best treatment options in breast cancer.
- 2) **'ENCEF'**, an innovative web-based multi-disciplinary approach in the management of head and neck cancers was conducted across 500 doctors.
- 3) **'Involve'**, a nurses' education programme aimed at updating and sensitizing caregivers.
- 4) **'Aashayein'** through which 350 patients were counselled with a 99.9% compliance rate.



Dr Sandra Swain, International Speaker (5th from left) with Oncologists at the Pink Poll 3



Epilepsy directly affects an estimated 10 lakh Indians and by extension their family and caregivers. Self limiting factors like embarrassment or fear holds the patient captive and curbs his everyday life.

Your Company strives to positively impact the health of patients suffering from epilepsy by implementing sustainable awareness and educational programmes like 'Epiclinics and Epicamps', which greatly help patients and caregivers go beyond medicines. While 'Epiclinics' reach about 750 renowned neurologists across top hospitals, the 'Epicamps' touch the lives of almost two-thirds of rural India's epileptic patients, who have little or no access to neurologists.



During 2010 your Company successfully conducted more than 3,000 'Epiclinics' and 500 'Epicamps' reaching more than 100 cities and towns. Patients were provided with Epikits (V-Turn) - a comprehensive kit which contains a patient identification card, a seizure diary, facts and myths about epilepsy, guide to living with epilepsy and therapy starter kits for patients.

Thus, your Company continues to demonstrate its commitment towards empowering patients in their fight against epilepsy for a 'seizure-free India'.



Prayas is a knowledge-based initiative started by your Company in 2009 for doctors in rural India to update their clinical know-how on diagnosis and management of common diseases encountered in their daily clinical practice. This initiative and your Company's range of quality and affordable medicines help patients in rural India receive appropriate treatment.

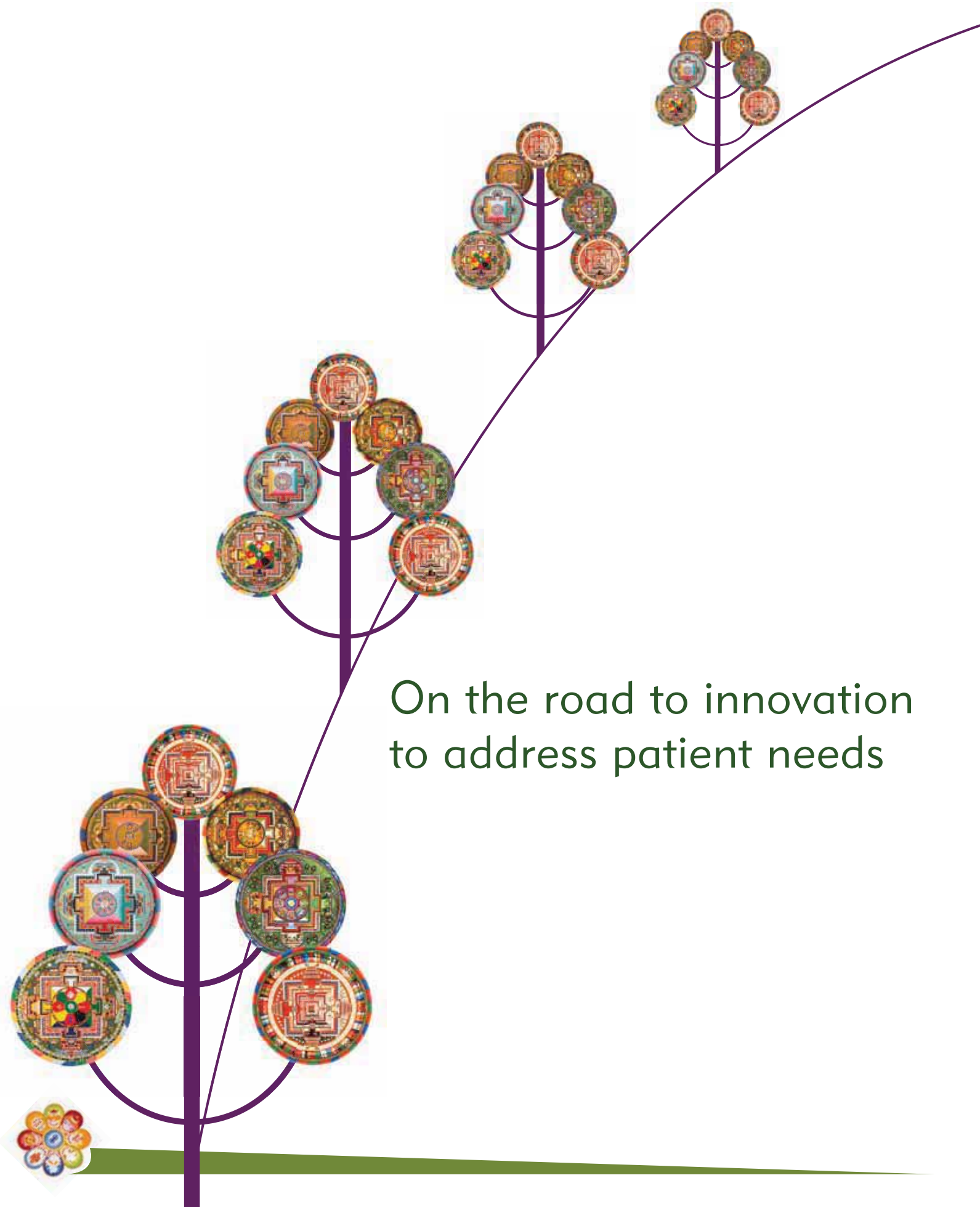
In 2010 your Company took this initiative to the next level - the foundation was laid to form a **National Congress for Rural Health** in order to get the Key Opinion Leaders and the experts of the regions together to validate the educational material developed for the rural doctors and to accredit the modules.

Present in 14 states of India, Prayas has engaged more than 10,000 doctors and conducted over 2,000 workshops in the respiratory and gastroenterology therapy areas. Your Company will continue to extend this programme to many more doctors and hold workshops in other therapeutic areas.



Expert Group Meeting organized under the Prayas initiative

Prayas is one of the most ambitious and unique initiatives of your Company to improve access to medicine and knowledge to millions of patients in rural India.




On the road to innovation
to address patient needs



We live in a fast changing world. This change has percolated into patient preferences as well. To address the gap between patient needs and our product offerings, your Company is investing time and energy to continuously bring innovation through its products and services that cater to the specific requirements of patients.

Here are some examples:

 The rapidly transforming economic scenario in India has caused a shift in disease patterns and focus from communicable to non-communicable diseases.

Despite this, **infection** remains one of the top five causes




Tablet coater with automated process at the manufacturing site




Computerized verification of printed batch details at the manufacturing site

of mortality in India. The launch of M-Nem, an antibiotic, is yet another step in our commitment to provide quality care to patients in the Intensive Care Unit.

A unique comprehensive M-Nem kit comprises of three components - the drug, a closed infusion system and a tag sticker which ensures maximum safety for the patient, assists the medical personnel for easy identification of the drug and ensures minimal contamination.

 Needle stick injuries are very common amongst healthcare workers especially those who administer injectable drugs. Such injuries generally lead to serious implications like disease transmission e.g. HIV, Hepatitis B, etc. To overcome this problem faced by medical personnel, your Company has

innovated a new safety device mechanism for its No.1 low molecular weight heparin, Clexane®, which negates the possibility of any such injury. In addition to this, the innovation also ensures better product identification and dosage readability for the healthcare worker and the patient.

 With an unwavering focus on quality and patient needs, your Company constantly strives to update infrastructure and manufacturing skills. To ensure the excellent quality of all our products, your Company's sites at Ankleshwar and Goa have adopted a holistic approach which includes quality engagement with vendors, stringent and consistent in-process quality checks, uninterrupted availability of products and most importantly, unique identification codes. Strong systems are in place to check spurious products by using **holograms, barcodes, pharma codes and holographic films** to combat counterfeiting.

 Taking a cue from recent developments in the pharmaceutical industry, your Company's manufacturing facilities strive to improve product quality through **online checks such as visual verification, code identification and check weigher for correctness for tablets and packages.**



Reverse printing on tablet strips to combat counterfeiting



Ethical Practices





Compliance



Our *Shared* ethics

India has an increasingly complex legal and regulatory environment and your Company is conscious of the risks of non-compliance and above all, its responsibility to patients. Your Company follows good ethical practices in all its activities and has in place compliance principles that are binding on itself and its employees.



Your Company has a Code of **Ethics** which, among other regulations, enjoins strict adherence to ethical marketing practices in its product promotions and interactions with doctors, compliance with rules against corruption and illegal payments, transparency and

good corporate governance and respect for the health, safety and environment policy of your Company.

A Compliance campaign was rolled out and training sessions are being regularly held to promote ethical conduct among employees and to ensure that employees understand its importance for the preservation of your Company's image and reputation.



Your Company's Medical function has set up robust processes on pharmacovigilance and adverse drug events reporting. In the highly regulated pharmaceutical industry, the Regulatory Affairs team ensures that your Company complies with the existing regulations and also contributes to its growth by registering new products, new indications and product registration renewals.



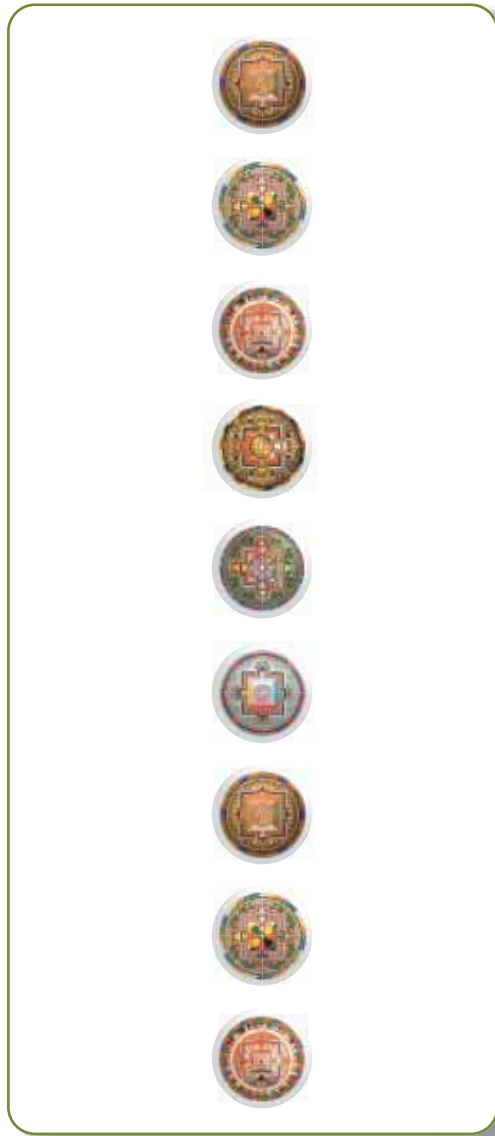
As ethical healthcare professionals and to ensure that the promotion of all products is backed by adequate, unbiased and truthful technical data, your Company is committed to comply with the code of the Organisation of Pharmaceutical Producers of India (OPPI). This Code ensures that pharmaceutical industries are committed to educational and promotional efforts that benefit patients and promotional programmes and collaborations that enhance the practice of medicine.



Good Manufacturing Practice (GMP) is that part of Quality Assurance which ensures that products are consistently produced and controlled by the quality standards appropriate to their intended use and as required by the marketing regulations.

Like the all-encompassing circle 'Mandala', all activities in your Company are centred around the patient. We are proud of what we have been able to contribute towards patient well-being so far and your Company rededicates itself at the beginning of the new decade of the 21st century to stay focussed on its chosen commitment of patient-centricity.

Contents





Information	13
Message from the Managing Director	15
Financial Summary / Charts	17
Directors' Report	19
Management Discussion & Analysis	23
Report on Corporate Governance	28
Sanofi-aventis Group Companies	36
Auditors' Report	39
Financial Statements	43



Information





Board of Directors

(as on February 16, 2011)

Dr. Vijay Mallya
Chairman

Dr. Shailesh Ayyangar
Managing Director

Mr. O. Charmeil

Mr. M. Dargentolle

Mr. F. X. Duhalde

Mr. J. M. Gandhi

Mr. J. M. Georges

Mr. S. R. Gupte

Mr. A. K. R. Nedungadi

Mr. M. G. Rao
(Alternate to Mr. J. M. Georges)

Mr. S.C. Ghoge
(Alternate to Mr. F. X. Duhalde)

Company Secretary

Mr. K. Subramani

Registered Office

Aventis House
54/A, Sir Mathuradas Vasanji Road
Andheri (East), Mumbai 400093

Manufacturing Sites

3501-15, 6310, B-14, GIDC Estate
Ankleshwar 393002

GIDC, Plot No. L-121
Phase III, Verna Industrial Estate
Verna, Goa 403722

Registrars & Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S.Marg, Bhandup (West)
Mumbai 400078

Auditors

M/s. S.R. Batliboi & Co.

Solicitors

M/s. Crawford Bayley & Co.

Bankers

Citibank N.A.
Deutsche Bank
Hongkong & Shanghai Banking Corpn. Ltd.
State Bank of India
HDFC Bank Limited
BNP Paribas

55th ANNUAL GENERAL MEETING

DATE

Tuesday, April 26, 2011

TIME

12 Noon

VENUE

Y.B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, Nariman Point, Mumbai 400021



Spread the message





Message from the Managing Director



Dear Shareholders,

It gives me great pleasure to present to you the 55th Annual Report of your Company. I am happy to share that 2010 was indeed a very fruitful year in which our business grew and we performed extremely well with commendable domestic sales.

Your Company and all its employees made this possible by single-mindedly focussing on patients to support their needs to the best of our ability. Like the 'mandala' theme of this year's Annual Report, each department performed their role functions individually and collectively, united by patients who are at the centre of our universe. Not only have our products such as Combiflam[®], Cardace[®], Allegra[®], Amaryl[®] and Lantus[®] been the top contributors for your Company for the last three years consecutively, they also feature amongst the top 100 products of the pharmaceutical industry.



This goes to show that your Company has reached out to many more patients across India. Kudos to our passionate sales force for their persistent and enduring efforts to reach far and wide and make medicines available to patients residing in big metro cities as well as across many towns in the hinterlands. With our rural initiative 'Prayas' we are now playing an active role in building capacity in rural India so that patients in the remote parts of the country also get better healthcare treatments from well informed doctors.

In view of the changing times, both in India and globally, your Company unveiled new values – Innovation, Confidence, Respect, Solidarity and Integrity. These values are very relevant in the current times and really differentiate your Company as a patient-centric organisation that follows ethical practices and is humane in its approach to healthcare even as it supports several socially relevant healthcare projects in partnership with Non-Governmental Organisations (NGOs).

In 2011 your Company's growth agenda is to focus more on the patient's needs and to adopt a 360-degree patient-centric approach, with innovation and diversification as pillars to help it transform itself into the most admired healthcare Company in India.

Before I conclude, I express my gratitude for your constant support over the years. I place on record my deep appreciation for the dedication and commitment of all the employees of your Company. I look forward with confidence to 2011 as a year of continued progress on all strategic growth levers.

Yours sincerely,

Shailesh Ayyangar



Financial Summary

Making it count





(Rs. in Million)

SALES, PROFITS & DIVIDEND	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001 ^{&&}
Sales (Gross)	11073	9958	10294	9317	9367	8581	7904	7061	6666	5923
Profit before depreciation interest & tax (PBDIT)	3323	2589	2781	2415	2677	2536	2431	1627	1081	1125
Profit before interest & tax (PBIT)	3126	2416	2599	2230	2499	2364	2263	1453	911	954
Profit before tax (PBT)	3097	2415	2596	2228	2497	2364	2262	1451	907	939
Profit after tax (PAT)	2307	1574	1662	1444	1693	1451	1485	986	611	666
Dividend (Amount)	1267	461	368	368	737	368	368	368	368	138
Rate (Rs. per share)	55 ^{**}	20	16	16	32 \$	16	16	16	16*	6

SHARE CAPITAL & CAPITAL EMPLOYED	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001 ^{&&}
Share capital	230	230	230	230	230	230	230	230	230	230
Shareholders' funds #	10142	9318	8291	7069	6082	5238	4218	3213	2692	2464
Capital employed #	10142	9318	8291	7069	6082	5238	4218	3365	3072	2803
Represented by:										
Fixed assets (net) & investments #	1848	1772	1543	1503	1509	1472	1597	1701	1677	1791
Net current & other assets	8295	7546	6748	5566	4573	3766	2621	1816	1395	1012

RETURN	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001 ^{&&}
On sales (PBT)%	28.0%	24.3%	25.2%	23.9%	26.7%	27.5%	28.6%	20.5%	13.6%	15.9%
On capital employed (PBIT)%	30.8%	25.9%	31.3%	31.6%	41.1%	45.1%	53.7%	43.2%	29.7%	34.0%
On shareholders' funds (PAT)%	22.7%	16.9%	20.0%	20.4%	27.8%	27.7%	35.2%	30.7%	22.7%	27.0%
Per share (PAT) Rs.	100.30	68.35	72.26	62.71	73.51	63.00	64.48	42.80	26.53	28.92
Personnel cost	1633	1440	1192	1037	785	735	632	549	521	603
No. of employees	2282	2106	2070	2065	1811	1465	1250	1284	1242	1262

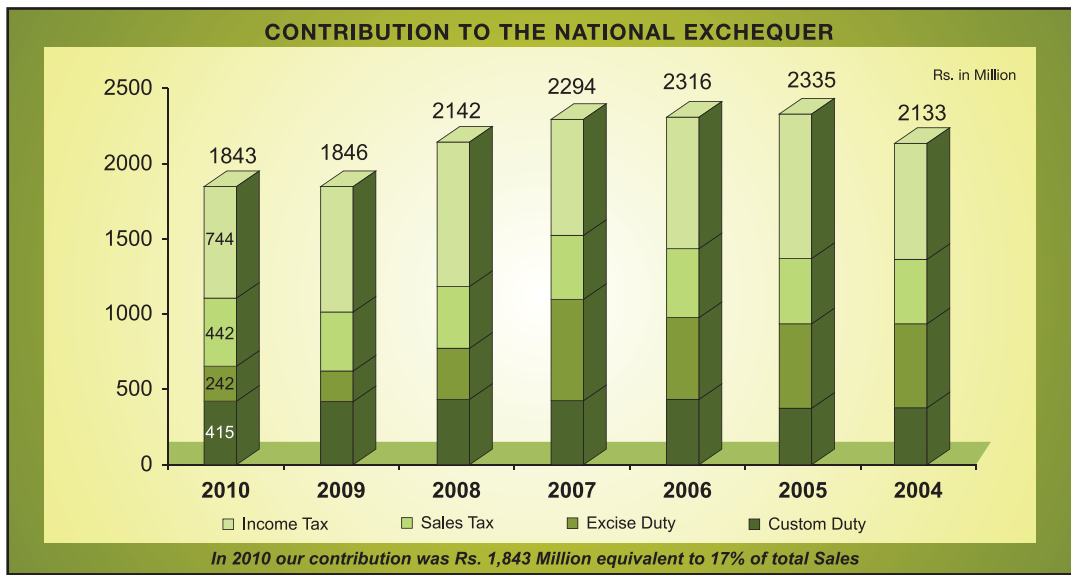
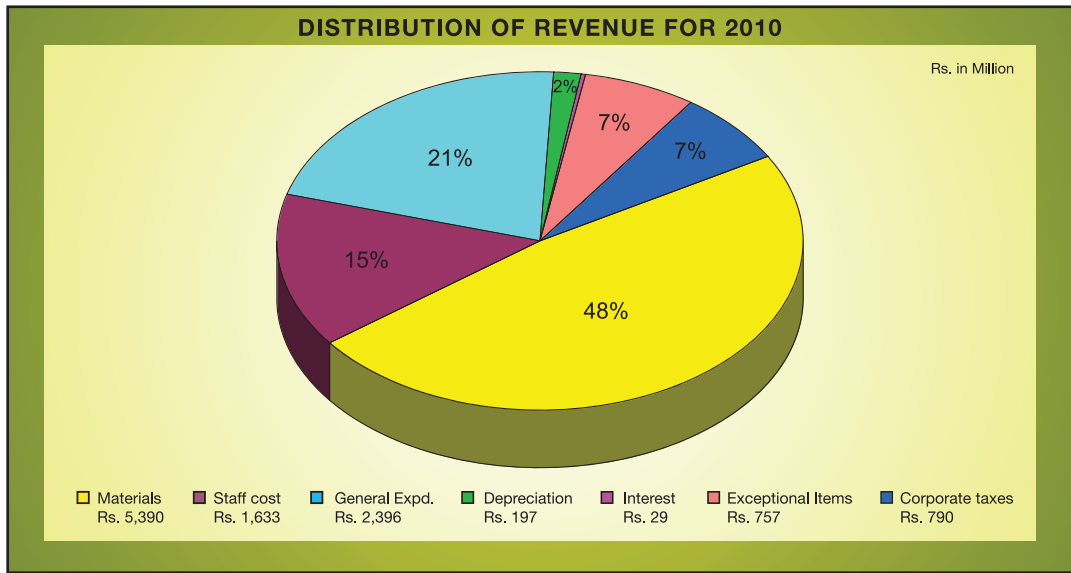
&& After consolidation of accounts due to merger of Rhone-Poulenc Rorer (India) Private Limited

* Includes Special dividend of Rs. 8 per share

\$ Includes Special One -Time Golden Jubilee dividend of Rs. 16 per share

** Includes Special One -Time dividend of Rs. 28 per share

Includes revaluation of fixed assets since 1986





Report of the Directors to the Members of the Company

Your Directors have pleasure in presenting the Audited Accounts of your Company for the Fifty-fifth financial year ended 31st December 2010.

FINANCIAL RESULTS

	Rs. in Million	
	2010	2009
Net Sales	10,849.5	9,744.0
Other Income	1,134.8	1,111.0
Profit before Tax and Exceptional Items	2,340.0	2,414.6
Provision for Taxation	789.9	840.5
Net Profit before Exceptional Items	1,550.1	1,574.1
Exceptional Items (Net of Tax)	757.4	-
Net Profit after Exceptional Items	2,307.5	1,574.1
Balance brought forward from previous year	6,983.4	6,105.5
Available for appropriation	<u>9,290.9</u>	<u>7,679.6</u>
Which your Directors have appropriated as follows:		
Interim Dividend (paid in August 2010)	92.1	80.6
Provision for Final Dividend	529.7	380.0
Provision for Special One-time Dividend	644.9	-
Tax on Interim, proposed Final Dividend and Special One-time Dividend	208.9	78.2
Transfer to General Reserve	230.8	157.4
Balance carried to Balance Sheet	<u>7,584.5</u>	<u>6,983.4</u>

During the year under review your Company sold its shareholding in the joint venture company, Chiron Behring Vaccines Private Limited (CBVPL) for a sale consideration of US \$ 22.399 million (equivalent to Rs. 1,007.5 million). Your Company earned a Net Profit of Rs. 757.4 million from the sale of the said shares.

Dividend

An Interim Dividend of Rs. 4 per Equity Share of Rs. 10 was declared by the Board of Directors and was paid in August 2010.

Your Directors recommend payment of Final Dividend of Rs. 23 per Equity Share of Rs. 10. If declared by the Shareholders at the Annual General Meeting to be held on 26th April 2011, the Dividend (including Interim Dividend) will absorb Rs. 621.83 million representing distribution of 40.11% of the Net Profit of the Company before Exceptional items.

Having regard to the cash generation during the year from the sale of the shares held in CBVPL, your Directors recommend a Special One-time Dividend of Rs. 28 per Equity Share of Rs. 10. If declared by the Shareholders at the Annual General Meeting, the Special One-time Dividend will absorb Rs. 644.86 million.

The proposed Final Dividend and the Special One-time Dividend will be paid to:

- those Members whose names appear on the Register of Members of the Company on 26th April 2011; and
- those whose names appear as beneficial owners as at the close of business on 5th April 2011, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is appended.

DIRECTORATE

In accordance with the Articles of Association of the Company, Mr. S. R. Gupte retires by rotation and is due for election.



The Board of Directors has re-appointed Dr. S. Ayyangar as Managing Director of the Company for a period of five years from 25th October 2010, subject to the approval of the Shareholders in General Meeting.

Mr. J. M. Georges and Mr. F. X. Duhalde were appointed as Additional Directors of the Company with effect from 29th July 2010. They hold office till the Annual General Meeting and are eligible for election.

Mr. M. Dargentolle who was Alternate to Mr. O. Charmeil has been appointed a Non-Retiring Director of the Company with effect from 19th July 2010.

Mr. M. G. Rao was appointed as Alternate to Mr. J. M. Georges from 25th October 2010. Mr. Rao, being an employee of the Company, has been appointed as Wholetime Director for the period from 25th October 2010 to 5th September 2011, subject to the approval of the Shareholders in General Meeting.

Mr. S. C. Ghoge was appointed as Alternate to Mr. F. X. Duhalde with effect from 25th October 2010.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexe to this Report.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the annexe to the Directors' Report.

Your Directors place on record their appreciation of the valuable contribution made by the employees of your Company.

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required by Clause 32 of the Listing Agreement, a Cash Flow Statement is appended.

As the Company does not have any subsidiaries, it is not required to publish Consolidated Financial Statements.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with a Certificate of Compliance from the Auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act, 1956, your Directors certify as follows:

1. The annexed accounts for the financial year ended 31st December 2010 have been prepared on a going concern basis.
2. In preparation of the said Accounts all the applicable accounting standards have been duly followed and complied with and which fact has been confirmed by the Auditors of the Company in their Report on these Accounts.
3. Your Directors have selected such accounting policies and applied them consistently along with proper explanation relating to departures, if any and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st December 2010 and of the profit of the Company for that year.
4. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

AUDITORS

M/s. S. R. Batliboi & Co., your Company's Auditors, are eligible for re-appointment and it is necessary to fix their remuneration.

By Authority of the Board

DR. VIJAY MALLYA
CHAIRMAN

Mumbai, 16th February 2011



Annexe to the Report of the Directors

Statement containing particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY

Energy Conservation measures undertaken in 2010:

- a) High efficient motor installed in cooling water pumps and ultra heavy duty power capacitor provided in Ankleshwar
- b) Kirloskar "Corrocoat" coating done in two of the cooling water pumps in Ankleshwar for energy conservation
- c) Existing 160W Mercury Vapour Lamps replaced by 65 W energy saving lamps in the Chemistry plant in Ankleshwar
- d) New lighting transformer installed and commissioned in sub station for lighting in Goa
- e) 70 W Metal halide fittings installed for street lights in Goa
- f) Florescent tube lights phased out and replaced by LED type light fittings in Goa

Energy Conservation measures proposed to be undertaken in 2011:

- a) Generation of hot water at 80°C from solar panels for feed water in Ankleshwar
- b) Economiser to be installed in 6T Thermax boiler in Ankleshwar for conservation of natural gas and reduction of carbon dioxide emission
- c) Generation of electricity from natural gas and utilising hot exhaust gas and jacket water to generate chilled water at 7°C in Ankleshwar
- d) Rain water harvesting to improve ground water level in Goa
- e) Replacement of small water tube low efficient boilers by 3 T high efficiency boiler in Goa
- f) Solar water heaters for hot water generation in the canteen in Goa

REQUISITE DATA IN RESPECT OF ENERGY CONSUMPTION ARE GIVEN BELOW:

POWER & FUEL CONSUMPTION		YEAR ENDED 31.12.2010	YEAR ENDED 31.12.2009	REASONS FOR VARIATION
1.	ELECTRICITY			
	(a) Purchased			
	Units	Million KWH	11.919	16.048
	Total Amount	Rs. Million	93.046	111.929
	Rate/Unit	Rs.	7.807	6.975
				Increase in fuel tariff
	(b) Own Generation			
	(i) Through Diesel Generator			
	Units	Million KWH	0.189	0.158
	Units per litre of			
	Diesel Oil	KWH	2.621	2.194
	Cost/Unit	Rs.	14.077	16.813
				Use of new generator
	(ii) Through Steam Turbine / Generator		NIL	NIL
2.	COAL		NIL	NIL
3.	FURNACE OIL / LSHS			
	Quantity	K.Lit	175	149
	Total amount	Rs. Million	5.701	4.968
	Average rate per K.Lit	Rs.	32,543	33,345
				Variation in demand/supply
4.	NATURAL GAS			
	Quantity	M3	4,591,342	2,987,019
	Total Amount	Rs. Million	77.166	40.193
	Average Rate	Rs.	16.807	13.456
				Increase in rates



CONSUMPTION PER UNIT OF PRODUCTION

Product	Unit of Production	Standards (If any)	YEAR ENDED 31.12.2010	YEAR ENDED 31.12.2009	REASONS FOR VARIATION
1. ELECTRICITY-KWH					
Bulk Drugs	Tonnes	NONE	5,563	4,934	Consumption depends on product mix
Bulk Drugs Formulations	K. Lits	NONE	-	-	
	Million Units	NONE	2,989	2,397	
2. FURNACE OIL/ LSHS (K.LIT)					
Bulk Drugs	Tonnes	NONE	-	-	Consumption depends on product mix
Bulk Drugs Formulations	K. Lits	NONE	-	-	
	Million Units	NONE	0.150	0.096	
3. NATURAL GAS (IN THOUSAND M3)					
Bulk Drugs	Tonnes	NONE	0.199	0.171	Consumption depends on product mix
Bulk Drugs Formulations	K. Lits	NONE	-	-	
	Million Units	NONE	0.054	0.052	

B. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R&D)

Specific areas in which R&D carried out :

No basic research is carried out by the Company.

The Company, however, carried out process development and clinical trials for existing and future products.

Expenditure on R&D

- a) Capital Rs. 18.6 Million
- b) Revenue Rs. 36.6 Million
- c) Total Rs. 55.2 Million
- d) Total R&D Expenditure as a percentage of total turnover : 0.51%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, towards technology absorption, adaptation and innovation:
The Company interacted with its collaborators who continued to give the latest technology.
2. Benefits derived as a result of the above :
It has helped the Company to retain its market share.
3. Imported Technology :
Technology imported, year of import and whether technology has been fully absorbed
Based on prescriptions received from the collaborators, a number of products were taken up for manufacture and are in regular production. The technology for such products has been fully absorbed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Total Foreign Exchange used Rs. 3,350.88 Million
- b) Total Foreign Exchange earned Rs. 3,820.02 Million



MANAGEMENT DISCUSSION AND ANALYSIS

PHARMACEUTICAL MARKET

Total pharmaceutical market during the year ended 31st December 2010 was estimated at Rs. 468 billion. The retail market grew by 16.5% over the previous year.

Key drivers have been volumes (8.8%) and new introductions (6.7%). Prices contributed only 1% to the growth.

Your Company has a market share of 1.7% in the Pharma market.

Five brands of your Company, **Combiflam®**, **Cardace®**, **Lantus®**, **Amaryl®** and **Allegra®** continue to feature in the top 100 brands of the Indian pharmaceutical market. **Combiflam®** is the 23rd largest brand and **Cardace®** is the 31st largest brand.

OPPORTUNITIES & THREATS

While growth in the developed pharmaceutical markets is slowing down, emerging markets will become increasingly important in the coming decades. The Indian pharmaceutical market along with markets of China, Brazil and Russia will grow substantially within the emerging markets.

India is well poised for growth and the market is projected to grow over the next 10 years at a Compounded Annual Growth Rate (CAGR) of 12 to 14%. The drivers of such a sustained growth include epidemiological factors, increasing affordability, enhanced accessibility and rising health insurance coverage.

However, price controls and economic slow down could wean away investments and significantly depress the market.

SALES AND PROFITABILITY

During the year ended 31st December 2010, your Company had total net sales of Rs. 10,850 million as against Rs. 9,744 million representing a growth of 11.35%.

Profit before Tax and Exceptional items decreased by 3% from Rs. 2,415 million to Rs. 2,340 million.

Lower exports and significant investments in the OTC market resulted in reduction in the Profit before Tax and Exceptional items.

DOMESTIC SALES REVIEW

Domestic sales (excluding Rabipur®), which constituted 80.3% of total net sales, increased from Rs. 7,362 million to Rs. 8,709 million, reflecting a growth of 18.3%.

MAJOR BRAND PERFORMANCE REVIEW

Cardace® which had touched the coveted Rs. 100 crore mark in sales in 2009 grew by 10.4%. It is the No. 1 Ace inhibitor prescribed by cardiologists, diabetologists and consulting physicians.

Lantus® had sales growth of nearly 30%. It has a market share of 10.4% and is the second leading brand in insulin in terms of value and the fastest growing insulin brand in India.

Amaryl® had a growth of 29%. It continues to be the leading oral anti diabetic brand.

Two new line extensions, **Amaryl® MP** and **Amaryl® M Forte** were launched in 2010 which have helped your Company to participate fully in the market.

Apidra® had a growth of 100% and has a 4% market share in the rapid acting insulin segment.

Insuman® had a growth of nearly 25%.

Cetapin® grew by nearly 34%. **Cetapin® XR** has become the third largest brand in the metformin market and has a 7% market share.

Clexane® grew by 14.5%. It continues to be the No. 1 in the injectible anti coagulant market with a market share of 30% in the retail and hospital market.



Targocid® registered a growth of around 17%. It continues to rank No. 1 in its defined market and has a market share of 42% in the retail and hospital market.

Brodactam™ was launched in January 2010 and achieved its target in the first year. It has a market share of 1.8% in the Piperacillin Tazobactam market.

Allegra® registered a growth of nearly 17%. It has a market share of 8%. It is ranked No. 1 in the total market and solids market. **Allegra®** Suspension is ranked No. 3 in the liquid anti histaminic market.

Combiflam® recorded a turnover of over Rs. 100 crores with a growth of around 12%.

Combiflam® group has a combined market share of nearly 5% and is ranked second in the NSAID combinations market. Over 1.75 billion **Combiflam®** tablets were sold during 2010.

Combiflam® Suspension with a market share of nearly 8% is ranked No. 3 amongst NSAID oral liquids.

Combiflam® Cream was launched successfully in Tamil Nadu and Andhra Pradesh.

Soframycin® recorded a growth of 11%. It has a market share of around 11% and is the second fastest growing brand among topical antiseptics.

Avil® had a growth of 3%. It has a market share of 5.5% and continues to have volume leadership in the anti histaminic market.

Taxotere® had a growth of around 26%. After the reduction of the price in 2009, significantly more number of patients have been treated with **Taxotere®**.

PRAYAS

As stated in the Management Discussion and Analysis for the year ended 31st December 2009, your Company initiated a unique project called Prayas dedicated to the rural market. This project has now been expanded to fourteen states. Over 10,000 doctors are mentored by 525 specialists under this programme. The Prayas programme has received an unequivocal welcome from the medical fraternity.

After the successful completion of the respiratory module in Phase 1, the gastrointestinal module has been rolled out.

The 'Access to Medicine' programme continues to augment the existing portfolio with introduction of new quality medicines in new therapy areas at affordable prices.

The turnover of the Hext range of products which caters to the rural market jumped three fold over 2009.

LAUNCH OF ONSITE DIVISION

To address the critical health challenges of the twin epidemics of diabetes and hypertension, a new division called ONSITE was launched marking your Company's entry in semi metros and towns with a broad cardio diabetic portfolio. Through its launch your Company endeavours to strengthen the medical fraternity in its fight against the growing health challenges of cardio vascular and diabetic disorders in India by making quality health care accessible to everyone. ONSITE will facilitate doctor education, patient awareness and disease screening for early detection and thereby better management of hypertension and diabetes through various initiatives.

EXPORT SALES

Export sales for 2010, which constituted 19.7% of total net sales, were Rs. 2,141 million representing a decline of 6.5% over 2009.

Adverse exchange variance of -8% on account of the appreciating Rupee was the main contributory factor for the decline in exports and which nullified the volume increase of 4%.

Lower volume purchase of key products such as **Festal®** and **Trental®** were primarily responsible for decline in exports to Russia.

Introduction of new colour packs and smaller pack size boosted sales of **Festal®** to the Ukraine with other products in the portfolio also showing good volume growth.

There was a dip in volumes of exports to CIS countries due to the impact of the financial crisis in those states.

Sales to Sri Lanka grew by 28%.

High local inventories and stiff local competition resulted in a decline of around 24% in exports to the United Kingdom.

Exports of Active Pharmaceutical Ingredients to Germany declined due to phasing and also effluent treatment plant issues in the manufacturing site.



MANUFACTURING OPERATIONS

The Ankleshwar plant achieved a record production of 4.5 billion tablets.

Fourteen products were launched for the ONSITE Division encompassing products in the cardiology, diabetology and dyslipidaemia range. New products were also manufactured and launched in the domestic Tier 2 markets.

Expansion of the warehouse in Ankleshwar has been completed. It is now equipped with automatic storage and retrieval system. A new engineering stores has also been made operational in Ankleshwar.

The upgradation of the dispensing area in Ankleshwar has commenced. It would help to improve the man and material flow as well as prevent cross contamination.

Work is in progress for extension of the solid dosage formulation capacity in Goa.

High speed blister pack line for **Combiflam**® Tablets was installed in Ankleshwar to cater to its increasing volumes.

Pentoxifylline manufactured in Ankleshwar is being used for manufacture of **Trental**® ampoules and tablets for exports.

MEDICAL AND REGULATORY AFFAIRS

Five international speakers shared best practices and newer advances across the country at doctor meetings to help improve usage of your Company's products.

Over 200 continuing Medical Education Programmes were conducted on guidelines for using your Company's products.

Cardace® was registered for treatment of non- diabetic or diabetic overt glomerular or incipient nephropathy.

CLINICAL RESEARCH

In order to address the growing twin epidemic of diabetes and hypertension in India, the SITE (Screening India's Twin Epidemic) Study had been launched in eight States. The last phase was conducted in March 2010. Approximately 16,000 patients were screened in the study. Four abstracts have been published and presented at major congresses. Extensive media coverage highlighted the results of the study.

PERSONNEL

Your Company had 2,282 employees as on 31st December 2010.

Industrial relations continued to be cordial.

Fresh Charters of Demands have been received from the Unions representing the Medical Representatives and workmen in the Goa Factory as the earlier Settlements with the said Unions had expired during the year. Negotiations are in progress.

INTERNAL AUDIT AND CONTROL

Your Company's internal control systems are adequate and commensurate with the size of operations.

The Internal Audit Department carried out audits in different areas of the Company's operations. Post audit reviews were carried out to ensure that audit recommendations were implemented. The Audit Committee of the Board of Directors reviewed the audit programme and findings of the Internal Audit Department.

JOINT VENTURE WITH NOVARTIS VACCINES AND DIAGNOSTICS INC.

Your Company sold its entire shareholding of 4,900,000 Equity Shares of Rs. 10 each constituting 49% of the share capital of the joint venture Company, Chiron Behring Vaccines Private Limited (CBVPL) (in which Novartis Vaccines & Diagnostics Inc. (NVD) held 51%) to Novartis Pharma AG (a nominee of NVD) for a sale consideration of US Dollars 22.399 million (equivalent to Rs. 1,007.5 million). The Net Profit from the sale was Rs. 757 million.

All legal proceedings filed in connection with the disputes between your Company and NVD / CBVPL have been unconditionally withdrawn by all parties.



DRUG POLICY

No meeting of the Group of Ministers which is considering the Drug Policy has been held so far. The Ministry of Health and Family Welfare is working towards updating the National List of Essential Medicines (NLEM).

PRICING ISSUES

Price increases as per norms of the National Pharmaceutical Pricing Authority (NPPA) were obtained for **Avil®** Injections, **Novalgin®**, **Baralgan® M** tablets and **Trental®** tablets.

Price reduction was ordered for **Combiflam®** tablets.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has developed the following strategy for Corporate Social Responsibility (CSR) activities:

- Initiatives in the area of health and health related issues
- Supporting communities in the vicinity of manufacturing sites in Ankleshwar and Goa
- Creating a platform for volunteering opportunities amongst employees
- Projects chosen with a three-year window to monitor benefit of intervention
- Provide relief and rehabilitation support during disasters/ calamities

During 2010 your Company undertook the following activities / partnered with the following Non- Governmental organisations (NGOs):

SEWA Rural

'SEWA Rural' is a non-profit organization operating for more than 25 years in the tribal and remote areas of Bharuch district near your Company's Ankleshwar manufacturing site. Your Company provides the NGO with state-of-the-art testing machines and laboratory facilities for the diagnosis of diabetes and has extended long term support for diabetes awareness.

Voluntary Health Association of Goa

Through a partnership with Voluntary Health Association of Goa (VHAG), health camps will be conducted for about 4000 children across 21 schools in Goa to check the immunisation status, nutritional deficiencies as well as the assessment of developmental and other physical parameters.

Hariyali

Your Company's employees participated in a 'mega seed-sowing' project and a 'make-a-sapling' project facilitated by Hariyali, a Mumbai-based NGO working towards protecting and greening the environment, in and around abandoned quarries and deforested hills, located on the outskirts of the city.

Joy of Giving

Your Company participated in this week-long national movement which encourages 'giving'. Your Company employees donated generously by giving books, clothes, old newspapers, stationery, toys and funds. Your Company also organised an NGO Bazaar to generate funds.

Ladakh floods

Your Company supported the victims affected during this natural disaster by contributing to the Prime Minister's Relief Fund. Your Company also donated medicines to the victims.



CHILDLINE

Your Company continued to support the 24-hour free helpline for children in distress through employee participation in the Standard Chartered Mumbai Marathon in 2010.

PROSPECTS FOR 2011

Prospects for 2011 are expected to be reasonable, barring the risks of an unfavourable Drug Price Control Order.

Export turnover is likely to grow.

Line extensions of some of the existing products are likely to be launched.

Some new products catering to the Tier II market will also be launched.

The extension of the solid dosage formulation capacity in Goa would be completed.

CAUTIONARY NOTE

Certain statements in the above Report may be forward looking and are stated as required by legislations in force. The actual results may be affected by many factors that may be different from what the Directors / Management envisage in terms of future performance and outlook.



REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

A. MANDATORY REQUIREMENTS

1. Company's philosophy on Code of Governance

The Company believes in and practises good corporate governance. The Company's philosophy is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

2. Board of Directors

(As on 16th February 2011)

The Board of Directors comprises of a Non-Executive Chairman, a Managing Director, a Wholetime Director and six other Non-Executive Directors.

Two employees of the Company are Alternates for Directors based abroad and are, therefore, deemed to be Executive Directors.

During the year ended 31st December 2010, four Board Meetings were held on 24th February 2010, 27th April 2010, 19th July 2010 and 25th October 2010.

Attendance of each Director at the Board Meetings in 2010 and the last Annual General Meeting and the number of Companies and Committees where he is Director/Member (as on 16th February 2011) :

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on 27th April 2010	No. of other Companies in which Director (including Private Limited Companies)	No. of Committees (other than Aventis Pharma Limited) in which Member
Dr. Vijay Mallya	Non - Executive Chairman	4	Yes	20 (In India) 36 (Outside India)	***
Dr. Shailesh Ayyangar	Managing Director	4	Yes	1 (In India) 2 (Outside India)	Nil
Mr. J. M. Gandhi	Independent NED	3	No	4 (In India)	1***
Mr. O. Charneil	NED**	-	-	2 (In India) 11 (Outside India)	1
Mr. S. R. Gupte	Independent NED	4	Yes	10 (In India)	6***
Mr. A.K.R. Nedungadi	Independent NED	4	Yes	9 (In India) 10 (Outside India)	4***
Mr. M. Dargentolle*	ED	4	Yes	1 (In India) 1 (Outside India)	Nil
Mr. J. M. Georges*	NED**	-	-	2 (Outside India)	Nil
Mr. F. X. Duhalde*	NED**	-	-	1 (In India) 25 (Outside India)	1
Mr. M. G. Rao*	ED (Alternate to Mr. J. M. Georges)	1	-	-	Nil
Mr. S. C. Ghoge*	ED (Alternate to Mr. F. X. Duhalde)	-	-	-	Nil

ED - Executive Director

NED - Non-Executive Director

*For part of the year

**Employees of sanofi-aventis Group companies

***Dr. Mallya, Mr. Gupte, Mr. Gandhi and Mr. Nedungadi are also Members of some Committees in other companies which are not specified in Clause 49 of the Listing Agreement or are to be excluded (such as Remuneration Committee, Share Transfer Committee, Committees of Private Limited Companies, etc.).



Mr. Gupte is Chairman of two Committees of other companies. Mr. Nedungadi is Chairman of a Committee of another company. Mr. J. M. Gandhi is the Chairman of a Committee of another company.

3. Audit Committee

Terms of Reference and Composition, Names of Members and Chairman:

The Audit Committee comprises of Mr. S. R. Gupte, Chairman, Mr. A.K.R. Nedungadi, Mr. J. M. Gandhi and Dr. S. Ayyangar.

Mr. Gupte, Mr. Nedungadi and Mr. Gandhi are Independent Directors.

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committees under the Listing Agreement.

Four Meetings were held during the year ended 31st December 2010. Mr. Gupte, Mr. Nedungadi and Dr. Ayyangar attended all the Meetings and Mr. Gandhi attended three of the four Meetings.

4. Remuneration Committee

The Company has not formed a Remuneration Committee.

Remuneration of Directors

The details of remuneration paid to the Directors during the financial year January – December 2010 are given below:

a) Executive Directors

Names of Directors	Salary and Allowances Rs.	Perquisites** Rs.	Retirement Benefits*** Rs.
Dr. S. Ayyangar	7,401,396	1,547,374	705,335
Mr. M. G. Rao*	1,329,581	161,298	155,626
Mr. S. C. Ghoge*	1,114,833	101,881	129,699
Mr. M. Dargentolle*	1,641,485	1,192,285	147,428

*For part of the year

**Evaluated as per Income-tax Rules wherever applicable

***The above excludes provision for leave encashment, gratuity, long service award, pension and provident fund (to extent actuarially valued) which are determined on the basis of actuarial valuation done on an overall basis for the Company.

NOTES

1. The agreement with each of the Executive Directors is for a specified period. Either party to the agreement is entitled to terminate the agreement by giving not less than three months' notice in writing to the other party.
2. No severance pay is payable on termination of contract.
3. Presently, the Company does not have a scheme for grant of stock options either to the Executive Directors or employees. However, Executive Directors and some Senior Executives of the Company are granted stock options of the ultimate holding Company, sanofi-aventis.
4. The Executive Directors are entitled to Performance Bonus with target payouts fixed and payout ranges of 0% to 120% of the target amounts to be paid at the end of the financial year as may be determined by the Board of Directors and are based on certain pre-agreed performance parameters.



b) Non-Executive Directors

Non-Executive Directors are paid sitting fees for attending Board and Committee Meetings. They are also paid Commission of an amount as may be determined by the Board of Directors from time to time, subject to a ceiling of one per cent of the net profits of the Company.

Names of Directors	Sitting Fees paid during the year ended 31st December 2010 Rs.	Commission paid during the year ended 31st December 2010 (for the previous financial year ended 31st December 2009) Rs.
Dr. Vijay Mallya*	80,000	700,000
Mr. S. R. Gupte	180,000	400,000
Mr. A. K. R. Nedungadi	180,000	400,000
Mr. J. M. Gandhi	160,000	400,000

*Dr. Vijay Mallya holds 80 Shares of the Company (jointly with Mrs. Ritu Mallya). The other Non-Executive Directors do not hold any Shares.

5. Investors'/Shareholders' Grievance Committee

The Members of the Committee are Mr. S. R. Gupte, Chairman, Mr. A.K.R. Nedungadi and Mr. J. M. Gandhi.

One Meeting of the Committee was held during the year ended 31st December 2010 which was attended by all three Members of the Committee.

Mr. K. Subramani, Company Secretary is the Compliance Officer of the Company.

The Company's Registrars, Link Intime India Private Limited had received 490 letters/requests during the year, dealing with various subjects such as revalidation/non-receipt of dividend warrants, change of address, registration of nominations, non-receipt of Share Certificates, etc. All these matters were resolved to the satisfaction of the Shareholders/Investors.

The Company had no transfers pending at the close of the financial year.

The power to approve transfers upto 1000 Shares purchased by one individual has been delegated to the Company Secretary.

6. General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
January - December 2007	24.4.2008	11.00 a.m.	Y.B. Chavan Centre - Auditorium, Mumbai
January - December 2008	28.4.2009	2.45 p.m.	Y.B. Chavan Centre - Auditorium, Mumbai
January - December 2009	27.4.2010	2.45 p.m.	Y.B. Chavan Centre - Auditorium, Mumbai

All the resolutions set out in the respective Notices were passed by the Shareholders.

No special resolutions were required to be put through postal ballot last year.

At this meeting, there are no Special Resolutions for which Clause 49 of the Listing Agreement or Section 192A of the Companies Act has recommended/mandated postal ballot.

7. Disclosures

a) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Statements of transactions with related parties have been placed periodically before the Audit Committee. Transactions with related parties have also been disclosed in Note no.7 of the Notes to the Accounts.

b) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.



- c) The Company has also complied with and adopted the mandatory requirements of the amended Clause 49 of the Listing Agreement.
- d) In line with the requirements of the amended Clause 49 of the Listing Agreement, the Audit Committee and the Board of Directors reviewed the Management's perception of the risks facing the Company and measures taken to minimise the same.
- e) As required by Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format for the financial year ended 31st December 2010. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

8. Means of Communication

Half yearly report sent to each household of shareholders :

No, as the Results of the Company are published in the Newspapers.

Quarterly Results:

No, as the Results of the Company are published in the Newspapers.

Any Website where displayed:

www.AventisPharmaIndia.com

Whether it also displays official News releases and the presentations made to institutional Investors or to the analysts:

Yes

Newspapers in which Results are normally published in:

- i) Economic Times
- ii) Maharashtra Times

Whether Management Discussion and Analysis is a part of the Annual Report:

Yes

9. General Shareholder Information

AGM Date, Time and Venue: Tuesday, 26th April 2011 at 12 noon at Y.B. Chavan Centre – Auditorium, Gen. J. Bhosale Marg, Nariman Point, Mumbai 400 021

Financial Calendar – 2011 /2012

Financial Year	-	January to December
First Quarter Results	-	4th week of April 2011
Half Yearly Results	-	Between 16th July and 14th August 2011
Third Quarter Results	-	Between 16th October and 14th November 2011
Audited Results for the year ending 31st December 2011	-	February 2012

Dates of Book Closure:

6th April 2011 to 26th April 2011 (both days inclusive)

Dividend payment date:

On 2nd May 2011, if declared at Annual General Meeting on 26th April 2011

Listing on Stock Exchanges:

The Company's Shares are listed on the Stock Exchanges mentioned below and the Company has paid the Listing Fees to them for 2010-2011 and is in the process of paying the fees for 2011-2012.

The Bombay Stock Exchange Limited

The National Stock Exchange of India

Stock Code – Physical:

500674 on the Bombay Stock Exchange Limited

Demat ISIN Number for NSDL & CDSL:

INE 058A01010



Market Price Data:

High/Low during year/month in the last financial year

Share Price on the Bombay Stock Exchange Limited (Face Value Rs. 10)

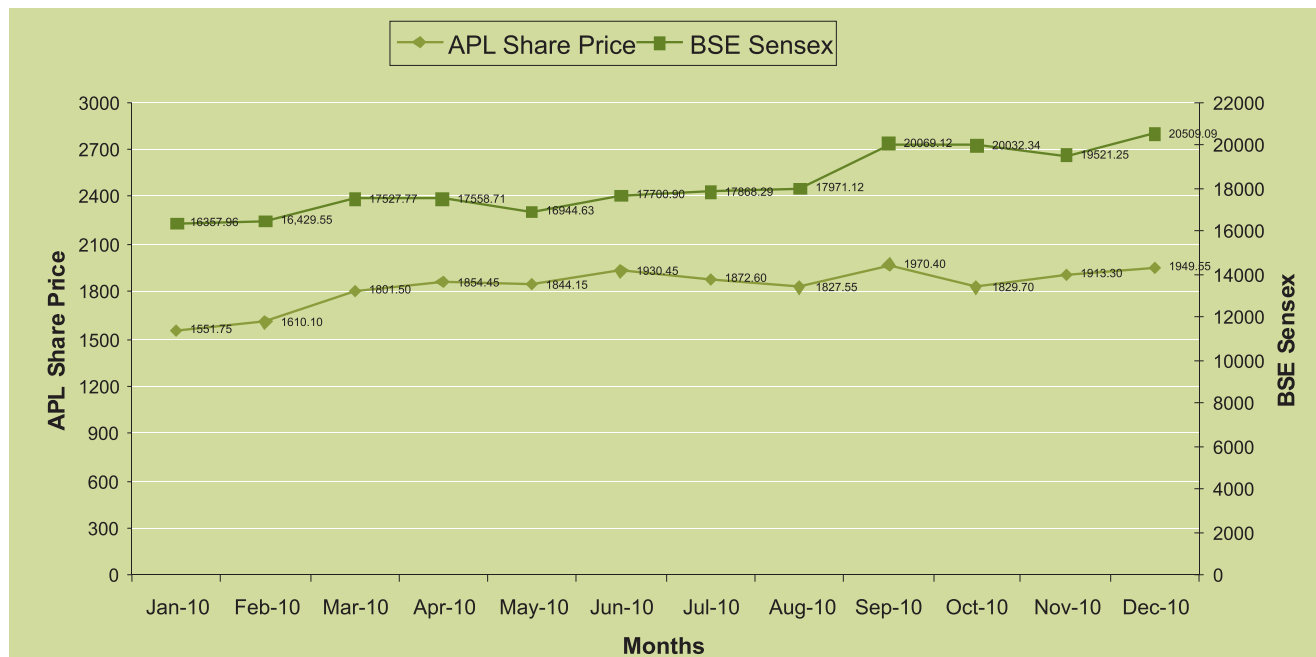
Months	Open Rs.	High Rs.	Low Rs.	Close Rs.
January 2010	1,699.00	1,700.00	1,536.00	1,551.75
February 2010	1,575.00	1,690.00	1,530.00	1,610.10
March 2010	1,600.00	1,894.00	1,600.00	1,801.50
April 2010	1,820.20	1,890.00	1,725.20	1,854.45
May 2010	1,865.00	1,968.00	1,782.00	1,844.15
June 2010	1,836.15	1,980.40	1,810.05	1,930.45
July 2010	1,920.00	2,059.00	1,856.20	1,872.60
August 2010	1,921.45	1,939.95	1,777.00	1,827.55
September 2010	1,796.00	2,014.00	1,761.00	1,970.40
October 2010	1,951.05	1,985.00	1,765.15	1,829.70
November 2010	1,800.25	1,989.95	1,800.00	1,913.30
December 2010	1,915.85	1,968.00	1,710.00	1,949.55

Stock Performance in comparison to broad based indices such as BSE Sensex

January – December 2010 (in percentage %)

Aventis Pharma Limited
BSE Sensex
BSE 200
BSE 100

14.44%
17.30%
16.22%
15.66%



Registrars & Transfer Agents:

Link Intime India Pvt. Ltd. (formerly called Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai 400 078

Persons to contact:

Mr. Manohar Shirwadkar/Mr. Dyanesh Gharote / Ms. Sangeeta Lotankar / Mr. Mahadevan Iyer

Telephone No. : (022) 25946970

Fax No. : (022) 25946969

E.Mail : rnt.helpdesk@linkintime.co.in



Share Transfer System :

The power of approving transfers upto 1000 Shares purchased by any individual has been delegated to the Company Secretary. Transfers are approved every week.

Distribution of Shareholding as on 31.12.2010:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 100	13085	90.96	785528	3.41
101 to 200	701	4.87	124826	0.54
201 to 300	188	1.31	51290	0.22
301 to 400	91	0.63	34324	0.15
401 to 500	83	0.58	40326	0.18
501 to 1000	113	0.79	85453	0.37
1001 to 2000	43	0.30	64896	0.28
2001 to 3000	9	0.06	23449	0.10
3001 to 4000	5	0.04	17835	0.08
4001 to 5000	10	0.07	44977	0.20
5001 to 10000	9	0.06	73513	0.32
10001 and above	48	0.33	21684205	94.15
TOTAL	14385	100.00	23030622	100.00

Shareholding Pattern as on 31.12.2010

	Percentage %
a) Foreign Promoters (Hoechst GmbH/ Sanofi-aventis)	60.40
b) Mutual Funds/ UTI	14.69
c) Foreign Institutional Investors	9.14
d) Banks	0.01
e) Insurance Companies	3.60
f) Bodies Corporate	5.70
g) Trusts/Clearing Members	0.01
h) Individuals holding upto Rs. 1 lakh in nominal capital	5.24
i) Individuals holding more than Rs. 1 lakh in nominal capital	0.31
j) Non-Resident Indians (Repatriable)	0.04
k) Non-Resident Indians (Non Repatriable)	0.86
Total	100

Dematerialisation of Shares and liquidity:

As on 31.12.2010, 98.75% of the paid-up Share Capital had been dematerialised.

Outstanding GDRs / ADRs / warrants or any Convertible instruments, Conversion date and likely impact on equity :

Not Issued

Plant locations:

Ankleshwar (Gujarat) and Verna (Goa)

Address for correspondence:

Shareholder correspondence should be addressed to the Company's Registrars, Link Intime India Pvt. Ltd. (formerly called Intime Spectrum Registry Limited) at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai 400 078

Investors may also write to or contact the Company Secretary, Mr. K. Subramani at the Registered Office for any assistance that they may need. Telephone No. (022) 28278530 Fax No. (022) 28360862 E.Mail – K.Subramani@sanofi-aventis.com ; igrc.apl@sanofi-aventis.com

Shareholders holding Shares in dematerialised form should address all their correspondence (including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney, etc.) to their Depository Participant.



(B) NON-MANDATORY REQUIREMENTS

- a) **Chairman of the Board :**
Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties:
Yes
- b) **Remuneration Committee :**
The Company has not set up a Remuneration Committee.
- c) **Shareholder Rights:**
Half yearly declaration of financial performance including summary of the significant events in last six months to be sent to each household of Shareholders:
The Company's half yearly Results are published in English and Marathi newspapers having wide circulation and are also displayed on the Company's website. Hence, same are not sent to the Shareholders.
Second half yearly Results are not taken on record by the Board as audited Results are approved by the Board. The audited Results for the financial year are communicated to the Shareholders through the Annual Report.
- d) **Audit Qualifications:**
The Auditors have issued an unqualified opinion for the year ended 31st December 2010.
- e) **Training of Board Members:**
All the Directors have expertise in their areas of specialisation.
- f) **Mechanism for evaluating Non-Executive Directors:**
The Board of Directors may consider adopting this requirement in future.
- g) **Whistle Blower Policy:**
The Board of Directors may consider adopting this requirement in future.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Clause 49 of the Listing Agreements with the Stock Exchanges, the Board Members and Senior Management personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st December 2010.

For AVENTIS PHARMA LIMITED

DR. SHAILESH AYYANGAR
MANAGING DIRECTOR

Mumbai, 16th February 2011



AUDITORS' CERTIFICATE

To
The Members of Aventis Pharma Limited

We have examined the compliance of conditions of corporate governance by Aventis Pharma Limited, for the year ended on December 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said 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 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.

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

For S. R. Batliboi & Co.,
Firm Registration No.: 301003E
Chartered Accountants
per Ravi Bansal
Partner
Membership No.: 49365

Mumbai
Date: February 16, 2011



Sanofi-aventis Group Companies

Aventis Pharma Limited is a part of the worldwide sanofi-aventis Group. The names of the sanofi-aventis Group companies are given below:

Germany

Sanofi-Aventis Deutschland GmbH
Hoechst GmbH
Winthrop Arzneimittel GmbH
Zentiva Inhalationsprodukte GmbH

Austria

Sanofi-Aventis GmbH

Belgium

Sanofi-Aventis Belgium S.A.N.V.

Denmark

Sanofi-Aventis Denmark A/S

Spain

Sanofi-Aventis SA (Spain)

Finland

Sanofi-Aventis OY

France

Sanofi-Aventis Europe S.A.S.
Sanofi-Aventis Participations S.A.S.
Sanofi-Aventis Amérique du Nord S.N.C.
Sanofi Pasteur Holding S.A.
Aventis Pharma S.A.
Sanofi Pasteur S.A.
Sanofi Pasteur Participations
Aventis Agriculture S.A.
Fovea Pharmaceuticals S.A.
Francopia S.A.R.L.
Winthrop Medicaments S.A.
Sanofi Chimie S.A.
Sanofi Participations S.A.S.
Sanofi-Aventis S.A.
Sanofi-Aventis France S.A.
Sanofi-Aventis Groupe S.A.
Sanofi-Aventis Recherche et Développement S.A.
Sanofi Winthrop Industrie S.A.
Laboratoire Oenobiol S.A.S.
Merial SAS

Greece

Sanofi-Aventis A.E.B.E
Chattem Greece S.A.

Hungary

Chinoin Private Co. Ltd.
Sanofi-Aventis Private Co. Ltd.

Ireland

Carraig Insurance Ltd.
Sanofi-Aventis Ireland Ltd.
Chattem Global Consumer Products Limited

Italy

Sanofi-Aventis Spa

Norway

Sanofi-aventis Norge AS

Netherlands

Sanofi-Aventis Netherlands B.V.

Poland

Sanofi-Aventis Sp. z.o.o.
Nepentes S.A.

Portugal

Winthrop Farmaceutica Portugal LDA
Sanofi-Aventis Produtos Farmaceuticos LDA

Romania

Sanofi-Aventis Romania SRL

Czech Republic

Sanofi-Aventis s.r.o.
Zentiva Group a.s.

United Kingdom

Aventis Pharma Ltd.
Sanofi Pasteur Holding Limited
Sanofi-Synthelabo Ltd.
Sanofi-Synthelabo UK Ltd.
Winthrop Pharmaceuticals UK Ltd.
Fisons Limited
May and Baker Limited
Chattem (U.K.) Limited

Russia

Aventis Pharma ZAO
Sanofi-Aventis Vostok

Slovakia

Sanofi-aventis Pharma Slovakia s.r.o.

Sweden

Sanofi-Aventis AB

Switzerland

Sanofi SA-AG
Sanofi-Aventis (Suisse) SA

Turkey

Sanofi-Aventis Ilaclari Ltd. Sirketi
Winthrop Ilac Anonim AS
Sanofi-Synthelabo Ilac AS

Ukraine

Sanofi-aventis Ukraine LLC



United States of America

Sanofi-Aventis US Inc.
Sanofi-Synthelabo Inc.
Sanofi-Aventis US LLC
Aventis Pharmaceuticals Inc.
Aventisub Inc.
Aventis Holdings Inc.
Armour Pharmaceutical Co.
Sanofi Pasteur Inc.
Aventis Inc.
VaxServe Inc.
Sanofi Pasteur Biologics Co.
BiPar Sciences Inc.
Cardem Capital L.P.
Chattem, Inc.
HBA Indemnity Company, Ltd.
Signal Investment & Management Co.
SunDex, LLC
TargeGen, Inc.
Sanofi Pasteur VaxDesign Corporation
Merial IA LLC
Chattem (Canada) Holdings, Inc.

South Africa

Sanofi-Aventis South Africa (Pty) Limited
Winthrop Pharmaceuticals (Pty) Limited

Algeria

Sanofi-Aventis Algeria
Winthrop Pharma Saidal S.P.A.

Argentina

Sanofi-aventis (Argentina) S.A.
Quimica Medical S.A.

Australia

Sanofi-Aventis Australia Pty Limited
MCP Direct Pty Ltd.
Bullivant's Natural Health Products Pty Ltd.
Bullivant's Natural Health Products (International) Pty Ltd.
Cenovis Pty Ltd.
Carlson Health Pty Ltd.
Sanofi-aventis Healthcare Holdings Pty Ltd.
Sanofi-aventis Healthcare Pty Ltd.

Bangladesh

sanofi-aventis Bangladesh Limited

Brazil

Sanofi-Aventis Farmaceutica Ltda
Sanofi-aventis Comercial e Logistica Ltda
Medley Comercial e Logistica Ltda
Medley S.A. Industria Farmaceutica

Canada

Sanofi Pasteur Limited
Sanofi-Aventis Canada Inc.
Sanofi Pharma General Partnership
Chattem (Canada) Corp.

Chattem Canada ULC
Chattem Canada

China

Shenzhen Sanofi Pasteur Biological Products Co. Ltd.
Hangzhou Sanofi Minsheng Consumer Healthcare Co. Ltd.
Sanofi-aventis Pharma Beijing Co. Ltd.
Sanofi-aventis (Hangzhou) Pharmaceuticals Co. Ltd.

Colombia

Winthrop Pharmaceuticals de Colombia SA
Sanofi-aventis de Colombia SA

Korea

Sanofi-aventis Korea Co. Ltd.

Egypt

Sanofi-Aventis Egypt SAE

Ecuador

Sanofi-aventis del Ecuador S.A.

Guatemala

Sanofi-aventis de Guatemala S.A.

Hong Kong

Sanofi-Aventis Hong Kong Limited

India

Sanofi-Synthelabo (India) Limited
Aventis Pharma Limited
Sanofi Pasteur India Private Limited
Shantha Biotechnics Limited

Indonesia

PT Sanofi-Aventis Indonesia
PT Aventis Pharma (Indonesia)

Japan

Sanofi-Aventis K.K.
Sanofi-Aventis Meiji Pharmaceuticals Co. Ltd.
Winthrop Pharmaceutical Japan Co. Ltd.
Sanofi-Aventis Yamanouchi Pharmaceutical Inc.
Sanofi Pasteur K.K.

Malaysia

Winthrop Pharmaceuticals (Malaysia) SDN. BHD
Sanofi-aventis (Malaysia) SDN. BHD

Morocco

Maphar
Sanofi-Aventis (Maroc)

Mexico

Sanofi-Aventis de Mexico SA de CV
Sanofi-aventis Winthrop SA de CV
Winthrop Pharmaceuticals de Mexico SA de CV
Laboratorios Kendrick S.A.

Pakistan

sanofi-aventis Pakistan limited



Panama

Sanofi-Aventis de Panama S.A.
Sanofi-aventis Latin America S.A.

Peru

Sanofi-Aventis del Peru S.A.
Chattem Peru S.R.L.

Philippines

Sanofi-Aventis Philippines Inc.

Dominican Rep.

Sanofi-Aventis de la Rep. Dominicana S.A.

Singapore

Aventis Pharma (Manufacturing) Pte. Ltd.
Sanofi-Aventis Singapore Pte. Ltd.

Taiwan

Sanofi-Aventis Taiwan Co. Ltd.

Thailand

Sanofi-Synthelabo (Thailand) Ltd.
Sanofi-Aventis (Thailand) Ltd.

Tunisia

Sanofi-Aventis Pharma Tunisie
Winthrop Pharma Tunisie

U.A.E.

Sanofi-Aventis Gulf F.Z.E.

Venezuela

Sanofi-aventis de Venezuela S.A.

Vietnam

Sanofi-Synthelabo Vietnam Pharmaceutical Shareholding Company
Sanofi-aventis Vietnam Company Limited



Auditors' Report to The Members of Aventis Pharma Limited

1. We have audited the attached Balance Sheet of Aventis Pharma Limited as at December 31, 2010 and also the Profit and Loss account 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.
2. 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.
3. 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.
4. 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 purposes 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and 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 the written representations received from the directors, as on December 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. 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 December 31, 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.

Firm Registration No.: 301003E

Chartered Accountants

per Ravi Bansal

Partner

Membership No. 49365

Mumbai

February 16, 2011



Annexure referred to in paragraph [3] of our report of even date

Re: Aventis Pharma Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company had granted loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,300,000 thousands and year-end balance of loan granted to such party was Rs. 1,300,000.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans were not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is not due and payment of interest have been regular.
- (d) There is no overdue amount of loans granted to companies firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause iii (f) and (g) of the Companies (Auditor's report) Order, 2003 (as amended) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (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 made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable have generally been regularly deposited with the appropriate authorities.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, excise duty and custom duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount* (Rs.) '000s	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax- Due to disallowances and abatement of relief/ rebate	5,052	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
The Central Excise Act, 1944	Wrongful Availment of Modvat	18,900	1994-1995	Customs Excise and Service tax Appellate tribunal.
	Duty on Samples	529	1994 to 1999	Customs Excise and Service tax Appellate tribunal.
	Disallowance of Modvat	1,720	1993	Commissioner of Appeals, Surat.
	Disallowance of Modvat	361	1993	Commissioner of Appeals, Surat.
Medicinal & Toilet Preparations (Levy of Excise Duty) Act, 1955	Dispute Whether Central or State Excise duty	23,156	1990 to 1997	Central Board of Excise and Customs.
	Dispute Whether Central or State Excise duty	13,207	1996 to 1999	Commissioner of State Excise Maharashtra.
Karnataka Sales tax Act of 1957	Order passed under section 12A and 25	845	1999-2000	Karnataka Appellate Tribunal.
Foreign Trade (Development & Regulation) Act 1992	Demand for refund of customs duty & interest on account of rejection of input/output norms	5,955	2005	Director General of Foreign Trade, Delhi

* Net of amount paid under protest or otherwise.

There are no dues of wealth tax, service tax & cess which have not been deposited on account of any dispute.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or by way of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank 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 report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies 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 through a public issue during the year.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit *except fraud by a carrying and forwarding contractor of the Company amounting to approximately Rs. 5,900 thousands detected by the management*. The same is under further investigation. Management has taken necessary steps to strengthen the controls and the expected loss has been provided.

For S.R. Batliboi & Co.

Firm Registration no.: 301003E

Chartered Accountants

per **Ravi Bansal**

Partner

Membership No. 49365

Mumbai : February 16, 2011



Balance Sheet

as at December 31, 2010

	Schedule	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
Sources of Funds			
Shareholders' Funds :			
Share capital	1	230,306	230,306
Reserves and surplus	2	9,911,196	9,087,632
TOTAL		10,141,502	9,317,938
Application of funds			
Fixed Assets			
Gross block	3	3,754,969	3,345,749
Less: Accumulated depreciation		2,044,492	1,896,840
Net block		1,710,477	1,448,909
Capital work-in-progress including capital advances (Refer note 25 of schedule 16)		133,028	271,444
		1,843,505	1,720,353
Investments	4	3,631	51,866
Deferred Tax Assets (Net)	5	98,510	145,720
Current Assets, Loans and Advances			
Inventories	6	2,413,207	2,311,387
Sundry debtors	7	604,352	527,351
Cash and bank balances	8	6,553,502	5,859,521
Loans and advances	9	2,567,437	1,437,171
		12,138,498	10,135,430
Less: Current Liabilities and Provisions			
Current liabilities	10	1,737,057	1,581,714
Provisions	11	2,205,585	1,153,717
		3,942,642	2,735,431
Net Current Assets		8,195,856	7,399,999
TOTAL		10,141,502	9,317,938
Notes to Accounts	16		

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:301003E
Chartered Accountants
Per **Ravi Bansal**
Partner
Membership No. 49365
Mumbai : February 16, 2011

For and on behalf of the Board of
Directors of Aventis Pharma Limited

Dr. Vijay Mallya Chairman
Dr. Shailesh Ayyangar Managing Director
J. M. Gandhi Director
M. Dargentolle Director
S. R. Gupte Director
A. K. R. Nedungadi Director
M. G. Rao Director
S. C. Ghoge Director
K. Subramani Company Secretary
Mumbai : February 16, 2011



Profit and Loss Account for the year ended December 31, 2010

	Schedule	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
Income:			
Sales (gross of excise duty)		11,072,583	9,957,883
Less : Excise duty (Refer Note 26 of Schedule 16)		223,062	213,826
Sales (net)		10,849,521	9,744,057
Other Income	12	1,134,839	1,111,272
		11,984,360	10,855,329
Expenditure:			
Material Cost	13	5,389,919	4,819,609
Personnel expenses	14	1,632,517	1,439,521
Operating and other expenses	15	2,395,611	2,007,420
Depreciation / amortisation (Gross)	3	205,716	181,800
Less: Transferred from revaluation reserve		8,359	8,359
Depreciation / amortisation (net)		197,357	173,441
Interest- others		28,902	743
		9,644,306	8,440,734
Profit before taxation and Exceptional item		2,340,054	2,414,595
Taxation (Refer note 2 of Schedule 16)			
- Current (Net of excess provision written back for earlier years Rs. 65,770 thousand (2009: Rs. 14,582 thousand)		742,696	812,353
- Deferred (Includes Rs. 56,925 thousands (2009:19,900) for earlier years)		47,210	7,449
- Fringe benefit tax		-	20,647
Total Tax Expense		789,906	840,449
Profit after taxation and before Exceptional item		1,550,148	1,574,146
Exceptional item (net of tax Rs. 201,132 thousand) (Refer note 27 of Schedule 16)		757,375	-
Profit after taxation and Exceptional item		2,307,523	1,574,146
Balance brought forward		6,983,372	6,105,542
Profit available for appropriation		9,290,895	7,679,688
Appropriations :			
Interim dividend		92,122	80,609
Proposed final dividend		1,174,562	380,005
Tax on interim / proposed final dividend		208,915	78,282
Transfer to general reserve		230,753	157,420
Surplus carried to balance sheet		7,584,543	6,983,372
Notes to accounts			
Earnings per share-basic and diluted (Refer note 9 of Schedule 16) (Rs.) (Nominal Value of equity share Rs. 10 each (2009: Rs. 10))	16		
- Computed on the basis of earnings before exceptional items		67.31	68.35
- Computed on the basis of earnings after exceptional items		100.19	68.35
Number of equity shares		23,030,622	23,030,622

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:301003E
Chartered Accountants
Per **Ravi Bansal**
Partner
Membership No. 49365
Mumbai : February 16, 2011

For and on behalf of the Board of
Directors of Aventis Pharma Limited

Dr. Vijay Mallya Chairman
Dr. Shailesh Ayyangar Managing Director
J. M. Gandhi Director
M. Dargentolle Director
S. R. Gupte Director
A. K. R. Nedungadi Director
M. G. Rao Director
S. C. Ghoge Director
K. Subramani Company Secretary
Mumbai : February 16, 2011



Cash Flow Statement for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and exceptional items	2,340,054	2,414,595
Adjustment for :		
Depreciation	197,357	173,441
Unrealised net exchange (gain)/loss	11,200	(3,733)
(Gain) / Loss on sale of fixed assets	1,726	2,429
Interest expense	28,902	743
Interest income	(340,809)	(310,863)
Provision for doubtful debts and advances	12,232	(3,125)
Dividends	(49,219)	(19,650)
Operating profit before working capital changes	2,201,443	2,253,837
Movements in working capital		
Decrease/(Increase) in Sundry Debtors	(106,464)	383,773
Decrease/(Increase) in Loans and Advances	(158,078)	(15,424)
Decrease/(Increase) in inventories	(101,820)	(585,850)
(Decrease)/Increase in current liabilities and provisions	262,163	257,226
Cash generated from operations	2,097,244	2,293,562
Direct taxes paid	(790,049)	(922,063)
Net inflow / (outflow) from operating activities (A)	1,307,195	1,371,499
CASH FLOW FROM INVESTMENT ACTIVITIES		
Proceeds from sale of fixed assets	3,267	1,971
Dividend received	49,219	19,650
Interest received	332,569	349,570
Refund of Loan given	230,000	170,000
Loan given	(1,350,000)	(180,000)
Purchase of assets	(333,861)	(415,775)
Deposits (with original maturity more than three months)	(5,345,000)	(6,220,000)
Proceeds of deposits matured (with original maturity more than three months)	6,455,000	5,970,000
Proceeds from sale of Investments	1,007,507	-
Purchase of Investments	(765)	-
Net cash inflow / (outflow) from investing activities (B)	1,047,936	(304,584)
CASH FLOW FROM FINANCING ACTIVITIES		
Interim and final dividend paid (including tax thereon)	(550,544)	(431,120)
Interest paid	(1)	(743)
Net cash inflow / (outflow) from financial activities (C)	(550,545)	(431,863)
Net increase in cash & cash equivalents (A+B+C)	1,804,586	635,052
Cash and Cash Equivalents at the beginning of the year	4,749,521	4,113,724
Cash and Cash Equivalents at the end of the year	6,554,107	4,748,776



	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash and Bank Balances (as per schedule 8) - (Refer note 3 below)	6,553,502	5,859,521
Less : Not considered as cash equivalent		
Term Deposit with original maturity of more than three months	-	(1,110,000)
Net Cash and cash equivalents as per AS3	6,553,502	4,749,521
Increase/(decrease) in cash & cash equivalents on account of exchange fluctuation	605	(745)
Cash and cash equivalents (as restated)	6,554,107	4,748,776

Notes:

- 1) Comparative figures have been regrouped wherever necessary.
- 2) The cash flow statement has been prepared under the indirect method as set out in the Accounting standard -3 on cash flow statements issued by the Institute of Chartered Accountants of India.
- 3) Cash and Bank Balance as per Schedule 8 includes Rs. 8,401 thousands (2009 : Rs. 7,988 thousands) which are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For S.R. Batliboi & Co.

Firm Registration No.:301003E
Chartered Accountants
Per **Ravi Bansal**
Partner
Membership No. 49365
Mumbai : February 16, 2011

For and on behalf of the Board of
Directors of Aventis Pharma Limited

Dr. Vijay Mallya	Chairman
Dr. Shailesh Ayyangar	Managing Director
J. M. Gandhi	Director
M. Dargentolle	Director
S. R. Gupte	Director
A. K. R. Nedungadi	Director
M. G. Rao	Director
S. C. Ghoge	Director
K. Subramani	Company Secretary

Mumbai : February 16, 2011



Schedules annexed and forming part of accounts for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
1. SHARE CAPITAL		
Authorised:		
23,500,000 (2009: 23,500,000) Equity Shares of Rs. 10/- each	235,000	235,000
Issued, subscribed and paid-up:		
23,030,622 (2009: 23,030,622) Equity Shares of Rs. 10/- each fully paid up.	230,306	230,306
	230,306	230,306
Of the above :		
a) 18,376,831 (2009: 18,376,831) Equity shares were issued as fully paid bonus shares by capitalisation of reserves and security premium		
b) 13,904,722 (2009 : 11,538,342) equity shares are held by Hoechst GmbH, Germany, holding company and 4,865 (2009 : 4,865) Equity shares are held by Sanofi-Aventis SA, France, ultimate holding company		
2. RESERVES AND SURPLUS		
Capital reserve	34,904	34,905
Securities premium account	20,440	20,440
Revaluation reserve		
Balance as per last balance sheet	136,281	144,640
Less: Transferred to profit and loss account	8,359	8,359
	127,922	136,281
General reserve		
Balance as per last balance sheet	1,912,634	1,755,214
Add: Transfer from profit and loss account	230,753	157,420
	2,143,387	1,912,634
Profit and loss account	7,584,543	6,983,372
	9,911,196	9,087,632



Schedules annexed and forming part of accounts for the year ended December 31, 2010

3. FIXED ASSETS

(Rupees '000)

	COST OR REVALUATION			DEPRECIATION / AMORTISATION			NET BLOCK AS AT		
	As at 01.01.2010	Additions	Deductions	As at 31.12.2010	As at 01.01.2010	For the Year	Deductions	As at 31.12.2010	31.12.2009
Intangible Assets									
Software (1)	80,210	1,239	15,717	65,732	74,957	2,538	15,717	61,778	5,253
Marketing and technical rights for formulations	200,386	-	-	200,386	200,386	-	-	200,386	-
Technical know-how (2)	29,536	74,777	-	104,313	12,945	13,932	-	26,877	16,591
Tangible Assets									
Freehold Land	34,755	-	-	34,755	-	-	-	-	34,755
Leasehold Land	52,773	-	-	52,773	7,021	534	-	7,555	45,752
Buildings (3 and 4)	1,005,563	82,507	661	1,087,409	372,754	39,125	110	411,769	632,809
Leasehold Improvement	5,338	5,194	-	10,532	445	2,775	-	3,220	4,893
Plant & Machinery	1,608,699	260,986	33,828	1,835,857	1,005,581	110,117	31,200	1,084,498	603,118
Furniture & Fixtures	86,401	9,983	2,466	93,918	48,302	7,314	1,525	54,091	38,099
Office Equipment	56,883	2,650	2,779	56,754	39,016	4,341	1,970	41,387	17,867
Computers	179,272	33,113	7,449	204,936	134,170	24,114	7,393	150,891	45,102
Motor Vehicles	5,933	1,828	157	7,604	1,263	926	149	2,040	4,670
Total	3,345,749	472,277	63,057	3,754,969	1,896,840	205,716	58,064	2,044,492	1,448,909
Previous Year	3,209,163	206,863	70,277	3,345,749	1,780,917	181,800	65,877	1,896,840	1,448,909

Notes:

- 1) Remaining amortisation period upto 32 months
- 2) Remaining amortisation period from 11 months to 58 months
- 3) Buildings include investments representing ownership of Office premises and Residential flats in co-operatives societies.
- 4) Buildings include buildings given on operating lease (refer note 11 of Schedule 16).



Schedules annexed and forming part of accounts for the year ended December 31, 2010

	31.12.2010	31.12.2009
	Rupees' 000	Rupees' 000
4. INVESTMENTS (AT COST) - LONG TERM		
UNQUOTED		
Trade Investments		
(i) Joint Venture-Chiron Behring Vaccines Private Limited	-	49,000
Nil (2009: 4,900,000) Equity shares of Rs. 10/- each fully paid up. (Refer note 27 of Schedule 16)		
(ii) Bharuch Enviro Infrastructure Limited	22	22
2,188 (2009: 2,188) Equity shares of Rs. 10/- each fully paid up.		
(iii) Bharuch Eco-Acqua Infrastructure Limited	2,360	1,595
236,000 (2009: 159,500) Equity shares of Rs. 10/- each fully paid up.		
	2,382	50,617
QUOTED		
Other Than Trade		
(i) United Breweries (Holdings) Limited	750	750
99,636 (2009:99,636) Equity shares of Rs. 10/- each fully paid up.		
(ii) United Breweries Limited	499	499
332,120 (2009: 332,120) Equity shares of Rs. 1/- each fully paid up		
	1,249	1,249
Aggregate market Value of quoted Investments Rs. 198,372 thousands; 2009: Rs. 87,560 thousands)		
	3,631	51,866
5. DEFERRED TAX ASSETS (NET)		
Employee retirement and other long term benefits	80,891	72,527
Effect of expenditure debited to Profit & Loss Account in current year but allowed for tax purposes in following years	161,910	218,879
Provision for doubtful debts and advances	10,361	6,636
Gross deferred tax assets	253,162	298,042
Difference in depreciation and other differences in block of fixed assets as per tax books and financial books	154,652	152,322
Gross deferred tax liabilities	154,652	152,322
Net Deferred Tax Assets	98,510	145,720



Schedules annexed and forming part of accounts for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
6. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials and packing materials (Including in transit Rs. 161,322 thousands ; 2009 : Rs. 279,462 thousands)	948,618	1,014,228
Work-in-progress	236,525	213,380
Finished goods (Including in transit Rs. 98,712 thousands ; 2009 : Rs. 84,225 thousands)	1,228,064	1,083,779
	2,413,207	2,311,387
7. SUNDRY DEBTORS (UNSECURED)		
Outstanding over six months		
Considered - good	14,223	38,047
- doubtful	16,860	14,343
	31,083	52,390
Others - considered good	590,129	489,304
- doubtful	7,444	-
	597,573	489,304
	628,656	541,694
Less : Provision for doubtful debts	24,304	14,343
	604,352	527,351
Includes dues from Companies under the same management :-		
Sanofi Winthrop Industrie S.A.	254,404	249,828
P T Aventis Pharma (Indonesia)	988	644
Sanofi-aventis australia Pty Ltd	14,075	29,572
Sanofi-Aventis Deutschland GmbH	144,024	46,030
Sanofi-aventis Lanka Limited	32,083	30,504
Sanofi Aventis Singapore Pte Ltd.	701	-
Winthrop Pharmaceuticals UK Ltd.	19,279	37,103
Sanofi-aventis Vietnam Company Limited	869	-
sanofi-aventis Bangladesh Limited.	378	-
Sanofi-aventis (Malaysia) SDN BHD.	1,489	-
8. CASH AND BANK BALANCES		
Cash on hand	292	217
<u>With scheduled banks in</u>		
Current accounts	174,809	86,316
Term deposits	6,370,000	5,765,000
Unpaid dividend accounts	8,401	7,988
	6,553,502	5,859,521



Schedules annexed and forming part of accounts for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
9. LOANS AND ADVANCES (UNSECURED)		
Considered doubtful		
Advances recoverable in cash or in kind or for value to be received	7,451	5,180
Less: Provision for doubtful advances	7,451	5,180
	-	-
Considered Good		
Advances recoverable in cash or in kind or for value to be received	173,938	184,644
Advance tax (net of provision)	433,523	587,302
Balances with customs, excise etc. (refer Note 3 of Schedule 16)	176,593	210,078
VAT credit (input) receivable	2,109	4,754
Loan to others	1,300,000	180,000
Rs. 1,300,000 thousand (2009: Nil) due from Shantha Biotechnics Limited, a company under same management and in which one director is interested [Maximum balance due during the year Rs. 1,300,000 thousand (2009: Nil thousand)]		
Rs. Nil thousand (2009: 180,000) due from Sanofi Pasteur India Private Limited, a company under same management [Maximum balance due during the year Rs. 200,000 thousand (2009: 180,000 thousand)]		
Deposits others	149,233	135,468
Other Receivables (Services / Recovery of expenses)#	291,445	103,607
Interest Accrued on Fixed Deposits	37,166	28,926
Margin money deposit	3,430	2,392
	2,567,437	1,437,171
# Other Receivables (Services / Recovery of expenses) includes dues from Companies under the same management -		
Sanofi Aventis Recherche et Développement SA {(maximum amount outstanding during the year Rs. 105 thousands (2009: Rs. 1,257 thousands)}	102	-
Sanofi-Aventis Singapore Pte Ltd {(maximum amount outstanding during the year Rs. 1021 thousands (2009: Rs. 530 thousands)}	-	530
Sanofi-Aventis Groupe SA {(maximum amount outstanding during the year Rs. 2,163 thousands (2009: 1,626 thousands)}	-	1,626
Sanofi Winthrop Industrie S.A. {(maximum amount outstanding during the year Rs. 526,988 thousands (2009: Rs. Nil thousands)}	200,787	-
Sanofi-Synthelabo (India) Ltd. {(maximum amount outstanding during the year Rs. 78,193 thousands (2009: Rs. 78,193 thousands)}	57,333	78,193
Sanofi Pasteur India Pvt. Ltd. {(maximum amount outstanding during the year Rs. 13,560 thousands (2009: Rs. 13,328 thousands)}	13,560	5,395
Sanofi-aventis (Malaysia) SDN BHD. {(maximum amount outstanding during the year Rs. 1,966 thousands (2009: Rs. 1,966 thousands)}	-	1,966



Schedules annexed and forming part of accounts

for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
10. CURRENT LIABILITIES		
Sundry creditors		
- Micro and Small Enterprises (refer note 14 of schedule 16)	6,717	5,340
- Others	1,234,512	1,176,848
Employee related and other current liabilities	379,202	271,205
Other liabilities	81,989	81,740
Security deposits	20,086	15,386
Advances from customers and others	4,027	23,173
Unclaimed dividend which shall be credited to Investor Education and Protection Fund as and when due	8,401	7,988
Unamortized discount on forward contract	2,123	34
	1,737,057	1,581,714
11. PROVISIONS		
Employees' retirement and other long term benefits (Refer Note 8 of Schedule 16)	193,186	196,190
Employees' Retirement benefits - Pension (Refer Note 8 of Schedule 16)	16,250	17,920
Employees' Retirement benefits - Provident fund (Refer Note 8 of Schedule 16)	37,529	24,760
Proposed final dividend	1,174,562	380,005
Tax on proposed dividend	195,080	64,582
Other provisions (Refer Note 12 of Schedule 16)	588,978	470,260
	2,205,585	1,153,717
12. OTHER INCOME		
Interest		
Bank deposits (tax deducted at source Rs. 31,102 thousands ; 2009: 64,469 thousands)	273,337	292,248
Others (tax deducted at source Rs. 4,351 thousands ; 2009: 2,051 thousands)	67,472	18,615
Income from services rendered	513,070	444,714
Rent	108,836	122,524
Export Incentives	75,150	79,692
Indirect taxes set off / refunds	19,908	23,604
Insurance claims	3,090	11,722
Exchange difference (net)	-	9,978
Provision for doubtful debts written back (net)	-	3,125
Provision no longer required written back	-	65,958
Miscellaneous Income	24,757	19,442



Schedules annexed and forming part of accounts for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
Income from investments:		
i) Trade - dividends	49,000	19,600
ii) Other - dividends	219	50
	1,134,839	1,111,272
13. MATERIALS COST		
Raw material and packing material consumed		
Opening stock	1,014,228	658,754
Add: Purchases	4,418,273	4,200,760
Less: Closing stock	948,618	1,014,228
	4,483,883	3,845,286
Purchase of finished goods	1,054,787	1,208,914
(Increase)/Decrease in inventories		
<u>Opening Stock</u>		
Work-in-progress	213,380	282,086
Finished goods	1,083,779	784,697
	1,297,159	1,066,783
<u>Closing Stock</u>		
Work-in-progress	236,525	213,380
Finished goods	1,228,064	1,083,779
	1,464,589	1,297,159
	(167,430)	(230,376)
Increase/(decrease) of excise duty on inventories, samples etc. (refer note 26 of schedule 16)	18,679	(4,215)
	5,389,919	4,819,609
14. PERSONNEL EXPENSES		
Salaries, wages and bonus (Refer Note 8 of Schedule 16)	1,421,718	1,244,285
Contribution to Provident fund/ Pension fund/ other funds (Refer Note 8 of Schedule 16)	118,801	107,619
Workmen and staff welfare expenses	91,998	87,617
	1,632,517	1,439,521



Schedules annexed and forming part of accounts for the year ended December 31, 2010

	31.12.2010 Rupees' 000	31.12.2009 Rupees' 000
15. OPERATING AND OTHER EXPENSES		
Advertisement and sales promotion	723,087	578,164
Travelling and conveyance	449,383	399,171
Selling and distribution expenses	524,993	383,736
Power and fuel	210,774	195,008
Toll Manufacturing Charges	283,241	229,729
Legal and professional fees	143,780	87,297
Training & meetings	107,253	90,832
Repairs - building	13,535	13,887
- plant and machinery	29,005	23,285
- others	58,998	54,668
Insurance	47,225	52,706
Rent	75,381	78,136
Auxiliary and other materials	52,207	50,297
Rates and taxes	45,734	50,911
Stores and spares	32,111	25,208
Provision for doubtful debts and advances (net)	12,232	-
Loss on disposal of fixed assets (net)	1,726	2,429
Auditors remuneration (Refer Note 20 of Schedule 16)	4,743	4,457
Donations (other than political parties)	5,003	1,114
Exchange difference (net)	28,160	-
Others	329,107	248,602
	3,177,678	2,569,637
Less: Reimbursement of expenses (refer note 24 of schedule 16)	782,067	562,217
	2,395,611	2,007,420



Schedules annexed to and forming part of the financial statements for the year ended December 31, 2010

16 Notes to accounts

A. Significant accounting policies:

Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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 disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Fixed assets

Fixed assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation/amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Freehold land and buildings are recorded at revalued amounts and the incremental values are shown as capital reserve and revaluation reserve respectively. Capital and revaluation reserves are adjusted to the extent of revalued assets disposed off.

Depreciation/amortisation

Depreciation is provided on all fixed assets, considering the useful life estimated by the management at rates not lower than those prescribed in Schedule XIV of the Companies Act 1956, on straight line method (SLM) at the following rates per annum on the cost / enhanced cost.

Description of Assets	Rate (SLM)
<u>Intangible Assets</u>	Amortised over:
Software	3 years
Marketing and technical rights for formulations	10 years
Technical know how	5 years
<u>Tangible Assets</u>	
Leasehold land	Amortised over lease period
Buildings	3.34 %
Leasehold Improvements	Amortised over lease period
Plant and Machinery	10.34 %
Furniture and Fixtures	10.34 %
Office equipments	9.50 %
Computer	25.00 %
Motor vehicles	16.21 %

The incremental depreciation on revalued amount is transferred to profit and loss account from revaluation reserve. Fixed assets costing Rs. 5,000 or less are fully depreciated in a year of acquisition.

Research and development cost

Research costs are expensed as incurred.

Development expenditure incurred on an individual project is capitalised when the recognition criteria are met. Development expenditure capitalised is amortised over the period of expected future sales from the related project, not exceeding future sales.



Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Leases

Company is the Lessee

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the lease term, are classified as operating leases. In respect of operating lease, rentals and all other expenses are treated as revenue expenditure. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

Company is the Lessor

Assets subject to operating leases are included in fixed assets. Lease income is treated as revenue and the same is credited to the Profit and Loss Account on a straight-line basis over the lease term. Costs including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage etc are recognised immediately in the Profit and Loss Account.

Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments (including investment in jointly controlled entity) are carried at cost. However, provision is made for any diminution in value, other than temporary.

Inventories

Inventories are valued as follows:

Raw Material and Packing Material

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined using standard cost method adjusted for variances, which approximates actual cost based on weighted cost formula.

Work-in-progress and finished goods

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined using standard cost method adjusted for variances, which approximates actual cost based on weighted cost formula.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

Foreign currency transactions

Foreign currency transactions during the year are recorded at rates of exchange prevailing on the date of transactions. Foreign currency monetary items are translated into rupees at the rate of exchange prevailing on the date of the balance sheet. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in the previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.



Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when significant risks and rewards of ownership of the goods have passed to the buyer. Sales (product and material) are stated net of sales tax, VAT, Excise duty and returns.

Service Income

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of service tax.

Interest

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Dividend Income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

Retirement & Other employee benefits

(i) Long-term Employee Benefits

(a) Defined Contribution Plans

The Company has defined contribution plans for post employment benefits in the form of Superannuation Fund which is recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further the Company also has a defined contribution plan in the form of a provident fund scheme for its staff and workmen at the Ankleshwar unit & Nepal and pension scheme under the Employee's Pension Scheme 1995 for its all employees, which are administered by the Provident Fund Commissioner.

All the above mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the profit and loss account as incurred.

(b) Defined Benefit Plans

The Company has for all employees other than Ankleshwar Staff & Workmen, defined benefit plans for post employment benefits in the form of Provident Fund which is administered through trustees (treated as a defined benefit plan on account of guaranteed interest benefit). Further Company has defined benefit plan for post retirement benefit in the form of Gratuity which is administered through trustees and/or LIC for all its employees and pension for certain employees. Schemes of Provident Fund and Gratuity are recognised by the Income-tax authorities. Liability for Defined Benefit Plans is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit method.

(c) Other Long-term Employee Benefits

The Company has for all employees other long-term benefits in the form of Long Service Award and Leave Encashment as per the policy of the Company. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

- (ii) Actuarial gains and losses (for defined benefit and other long term benefit) comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the profit and loss account as income or expense.
- (iii) Termination benefits are recognised as an expense as and when incurred.



Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Provision for Income tax and fringe benefit tax is made on the basis of the estimated taxable income/fringe benefits as per the provisions of Income Tax Act, 1961 and the relevant Finance Act, after taking into consideration judicial pronouncements and opinions of the Company's tax advisors. Tax payments are set off against provisions.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event, for which it is probable that outflow of resources will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when the Company has a possible obligation and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

B. NOTES

1. Consequent upon the decision of the Supreme Court in the matter of prices of certain bulk drugs fixed by the Government of India under the Drug (Prices Control) Order, 1979, the Company paid an amount of Rs. 31,200 thousands in 1988 being the liability determined by the Special Team appointed by the Government. However, during 1990, fresh demands aggregating to Rs. 781,000 thousands alleged to be payable into the Drug Prices Equalisation Account (DPEA) were made by the Government on account of alleged unintended benefit enjoyed by the Company. The Government has also made certain claims for applicable interest. On a Writ Petition filed by the Company in 1991, the Bombay High Court passed an order whereby the demands were to be treated as show cause notices. The High Court directed the Company and the Government to furnish relevant data to each other based on which the Government was to rework the figures. The Government did not furnish the requisite data to the Company. In 1995, a further demand of Rs. 79,500 thousands was made by the Government.

In the meantime, a Committee was constituted by the Government to determine the liabilities of the Drug Companies. The Company filed written submissions with the Committee and contended during the personal hearing that in the absence of the Government furnishing the requisite data as directed by the Bombay High Court, the Company was not in a position to make an effectual presentation before the Committee.

In January 1999, the Company filed an Application before the Bombay High Court seeking directions to the Government to furnish the requisite data. The Application is pending. In the meantime, the Committee has deferred further hearing of the Company's case, until the Application is heard and decided by the Bombay High Court. In any event, the Company is contesting the above demand.

2. The tax year for the Company being the year ending March 31, the provision for taxation for the year is the aggregate of the provision made for the three months ended March 31, 2010 and the provision based on the profit for the remaining nine months up to December 31, 2010, the ultimate liability of which will be determined on the basis of the profit for the tax year April 1, 2010 to March 31, 2011.
3. Balance with customs and excise authorities includes excise and cenvat deposit Rs. 30,713 thousands (2009: Rs. 46,967 thousands) with toll manufacturers.
4. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 200,164 thousands (2009: Rs. 171,519 thousands).



5. Contingent Liabilities and commitments:

(Rupees'000)

	Dec 2010	Dec 2009
Tax demands in respect of which*:		
● Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	439,949	708,399
● Company's appeals are pending before appropriate authorities	713,697	696,733

* Contingent liabilities in respect of pending tax assessments in relation to similar matters are not determinable and hence not disclosed.

6. The operations of the Company represent a single primary business segment relating to pharmaceuticals. Secondary segment reporting is performed on the basis of location of the customers. All the business assets of the Company are situated in India except assets which are directly identifiable.

(Rupees'000)

Particulars	Dec 2010			Dec 2009		
	India	Outside India	Total	India	Outside India	Total
Sales (Net)	8,709,065	2,140,456	10,849,521	7,454,477	2,289,580	9,744,057
Carrying amount of segment assets	12,871,462	674,167	13,545,629	10,922,269	398,078	11,320,347
Capital expenditure for the year	332,033	1,828	333,861	415,775	-	415,775

7. Related parties

i. Parties where control exists:

- Hochst GmbH, Germany, holding Company (holds 60.4% of the equity share capital as at December 31, 2010)
- Sanofi-Aventis SA, France, ultimate holding Company

ii. Other related parties with whom transactions have taken place during the year: -

a) Fellow subsidiaries

Sanofi-Aventis Sp. Zoo	Sanofi-aventis australia pty Limited
sanofi-aventis Lanka Limited (formerly known as Aventis Pharma Limited)	Sanofi-Aventis Deutschland GmbH
	Sanofi-aventis Korea Co. Limited
Sanofi-Aventis Groupe S.A.	Sanofi-Aventis Egypt SAE
Sanofi Pasteur S.A.	Sanofi-Aventis SpA
Francopia S.A.R.L.	Sanofi-Aventis US LLC
Sanofi-Aventis Recherche & Développement S.A.	Sanofi-Aventis Singapore Pte. Limited
Sanofi Winthrop Industrie S.A.	Sanofi-aventis Vietnam Company Limited
Sanofi Chimie S.A.	sanofi-aventis Bangladesh Limited
Aventis Pharma Limited, UK	(Formerly known as Fisons Bangladesh Limited)
Winthrop Pharmaceuticals UK Limited	Sanofi-aventis (Malaysia) SDN BHD.
PT Aventis Pharma (Indonesia)	Sanofi-Aventis Private Co. Limited
Sanofi-Synthelabo (India) Limited	Shantha Biotechnics Limited
Sanofi Pasteur India Private Limited	

b) Joint venture (refer note 27 of schedule 16):

Chiron Behring Vaccines Private Limited, India (up to December 23, 2010)



c) Key management personnel of the Company for the year

Name	Category of Directorship
Dr. Shailesh Ayyangar	Managing Director
Mr. Madhusudan Garimela Rao	Executive Director from 25th October, 2010
Mr. Shirish Chandrakant Ghoge	Executive Director from 25th October, 2010
Mr. Michel Dargentolle	Executive Director (From January 1, 2010 to March 22, 2010, from March 31, 2010 to July 17, 2010 & from July 19, 2010 to December 31, 2010)

d) Transactions during the year:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Holding Company		
Dividend		
Sanofi-aventis SA	99	78
Hoechst GmbH	285,047	184,613
Fellow subsidiaries and joint venture		
Sale of Raw Material and Finished Goods		
Sanofi Winthrop Industrie S.A.	1,334,657	1,320,040
Sanofi-Aventis Deutschland GmbH	346,378	440,016
Winthrop Pharmaceuticals UK Limited	208,047	275,209
Others	244,291	260,365
Total	2,133,373	2,295,630
Purchase of Raw Material and Finished Goods		
Sanofi-Aventis Deutschland GmbH	1,351	1,616
Chiron Behring Vaccines Private Limited	-	43,075
Sanofi Winthrop Industrie S.A.	2,636,613	2,824,660
Aventis Pharma Limited, UK	108,556	135,743
Others	157,008	78,196
Total	2,903,528	3,083,290
Recovery of expenses		
Sanofi Winthrop Industrie S.A.	723,239	477,639
Chiron Behring Vaccines Private Limited	35,142	33,646
Others	6,387	6,527
Total	764,768	517,812
Income from Service rendered		
Sanofi-Synthelabo (India) Ltd.	459,353	396,925
Sanofi-Aventis Deutschland GmbH	15,626	33,090
Sanofi Pasteur India Private Limited	34,643	14,697
Total	509,622	444,712



(Rupees'000)

Particulars	Dec 2010	Dec 2009
Dividend income		
Chiron Behring Vaccines Private Limited	49,000	19,600
Refund of Loan given		
Sanofi-Synthelabo (India) Limited	-	170,000
Sanofi Pasteur India Private Limited	230,000	-
Loan given		
Sanofi Pasteur India Private Limited	50,000	180,000
Shantha Biotechnics Limited	1,300,000	-
Interest income (others) on loan/inter		
Company deposits given		
Sanofi-Synthelabo (India) Limited	-	5,087
Sanofi Pasteur India Private Limited	5,693	6,682
Shantha Biotechnics Limited	33,781	-
Total	39,474	11,769
Payment of Common shared expenses		
Sanofi aventis Groupe S.A.	5,161	7,393
Sanofi-Aventis Singapore Pte Ltd	5,717	6,865
Sanofi Synthelabo (India) Limited	8,438	7,441
Others	2,139	539
Total	21,455	22,238
Payment towards Intangibles under development		
Sanofi-Synthelabo (India) Limited	17,766	80,939
Key Management Personnel Remuneration (refer note 15)		
Dr. Shailesh Ayyangar	9,654	9,160
Mr. Christophe Germain	-	6,893
Mr. Madhusudan Garimela Rao	1,647	5,914
Mr. Shirish Chandrakant Ghoge	1,346	5,303
Mr. Michel Dargentolle	2,981	1,383
Total	15,628	28,653



e) Outstanding as at December 31, 2010

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Fellow Subsidiaries and joint venture		
Sundry Debtors		
Sanofi Winthrop Industrie S.A.	254,404	249,828
Sanofi-Aventis Deutschland GmbH	144,024	46,030
Others	69,862	97,823
Total	468,290	393,681
Other Receivable (Services / Recovery)		
Sanofi-Synthelabo (India) Ltd	57,333	78,193
Sanofi Winthrop Industrie S.A.	200,787	-
Others	18,240	15,762
Total	276,360	93,955
Sundry Creditors		
Sanofi Winthrop Industrie S.A.	377,930	482,685
Sanofi-Aventis Singapore Pte Ltd	72,744	-
Sanofi -Aventis Deutschland GmbH	1,259	-
Others	53,846	47,080
Total	505,779	529,765
Loan to other		
Sanofi Pasteur India Private Limited	-	180,000
Shantha Biotechnics Limited	1,300,000	-

8. Employee Benefit

A) Defined Contribution Plans

The Company has recognised the following amounts in the Profit and Loss Account for the year:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
i) Contribution to Employees' Provident Fund (Ankleshwar and Nepal)	1,752	1,426
ii) Contribution to Employees' Superannuation Fund	9,427	9,259
iii) Contribution to Employee's Pension Scheme 1995	13,923	13,185

B) Post Employment Defined Benefit Plans

Valuations in respect of Gratuity, Pension Plan and Interest shortfall on Provident Fund have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
(a) Discount Rate (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
(b) Expected Rate of Return on Plan Assets	8.00%	8.00%	NA*	NA*	8.00%	8.00%
(c) Salary Escalation rate#	6.00%	6.00%	NA*	NA*	6.00%	6.00%
(d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	NA*	NA*
(e) Employees' turnover	Age related	Age related	Age related	Age related	Age related	Age related

*NA - Not Applicable

#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 in the employment market.



i) Change in Benefit Obligation

(Rupees'000)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
Liability at the beginning of the period	247,722	208,189	17,920	21,990	910,083	819,515
Interest Cost	19,910	17,263	1,434	1,795	74,349	67,641
Current Service Cost	17,480	14,915	356	471	50,718	42,353
Employees Contribution	-	-	-	-	72,831	61,383
Benefits Paid	(20,155)	(21,134)	(2,522)	(3,555)	(81,962)	(77,740)
Transfer from previous employer's Liability Transfer In	-	-	-	-	5,490	8,515
Liability Transfer Out	(2,108)	-	-	-	-	-
Provision for diminution in fair value of Plan assets	-	-	-	-	-	-
Actuarial (gain)/loss on Obligations	11,561	28,489	(938)	(2,781)	6,634	(11,584)
Liability at the end of the year	274,410	247,722	16,250	17,920	1,038,143	910,083
Funded benefit obligation	203,295	163,854	-	-	1,000,614	885,323
Non funded benefit obligation	71,115	83,868	16,250	17,920	37,529	24,760

ii) Fair value of Plan Assets

(Rupees'000)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
Fair Value of Plan Assets at the beginning of the year	163,854	141,886	-	-	885,323	787,461
Expected Return on Plan Assets	12,954	11,949	-	-	72,368	65,031
Employer's Contributions	42,926	24,969	2,522	-	46,564	40,673
Employees Contribution	-	-	-	-	72,831	61,383
Benefits Paid	(20,155)	(14,708)	(2,522)	-	(81,962)	(77,740)
Transfer from Other Approved Funds	-	-	-	-	5,490	8,515
Provision for diminution in fair value of Plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	3,716	(242)	-	-	-	-
Fair Value of Plan Assets at the end of the year	203,295	163,854	-	-	1,000,614	885,323
Contributions expected to be paid to the Plan in next year.	25,000	20,500	-	-	-	-

iii) Actual Return on Plan Assets

(Rupees'000)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
Expected Return on Plan Assets	12,954	11,949	-	-	72,368	65,031
Actuarial gain/(loss) on Plan Assets	3,716	(242)	-	-	-	-
Actual Return on Plan Assets	16,670	11,707	-	-	72,368	65,031



iv) Amount Recognised in the Balance Sheet

(Rupees'000)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
Liability at the end of the year	274,410	247,722	16,250	17,920	1,038,143	910,083
Fair Value of Plan Assets at the end of the year	203,295	163,854	-	-	1,000,614	885,323
Difference	71,115	83,868	16,250	17,920	37,529	24,760
Unrecognised Past Service Cost	-	-	-	-	-	-
Amount Recognised in the Balance Sheet	71,115	83,868	16,250	17,920	37,529	24,760

v) Expenses Recognised in the Income Statement

(Rupees'000)

Particulars	Gratuity		Pension Plan		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009	Dec 2010	Dec 2009
Current Service Cost	17,480	14,915	356	471	50,718	42,353
Interest Cost	19,910	17,263	1,434	1,795	74,349	67,641
Expected Return on Plan Assets	(12,954)	(11,949)	-	-	(72,368)	(65,031)
Interest Guarantee	-	-	-	-	-	-
Net Actuarial (Gain)/Loss to be Recognised	7,845	28,731	(938)	(2,781)	6,634	(11,584)
Expense Recognised in Profit and Loss under personnel expenses	32,281	48,960	852	(515)	59,333	33,379

vi) Amount for the current period and previous periods are as follows:

(Rupees'000)

Particulars	Gratuity				Pension Plan				Provident Fund			
	Dec 2010	Dec 2009	Dec 2008	Dec 2007	Dec 2010	Dec 2009	Dec 2008	Dec 2007	Dec 2010	Dec 2009	Dec 2008	Dec 2007
Defined Benefit Obligation	274,410	247,722	208,189	193,734	16,250	17,920	21,990	26,342	1,038,143	910,083	819,515	714,653
Plan assets	203,295	163,854	141,886	135,260	-	-	-	-	1,000,614	885,323	792,263	682,887
Surplus/(deficit)	71,115	83,868	66,303	58,474	16,250	17,920	21,990	26,342	37,529	24,760	27,252	31,766
Experience adjustment on benefit obligation												
Net Actuarial (Gain)/Loss due to Experience	11,561	27,309	25,266	17,183	(938)	(2,876)	(4,480)	(51)	6,634	(11,584)	(3,643)	-
Net Actuarial (Gain)/Loss due to Change in Assumption	-	1,180	(4,274)	-	-	95	461	-	-	-	-	-
Experience adjustment on Plan assets												
Net Actuarial Gain/(Loss) due to Experience	3,716	-	1,366	(2,809)	-	-	-	-	-	-	-	-
Net Actuarial Gain/(Loss) due to Change in Assumption	-	(242)	-	-	-	-	-	-	-	-	-	-



vii) Basis used to determine expected rate of return on assets

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

viii) General descriptions of significant defined Plans

Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

Pension Plan

Under the Company's Pension scheme, certain executives are eligible for fixed pension for five years, depending on their level at the time of retirement on superannuation, death or early retirement with the consent of the Company.

Provident Fund

The Company manages the provident fund through a Provident Fund Trust for its employees (except Staff and Workmen at Ankleshwar unit) which are permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The Plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement.

ix) Broad category of Plan assets relating Gratuity and Provident Fund as a percentage of total Plan assets

Particulars	Gratuity		Provident Fund	
	Dec 2010	Dec 2009	Dec 2010	Dec 2009
Government of India securities	-	-	18%	16%
Bonds	-	-	40%	38%
Special Deposit Scheme, 1975	-	-	39%	44%
Other assets	-	-	3%	2%
Administered by Life Insurance Corporation of India	100%	100%	-	-
	100%	100%	100%	100%

9. Earnings per share:

Particulars	Dec 2010	Dec 2009
Numerator used for calculating basic and diluted earnings per share - after taxation and before Exceptional item (Rs.'000)	1,550,148	1,574,146
Numerator used for calculating basic and diluted earnings per share - profit after taxation and Exceptional item (Rs.'000)	2,307,523	1,574,146
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share.	23,030,622	23,030,622
Nominal value per share (Rs.)	10	10
Basic and diluted earnings per share (Rs.)		
- Computed on the basis of earnings before exceptional items divided by weighted average number of shares (Rs.)	67.31	68.35
- Computed on the basis of earnings after exceptional items divided by weighted average number of shares (Rs.)	100.19	68.35

10. Joint venture – Jointly controlled entity (also refer note 27 of Schedule 16):

a) Disclosure

Name of the entity	Description of the Interest	Proportion of Ownership Interest till December 23, 2010	Country of Incorporation
Chiron Behring Vaccines Private Limited	Purchase of manufactured vaccines	49 %	India



b) Financial interest in Chiron Behring Vaccines Private Limited (Jointly controlled entity)

(Rupees'000)

As at December 31, 2010		For the year 2010		
Assets	Liabilities	Income*	Expenses*	Tax*
-	-	650,781	375,070	92,191
(832,871)	(81,570)	(412,648)	(329,474)	(11,487)

Note: Figures in brackets relate to previous year

c) Company's share in contingent liabilities and commitments of Chiron Behring Vaccines Private Limited (Joint Venture Entity)

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Bond given to Customs Authorities for clearance of plant and machinery	-	18,680
Tax demands in respect of which Company's appeals are pending before appropriate authorities	-	4,652
Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	-	10,196
Bond given to Excise Authorities	-	8,043
Counter guarantee given by the Company to Bank of America	-	1,987
Guarantee given by the Company to GIDC	-	349

d) The estimated amount of unexecuted capital contract not provided by Chiron Behring Vaccines Private Limited (Joint Venture Entity) amounted to Rs. NIL thousands (2009: Rs. 263 thousands)

e*) The information given for the current year is based on the last available management certified financials as at November 30, 2010 of Chiron Behring Vaccines Private Limited (joint venture entity).

11. Operating leases

Future lease commitments in respect of non-cancellable operating leases:

Where Company is the lessee:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Charged to Profit and Loss Account *	11,216	18,935
Not later than one year	6,730	13,537
Later than one year but not later than five years	5,004	11,219

*Premises and Cars are obtained on operating lease. The lease is for a period of five years for cars and one to three years for premises and there is no provision for renewal. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

In respect of cancellable operating leases, lease charges charged to Profit and Loss Account

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Car Lease Charges**	7,382	6,560
Premises Lease Charges**	56,783	52,641
Total	64,165	59,201

**Premises and Cars are obtained on operating lease. There is no provision for renewal. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.



Where Company is the lessor:

In respect of non-cancellable operating leases

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Credited to Profit and Loss Account #	108,835	122,524
Not later than one year	92,740	93,671
Later than one year but not later than five years	51,453	114,691

Uncollectible minimum lease payments receivable at the balance sheet date Rs. Nil (2009: Rs. Nil)

#The Company has leased out building on operating lease. The lease term is for a period ranging from 33-60 months and thereafter not renewable. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Details in respect of assets given on operating lease:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Gross carrying amount of buildings	196,297	196,297
Accumulated depreciation on cost and re-valued amount	94,579	88,023
Depreciation recognised in profit and loss account	6,556	6,556
Less: Transferred from revaluation reserve	6,326	6,326
Net depreciation as per Profit and Loss account	230	230

In respect of cancellable operating leases, lease income is credited to Profit and Loss Account.

12. Other provisions:

Movements in provisions:

(Rupees'000)

	Class of provisions			Total
	Indirect tax	Provision for Sales Returns	Others	
Balance as at January 1, 2010	90,080	171,371	208,809	470,260
	(90,080)	(104,948)	(219,649)	(414,677)
Amount provided during the year	Nil	71,550	118,483	190,033
	(Nil)	(135,746)	(145)	(135,891)
Amount written back/adjusted during the year	Nil	69,716	1,599	71,315
	(Nil)	(69,323)	(10,985)	(80,308)
Balance as at December 31, 2010	90,080	173,205	325,693	588,978
	(90,080)	(171,371)	(208,809)	(470,260)

Note: Figures in brackets are for the previous year.

- i) Provision for indirect taxes represents differential excise duty, sales tax, custom duty and service tax in respect of which the claims are pending before various authorities for a considerable period of time and based on management's estimate of claims provision is made on prudent basis that possible outflow of resources may arise in future.
- ii) Other provisions on prudent basis are towards possible outflow of resources in respect of legal cases pending against the Company or in respect of contractual obligations of the Company.
- iii) Provision for sales returns are on account of expected date expiry and breakages returns based on historical trends.
- iv) The management intends to continue legal actions against all the claims and defend its position.



13. Derivative Instruments and Un-hedged Foreign Currency Exposure:

(Amount: Euro)

Particulars of Derivatives	Purpose	Dec 2010	Dec 2009
Forward Contract for Sale of EURO	Hedge of expected future receivable	5,500,000	500,000

Particulars of un-hedged Foreign Currency exposure as at Balance sheet date

Particulars	Foreign currency	Dec 2010		Dec 2009	
		Foreign currency Value	(Rupees'000)	Foreign currency Value	(Rupees'000)
Sundry Creditors	EUR	5,162,760	308,516	4,816,095	333,187
	JPY	-	-	260,000	136
	USD	132,889	5,943	7,313	341
	SGD	37,085	1,293	-	-
	GBP	-	-	1,499	116
Advances Recoverable in cash or kind	NPR	311,666	196	68,847	43
Sundry Debtors and other receivables	EUR	5,101,393	304,849	4,913,661	329,412
	USD	865,153	38,692	697,691	32,468
	AUD	-	-	57,329	2,401
Bank Balances	EUR	332,162	19,850	314,384	21,076
	USD	158,745	7,099	69,967	3,256

14. Micro and Small Enterprises

(Rupees'000)

Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006	Dec 2010	Dec 2009
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
Principal Amount	6,650	5,205
Interest thereon remaining unpaid	67	135
Amount of interest paid 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 year	-	-
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 year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	66	133
Amount of interest accrued and remaining unpaid at the end of each accounting year; and	67	135
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.	-	-



15. Managerial remuneration:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Remuneration		
Salaries	11,487	18,722
Perquisites*	3,003	8,013
Contribution to PF/Other Fund	1,138	1,918
Total	15,628	28,653
Directors' fees	580	560
Commission to Non-Executive Directors (Including Rs. 1,900 thousand for the year ended December 31, 2009)	3,800	-
Grand Total	20,008	29,213

The above excludes provision for leave encashment, gratuity, long service award, pension and provident fund (to the extent actuarially valued) which are determined on the basis of actuarial valuation done on an overall basis for the Company.

* Evaluated as per Income-tax Rules wherever applicable.

16. Particulars relating to licensed/installed capacity, production, stocks and sales.

A) License capacity is not applicable.

B) Installed capacity (as certified by management and relied upon by auditors) and actual production:

	Units	Installed capacities		Production	
		Dec 2010	Dec 2009	Dec 2010	Dec 2009
I. Basic drugs:					
Pharmaceuticals	Tonnes	253.00	253.00	101.09	173.92
II. Formulations:					
Liquid injectibles#	KL	-	-	517.89	386.39
Tablets / Dragees	Mio Nos	7,600.00*	7,600.00*	6,992.22	5,998.43
Capsules#	Mio Nos	-	-	254.33	215.49
Ointments#	Tonnes	-	-	791.26	727.62
Granules #	Tonnes	-	-	6.82	1.26
Drops, syrup and other liquids#	KL	-	-	665.57	544.99

Production figures include goods manufactured at third party facilities.

* Includes installed capacity of granules.

Represents produced only at third party locations.



(C) Opening and Closing stocks and Sales in respect of each class of finished goods purchased / produced :-

(Rupees '000)

	UNIT	Opening Stock		Closing Stock		Sales		Purchases	
		Quantity	Value	Quantity	Value	Quantity	Gross Value	Quantity	Value
I Basic Drugs									
Pharmaceuticals	Tons	17.20 (35.93)	35,947 (96,505)	27.33 (17.20)	77,488 (35,947)	40.07 (62.14) (50.88) (59.77)	283,607 (344,233) * *	- -	- -
		**	35,947 (96,505)	**	77,488 (35,947)		283,607 (344,233)		- -
II Formulations									
Liquid Injectibles	Kl	85.27 (74.08)	256,605 (141,953)	95.86 (85.27)	255,201 (256,605)	520.41 (469.21)	2,151,338 (1,900,353)	532.57 (481.13)	275,566 (509,586)
Tablets / Dragees	Mio. Nos.	1,043.64 (919.97)	584,691 (481,655)	1303.00 (1043.64)	678,309 (584,691)	7,032.48 6,051.66	6,638,457 (5,998,061)	7,212.73 (6,214.92)	212,985 (199,204)
Capsules	Mio. Nos.	32.06 (29.90)	24,743 (16,984)	53.60 (32.06)	28,976 (24,743)	231.73 (213.10)	187,161 (160,975)	255.77 (216.29)	4,910 (1,806)
Ointments	Tons	136.53 (110.54)	72,700 (57,502)	131.38 (136.53)	59,175 (72,700)	834.51 (742.19)	577,075 (513,286)	842.02 (779.20)	70,608 (72,087)
Sterile Powders	Mio. Nos.	0.13 (0.09)	117,506 (59,408)	0.33 (0.13)	168,196 (117,506)	0.74 (0.52)	797,602 (617,448)	0.97 (0.57)	482,641 (424,337)
Drops, Syrups & Other Liquids	Kl	116.77 (84.78)	27,403 (27,195)	172.11 (116.77)	38,207 (27,403)	608.14 (495.77)	322,054 (290,574)	680.07 (548.20)	8,077 (1,894)
Granules	Tons	0.15 -	131 -	- (0.15)	- (131)	8.42 (1.11)	15,025 (1,906)	6.82 (1.26)	- -
			1,083,779 (784,697)		1,228,064 (1,083,779)		10,688,712 (9,482,603)		1,054,787 (1,208,914)
III Others									
		- (-)	- (-)	- (-)	- (-)	- (-)	100,264 (131,047)	- (-)	- (-)
			1,119,726 (881,202)		1,305,552 (1,119,726)		11,072,583 (9,957,883)		1,054,787 (1,208,914)

* Represents used for captive consumption

** Included as part of raw materials

Notes :

- 1) Figures in brackets relate to previous year.
- 2) Closing stocks are after adjustments for in-transit breakages or damages, date expired products and free issues.
- 3) Others represents sale of intermediates and raw materials



(Rupees'000)

17. Value of imports on CIF basis:	Dec 2010	Dec 2009
Raw and packing materials	1,705,196	1,938,682
Components, spares and auxiliary.	5,478	4,357
Capital goods	9,622	49,212
Finished goods	1,589,805	1,526,780

(Rupees'000)

18. Expenditure in foreign currency (on accrual basis)	Dec 2010	Dec 2009
Traveling and conveyance	22,102	25,224
Telecommunication Charges (included in Others of Sch. 15)	12,911	16,121
Legal and professional fees*	1,647	1,351
Others	4,119	7,294

* Excludes Rs. Nil (2009: Rs. 10,089 thousands) paid in the current year (provided in the previous year) after determination of the currency of billing.

(Rupees'000)

19. Consumption of raw materials, packing materials, spare parts and components	Dec 2010		Dec 2009	
		%		%
Raw Materials and packing materials:				
Indigenous	1,718,780	38	1,639,782	43
Imported*	2,765,103	62	2,205,504	57
	4,483,883	100	3,845,286	100
Spare parts and components:				
Indigenous	31,640	99	24,994	99
Imported	471	1	214	1
	32,111	100	25,208	100
Raw Materials Consumed Product wise*:				
Ramipril Substance (Imported)	327,427	7	299,552	8
Ibuprofen IP (Imported)	365,189	8	306,656	8
Glimepiride (Imported)	317,008	7	203,037	5
Lantus cartridge 5 x 3 ml (Imported)	373,256	8	257,060	7
LantusU100 Solostar 5 x 3 ml (Imported)	330,262	7	90,655	2
Others	2,770,741	63	2,688,326	70
	4,483,883	100	3,845,286	100

*It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total

(Rupees'000)

20. Auditor's remuneration:	Dec 2010	Dec 2009
As auditors:		
- Statutory audit	1,800	1,700
- Tax audit and tax accounts	1,110	1,039
- Limited review	815	755
- Group reporting	420	380
- Other certification	135	115
- Out of Pocket expenses	20	51
Service tax	443	417
	4,743	4,457



21. Research and development expenditure included in:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Salary, wages and bonus	6,946	6,618
Contribution to provident fund / other funds	560	584
Staff welfare expenses	18	39
Traveling and conveyance	2,927	3,077
Power and fuel	104	128
Repairs -plant and machinery	62	-
Repairs others	10	37
Auxiliary and other materials	8,656	21,412
Rent	853	483
Others	13,489	16,664
Insurance	393	382
Depreciation	212	210
Rates and taxes	8	11
Legal and professional fees	2,193	1,784
Advertisement and sales promotion	160	-
Total Revenue Expenses (i)	36,591	51,429
Capital Work in Process (also refer note 25)	30,042	84,450
Total Capital Expenditure (ii)	18,619	80,939
Total (i + ii)	55,210	132,368

22. Dividend remittances in foreign currency:

(Rupees'000)

Particulars	Dec 2010	Dec 2009
Dividend remitted in foreign currency		
Final for the year 2009	229,508	-
Interim for the year 2010	55,638	-
Final for the year 2008	-	144,290
Interim for the year 2009	-	40,401
Number of non-resident shareholders	2	2
Number of shares held	13,909,587	11,543,207

All remittances are made in EURO.

23. Earnings in foreign exchange (on accrual basis):

(Rupees'000)

Particulars	Dec 2010	Dec 2009
FOB value of exports	2,066,941	2,247,983
Income from services rendered	15,626	33,090
Reimbursement of expenses & Market Support	729,944	488,589
Sale value of Long term Investment	1,007,507	-



24. Reimbursement of expenses includes expenses recovered for common shared utilities and services from Bayer CropScience Limited and Chiron Behring Vaccines Private Limited. Further it also includes market support and clinical trials reimbursement from fellow subsidiaries.
25. Capital work in progress as at December 31, 2010 includes intangibles under development amounting to Rs. 30,042 thousands (2009: Rs. 84,450 thousands)
26. Excise duty on sales amounting to Rs. 223,062 thousands (2009: Rs. 213,826 thousands) has been reduced from sales in profit & loss account and increase/ (decrease) of excise duty on inventories, sample etc. amounting to Rs. 18,679 thousands (2009: Rs. (4,215) thousands) has been considered as (income)/expense in Schedule 13 of financial statements.
27. The Company sold its entire shareholding of 4,900,000 Equity Shares of Rs. 10 each constituting 49% of the paid-up share capital of the Joint Venture Company (JVC), Chiron Behring Vaccines Private Limited in December 2010 to Novartis Pharma AG, (a nominee of Novartis Vaccines and Diagnostics Inc., the Company's partner in the JVC) for a sale consideration of Rs. 1,007,507 thousands on which the Company has earned a profit of Rs. 757,375 (net of tax of Rs. 201,132 thousand) thousands which is disclosed as an exceptional items.
28. Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to Non executive directors.

Particulars	(Rupees'000)	
	Dec 2010	Dec 2009
Profit before tax & exceptional items as per Profit and Loss Account	2,340,054	2,414,594
Add:		
Directors' Remuneration (Including Commission in Current year)	19,428	28,653
Provision for doubtful debts and advances	12,232	(3,125)
Net Profit as per Section 349 of the Companies Act, 1956	2,371,714	2,440,122
Commission to Non-Executive Directors		
Maximum Commission u/s 309 of Companies Act, 1956 at 1% of net profits	23,717	24,401
Commission Charged to Profit & Loss account (Including Rs. 1,900 thousand for the year ended December 31, 2009)	3,800	-

29. Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

Signatures to Schedules 1 to 16

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:301003E
Chartered Accountants
Per **Ravi Bansal**
Partner
Membership No. 49365
Mumbai : February 16, 2011

For and on behalf of the Board of
Directors of Aventis Pharma Limited

Dr. Vijay Mallya	Chairman
Dr. Shailesh Ayyangar	Managing Director
J. M. Gandhi	Director
M. Dargentolle	Director
S. R. Gupte	Director
A. K. R. Nedungadi	Director
M. G. Rao	Director
S. C. Ghoge	Director
K. Subramani	Company Secretary

Mumbai : February 16, 2011



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details	State Code 11
	Company Identification Number (CIN): L24239MH1956PLC0009794	
	Balance Sheet Date 31.12.2010	
II.	Capital Raised during the year (Amount in Rs. Thousands)	
	<u>Public Issue</u>	<u>Rights Issue</u>
	Nil	Nil
	<u>Bonus Issue</u>	<u>Private Placement</u>
	Nil	Nil
III.	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
	<u>Total Liabilities</u>	<u>Total Assets</u>
	10,141,502	10,141,502
	Sources of Funds	
	<u>Paid-up Capital</u>	<u>Reserves & Surplus</u>
	230,306	9,911,196
	<u>Secured Loans</u>	<u>Unsecured Loans</u>
	Nil	Nil
	Application of Funds	
	<u>Net Fixed Assets</u>	<u>Investments</u>
	1,843,505	3,631
	<u>Net Current Assets</u>	<u>Misc. Expenditure</u>
	8,294,366	Nil
	Accumulated Losses	
	Nil	
IV.	Performance of company (Amount in Rs. Thousands)	
	<u>Turnover*</u>	<u>Total Expenditure</u>
	11,984,360	9,644,306
	* Includes Other Income	
	<u>Profit/Loss before Tax</u>	<u>Profit/Loss After Tax and Exceptional items</u>
	+2,340,054	+ 2,307,523
	Earnings per Share in Rs.	Dividend Rate %
	100.19	550
V.	Generic Names of Three Principal Products/Services of company (as per monetary terms)	
	Item Code No. (ITC Code) : 3004 90 71	
	Product Description : RAMIPRIL TABLETS	
	Item Code No. (ITC Code) : 3004 90 63	
	Product Description : IBUPROFEN AND PARACETAMOL TABLETS	
	Item Code No. (ITC Code) : 2935 00 90	
	Product Description : GLIMEPIRIDE	

Group
sanofi aventis

Because health matters

Aventis Pharma Limited: Aventis House, 54/A, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai 400093, INDIA. Tel.: (91-22) 2827 8000.

ANNEXE TO THE REPORT OF THE DIRECTORS

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended December 31, 2010 and forming part of the Directors' Report for the said financial year.

A. Employed throughout the year under review and were in receipt of remuneration in aggregate of not less than Rs. 2,400,000

Name	Age (Years)	Qualifications	Designation	Date of commencement of employment	Experience (Years)	Gross Remuneration (Rs.)	Particulars of last employment
Dr. Ayyangar Shailesh	56	B.V.Fc & A.H., P.G.D.M. IIM (Ahmedabad)	Managing Director	25-Oct-05	31	9,240,869	Wholtime Director, Sanofi-Synthelabo (India) Limited
Mr. Baadkar Avinash	51	B.Sc.	Senior Director - Purchasing	08-Jul-93	28	4,056,488	Assistant Manager - Purchase, Pfizer Limited
Mr. Bhatnagar Tarun	59	B.Sc.	Resident Director	11-Dec-74	36	4,329,395	Sales Representative, Cosmos Enterprises
Ms. Cama Yasmin	56	B.A., LL.B., LL.M.	Senior Director - Legal Affairs	16-Sep-85	31	5,717,466	Advocate Assistant - Legal, Crawford Bayley & Co.
Mr. Dargentolle Michel	50	HEC, CEDEP (General Mgmt. Program)	Chief Financial Officer	15-Sep-09	27	2,880,194	Chief Financial Officer, Sanofi-Aventis, Hungary
Mr. Gangopadhyay Amitabha	45	M.Sc. (Human Physiology), GATE qualified	Senior Director - Business Excellence & Strategy	14-Apr-04	20	3,780,233	Marketing Manager, Glaxo Smithkline Limited
Mr. Ghoge Shirish	59	M.Com., LL.B., A.C.S., I.C.W.A., D.M.A.	Senior Director - Public Affairs & Supply Chain	15-Feb-79	39	7,095,166	Management Accountant, Guest Keen Williams Limited
Dr. Joglekar Sadanand	51	M.Sc., Ph. D.	Director - Chemistry Site (Ankleshwar)	01-Mar-93	22	3,165,792	Senior Scientific Officer, Rallis India Limited
Mr. Khamkar Milind	42	B.Sc., M.F.M. (Master's Degree in Financial Management)	Director - Information Technology	08-Mar-02	19	2,966,959	MIS Manager, Abbott Laboratories (I) Limited
Mr. Khettry Alok	45	B.Sc.	Senior Director - CNS & Emerging Markets BU	12-Jan-88	23	3,810,467	First Employment
Mr. Madhu Pattabhiraman	58	B.Sc. (Tech)	Senior Director - External Manufacturing Site	20-Feb-79	31	4,370,212	First Employment
Mr. Mukherjee Ashis Kumar	46	M.Sc. (Human Physiology), M.M.M. (Master's in Marketing Management)	Senior Director - Hospital & Oncology BU and Corporate Hospitals	16-Apr-97	22	3,963,312	Area Sales Manager, Glaxo India Limited
Mr. Narayanaswamy M. K.	56	B. Com., A.I.C.W.A.	Senior Director - Accounting & Taxation	06-Feb-84	33	3,929,038	Cost Accountant, Godfrey Phillips India Limited
Mr. Passi Mukesh	57	B.Sc.	Director - Institutional Business & Corporate Hospitals	29-Oct-73	37	2,912,904	First Employment
Mr. Parab Krishnakant	49	B.Com., M.M.M. (Master's in Marketing Management)	Director - Supply Chain	16-Feb-95	28	3,458,843	Assistant Manager - Commercial, Merind Limited
Mr. Parwani Bharatkumar	53	B.Pharm., D.A.M., P.G.D.M.	Senior Director - Business Development	01-Jun-84	32	3,790,348	Pharmacist Supervisor, Sandoz (India) Limited
Mr. Rao Madhusudan	60	M.Sc. (Organic Chemistry), D.B.M.	Senior Director - Industrial Affairs, India	20-Jun-73	37	8,134,600	First Employment
Mr. Sekar S.	51	B.Sc.	Senior Director - Cardiology BU	01-May-97	30	3,655,920	Regional Business Manager, Fulford India Limited
Mr. Sood Ashwani	50	M. Pharm	Director - Pharmaceutical Site (Ankleshwar)	27-Oct-88	25	3,482,527	Production Supervisor, E Merck India Limited
Mr. Subramani K.	56	B.Com., Grad C.W.A., LL.B., A.C.S.	Senior Director - Internal Audit & Company Secretary	10-Oct-78	35	4,359,160	Officer Cost, The Associated Cement Companies Limited
Mr. Umesh Susheel	44	B. Pharm, MBA Marketing	Senior Director - Commercial Operations (Diabetes & Tier I)	22-Aug-94	20	5,373,562	Product Manager, Rallis India Limited
Dr. Vadivale Muruga	52	M.Sc., M.B.B.S.	Senior Director - Medical & Regulatory Affairs	01-Dec-07	28	5,047,461	Medical Director, Brunei, Singapore & Malaysia, Sanofi-Aventis
Mr. Vaishnav Pradeep	54	B.Sc., Master's in Social Work	Senior Director - Human Resources	27-Jan-03	29	5,084,179	General Manager - Human Resources (Sales), Aventis Pharma Limited
Mr. Vete Pratin	43	Master's in Management Studies (Marketing)	Senior Director - Commercial Operations (Tier II and Internal Medicine)	04-Aug-03	21	4,953,700	Manager Business Planning & MIS, Novartis India Limited

B. Employed for part of the year under review and were in receipt of remuneration in aggregate of not less than Rs. 200,000 per month

Name	Age (Years)	Qualifications	Designation	Date of commencement of employment	Experience (Years)	Gross Remuneration (Rs.)	Particulars of last employment
Mr. Arya Arunkumar	52	M.Sc.	Director - Public Affairs	07-Jan-81	29	3,189,972	First Employment
Mr. Bala S.	60	B.Sc.	Regional Business Manager	04-Sep-71	39	3,594,624	First Employment
Mr. Dharwadkar Sanjeev	49	M.Pharm, D.B.M., M.A.M.	Senior Director - External Manufacturing Site	01-Jun-94	26	2,210,405	Development Executive, Boots Pharmaceuticals Limited
Dr. Goel Devendrakumar	58	B.V.Sc & A.H.	Director - Exports	19-Dec-02	34	858,209	Senior Manager - Purchase, SmithKline Beecham Limited
Dr. Hathial Manishchandra	40	M.B.B.S., M.D.	Associate Director - Medical Affairs	04-Jun-03	14	1,143,535	General Manager, Medley Pharmaceuticals
Mr. Padmanabhan K.	60	B.Com.	Senior Manager - Accounts & Administration	09-Jun-72	38	2,661,471	First Employment
Mr. Shirali Sanat	60	B.Sc.	Director - Tier II Sales & Business Support	01-Sep-71	40	6,602,922	First Employment
Mr. Wadhwa Sunir	60	B.Sc. (Chemistry)	Senior Director - Emerging Markets, CNS & IM BU	11-Dec-72	38	2,894,811	First Employment

NOTES :

- 1 All appointments are/were contractual.
- 2 Remuneration includes salary, bonus, rent/house rent allowance and other allowances, Company's contribution to Provident Fund, Superannuation Fund, leave travel assistance, medical expenses, depreciation of furniture/appliances and perquisite value of car as per Income Tax rules, but excludes Company's contribution to Gratuity Fund.
- 3 Other terms and conditions of employment are as per agreement of service and rules of the Company.
- 4 None of the employees is a relative of any Director of the Company.

By Authority of the Board

DR. VIJAY MALLYA
CHAIRMAN

16th February 2011

AVENTIS PHARMA LIMITED

Registered Office: Aventis House, 54/A, Sir Mathuradas VasANJI Road, Andheri East, Mumbai 400 093

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-fifth Annual General Meeting of the Members of Aventis Pharma Limited will be held on Tuesday, 26th April 2011 at 12 noon at Y. B. Chavan Centre – Auditorium, Gen. J. Bhosale Marg, near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st December 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
“RESOLVED THAT an Interim Dividend for the year ended 31st December 2010 of Rs. 4 per Equity Share of Rs. 10 paid to the Members whose names appeared on the Register of Members on 27th July 2010, be and the same is hereby approved and confirmed.
RESOLVED FURTHER THAT a Final Dividend for the year ended 31st December 2010 of Rs. 23 per Equity Share of Rs. 10 together with a Special One-time Dividend of Rs. 28 per Equity Share of Rs. 10 be paid to:
 - i) those Members whose names appear on the Register of Members of the Company on 26th April 2011; and
 - ii) those whose names appear as beneficial owners as at the close of business on 5th April 2011, as per details to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.”
3. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
“RESOLVED that Mr. S. R. Gupte who retires by rotation and who is eligible for re-election be and is hereby re-appointed a Director.”
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :
“RESOLVED THAT M/s. S. R. Batliboi & Co., Chartered Accountants, (Firm Registration No. 301003E) be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting.
RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors.”

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. J. M. Georges who was appointed an Additional Director of the Company on 29th July 2010 and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. J. M. Georges as candidate for the office of Director, be and is hereby appointed a Director of the Company.”
6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. F. X. Duhalde who was appointed an Additional Director of the Company on 29th July 2010 and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. F. X. Duhalde as candidate for the office of Director, be and is hereby appointed a Director of the Company.”
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :
“RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto, to the re-appointment of Dr. S. Ayyangar as Managing Director of the Company for a period of five years with effect from 25th October 2010 and to his receiving remuneration, benefits and amenities as Managing Director of the Company as set out in the Explanatory Statement annexed to the Notice of this Meeting and upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Dr. S. Ayyangar, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Dr. S. Ayyangar as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required, but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

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

“RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 and all other applicable provisions of the Companies Act, 1956, read with Schedule XIII thereto, to the appointment of Mr. M. G. Rao (presently Alternate to Mr. J. M. Georges) as Wholtime Director of the Company for the period from 25th October 2010 to 5th September 2011 and to his receiving remuneration, benefits and amenities as Wholtime Director of the Company upon the terms and conditions and stipulations contained in an Agreement to be entered into between the Company and Mr. Rao, a draft whereof is placed before the Meeting and which, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. J. M. Georges returning to the State of Maharashtra and Mr. Rao being appointed as Alternate Director to Mr. Georges or Mr. Rao being appointed as Alternate Director to any other Director or Mr. Rao filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General Meeting.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said draft Agreement shall nevertheless be paid and allowed to Mr. Rao as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the approval of the Central Government, if required, but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

By Order of the Board

K. SUBRAMANI
COMPANY SECRETARY

Registered Office:

Aventis House
54/A, Sir Mathuradas VasANJI Road
Andheri East
Mumbai 400 093

Mumbai, 4th March 2011

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company. The Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members of the Company shall remain closed from Wednesday, 6th April 2011 to Tuesday, 26th April 2011 (both days inclusive).
3. The relevant Explanatory Statement in respect of Item Nos. 5 to 8 of the Notice is annexed to and forms part of the Notice.
- 4 (i) The Company has transferred all unclaimed dividends upto the financial year ended 31st March 1995 to the General Revenue Account of the Central Government as required under Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrants for the said years are requested to claim the amount from the Registrar of Companies, Maharashtra.
(ii) Pursuant to Section 205A and 205C of the Companies Act, 1956, unclaimed dividends upto the Interim Dividend for the year ended 31st December 2003 have been transferred to the Investor Education and Protection Fund.

In terms of Section 205A and 205C, any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Once unclaimed dividends are so transferred, Members will not be entitled to claim these dividends.

Members who have not encashed their dividend warrants towards the Final Dividend for the year ended 31st December 2003 or thereafter are requested to write to the Company's Registrars and Transfer Agents.

5. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies at the Meeting.

PROFILE OF DIRECTORS BEING APPOINTED

As required by Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be appointed are given below,

1. Name : Mr. S. R. Gupte
 Age : 72 Years
 Qualifications : B.Com, FCA
 Experience : Mr. Gupte worked with Caltex India Limited from 1964 for 5 ½ years in various capacities.

He joined Air India in 1969 and worked in various positions in India and abroad. He was promoted as Director of Finance in May 1988 and also took charge as Director-Human Resources Development in August 1988. He was also entrusted with the functions of Deputy Managing Director at the same time. He took over in the acting capacity as Chairman and Managing Director of Air India from 17th July 1990 and was also Chairman of Hotel Corporation of India till November 1991.

During his tenure with Air India, he was on the Boards of Air Mauritius and Indian Airlines and was Deputy Chairman and Vice President of Airline Mutual Insurance based in Bermuda. He was a Member of International Air Transport Association (IATA) Executive and Financial Committees and Fuel Trade Group. He was also a Director on the Board of Pacific Asia Travel Association.

Mr. Gupte joined the United Breweries Group in March 1992 as Executive Vice Chairman. He is on the Board of a number of Public Limited Companies.

He has been on the Board of the Company from 9th March 1993.

Other Directorships (as on 16th February 2011)

<u>Name of the Company</u>	<u>Position held</u>
Associated Breweries & Distilleries Limited	Director
Kingfisher Airlines Limited	Director
Mangalore Chemicals & Fertilizers Limited	Director
Millennium Beer Industries Limited	Director
Shaw Wallace Breweries Limited	Director
UB Electronic Instruments Limited	Director
United Spirits Limited	Director
VJM Media Private Limited	Director
United Helicharters Pvt. Ltd.	Director

Membership of Committees

<u>Name of the Company</u>	<u>Member of Committee</u>
Kingfisher Airlines Limited	a) Audit Committee b) Share Allotment, Transfer & Investor Grievances Committee Audit Committee
Mangalore Chemicals & Fertilizers Limited	a) Audit Committee (Chairman) b) Shareholders'/Investors' Grievance Committee (Chairman) c) Remuneration Committee (Chairman) d) Share Transfer Committee (Chairman)
United Spirits Limited	a) Audit Committee b) Compensation Committee c) General Committee of Directors

Mr. Gupte does not hold any shares in the Company.

2. Name : Mr. J. M. Georges
 Age : 57 Years
 Qualifications : Degree in Pharmacy
 Experience : Mr. Georges joined the sanofi-aventis Group in 1983 as Manager in the Granulation Department of Labaz in France. Since then he has held various positions in Group affiliates in France and Morocco. Presently he is Director – Industrial Pharma Intercontinental of the sanofi-aventis Group.

Mr. Georges is not a Director of any other Company in India. He is a Director of two companies incorporated outside India.

Mr. Georges does not hold any shares in the Company.

3. Name : Mr. F. X. Duhalde
 Age : 45 Years
 Qualifications : Degree in Business Administration, HEC MBA
 Experience : Mr. Duhalde joined Roussel Greece in 1987. He subsequently held positions in Roussel Uclaf, France and Roussel Argentina from 1989 to 1994. He joined Sanofi in France in 1996 as Regional Controller for Turkey and South Africa. He thereafter held positions in Sanofi-Synthelabo Argentina and Sweden between 1997 and 2003. From 2004 to March 2010 he was Chief Financial Officer for Sanofi-Aventis de Mexico. In April 2010 he was appointed as Chief Financial Officer for Asia Pacific and Japan for sanofi-aventis.

Mr. Duhalde is a Director and Member of the Audit Committee of Sanofi-Synthelabo (India) Limited. He is also a Director of 25 companies incorporated outside India.

Mr. Duhalde does not hold any shares in the Company.

4. Name : Dr. Shailesh Ayyangar
 Age : 56 Years
 Qualifications : Doctor of Veterinary Medicine and a MBA from the Indian Institute of Management, Ahmedabad
 Experience : Dr. Ayyangar held Senior sales and marketing positions in Smithkline Beecham Pharmaceuticals and Glaxosmithkline in India and Great Britain. He was also a Wholetime Director of Smithkline Beecham Pharmaceuticals before its merger with Glaxo. He was Head of a business unit in Smithkline Beecham UK for over 4 years.

Dr. Ayyangar became a Non-Retiring Director of the Company on 25th October 2005. He was designated by the Board of Directors as the Managing Director for a period of five years from the said date.

By a resolution passed by the Board of Directors at its Meeting held on 19th July 2010, Dr. Ayyangar has been re-appointed as Managing Director for a further period of five years from 25th October 2010, subject to the approval of the Shareholders of the Company.

Other Directorships (as on 16th February 2011)

<u>Name of the Company</u>	<u>Position Held</u>
Sanofi-Synthelabo (India) Limited	Managing Director
sanofi-aventis Lanka Limited	Director
sanofi-aventis Pakistan limited	Director

Membership of Committees

<u>Name of the Company</u>	<u>Member of Committee</u>
Sanofi-Synthelabo (India) Limited	Audit Committee

Dr. Ayyangar does not hold any shares in the Company.

5. Name : Mr. M. G. Rao
 Age : 60 years
 Qualifications : M.Sc. in Organic Chemistry, Diploma in Management Studies
 Experience : Mr. Rao joined the Company in 1973 in the Research Centre. He has held senior positions in Manufacturing operations.

He is presently designated Senior Director - Industrial Affairs.

Mr. Rao was Alternate Director to Dr. Carlo de Notaristefani from 29th July 2003 to 26th January 2004 and to Mr. A. Peychaud from 26th March 2004 to 31st October 2006. He was Alternate to Mr. J. M. Georges from 10th November 2006 to 26th October 2009. He has been appointed as Alternate to Mr. J. M. Georges from 25th October 2010.

Mr. Rao is not a Director of any other Company.

Mr. Rao does not hold any shares in the Company.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

The following Explanatory Statement sets out all material facts relating to Item Nos. 5 to 8 of the accompanying Notice of the Annual General Meeting to be held on 26th April 2011:

1. Item No. 5

By a Resolution passed by the Board of Directors on 29th July 2010, Mr. J. M. Georges was appointed an Additional Director of the Company. Under Section 260 of the Companies Act, 1956, Mr. Georges holds office upto the date of the Annual General Meeting. The Company has received Notice from a Member under Section 257 of the said Act signifying his intention to propose Mr. Georges as a candidate for the office of Director.

Mr. Georges is presently Director – Industrial Pharma Intercontinental of the sanofi-aventis Group. He has wide ranging experience in the pharmaceutical industry. The Directors are of the opinion that Mr. Georges' knowledge and experience will be of benefit to the Company.

The Board, therefore, recommends that the Resolution set out in Item No. 5 of the Notice convening the Meeting be approved and passed.

No Director, excepting Mr. Georges, is concerned or interested in the Resolution.

2. Item No. 6

By a Resolution passed by the Board of Directors on 29th July 2010, Mr. F. X. Duhalde was appointed an Additional Director of the Company. Under Section 260 of the Companies Act, 1956, Mr. Duhalde holds office upto the date of the Annual General Meeting. The Company has received Notice from a Member under Section 257 of the said Act signifying his intention to propose Mr. Duhalde as a candidate for the office of Director.

Mr. Duhalde is presently Chief Financial Officer – Asia Pacific & Japan of the sanofi-aventis Group. He has wide ranging experience in the pharmaceutical industry. The Directors are of the opinion that Mr. Duhalde's knowledge and experience will be of benefit to the Company.

The Board, therefore, recommends that the Resolution set out in Item No. 6 of the Notice convening the Meeting be approved and passed.

No Director, excepting Mr. Duhalde, is concerned or interested in the Resolution.

3. Item No. 7

Dr. Shailesh Ayyangar became a Non-Retiring Director of the Company on 25th October 2005. The Board of Directors had, by a Resolution passed at its Meeting held on 25th October 2005, designated him as Managing Director of the Company for a period of five years from the said date.

The Board of Directors has, by a Resolution passed at its Meeting held on 19th July 2010, re-appointed Dr. Ayyangar as Managing Director of the Company for a further period of 5 years from 25th October 2010, subject to the approval of the Shareholders of the Company.

The remuneration proposed to be paid and the perquisites to be provided to Dr. Shailesh Ayyangar are set out below:

- i) Salary - Rs. 440,000 per month
 - ii) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 440,000 to Rs. 800,000 per month.
 - iii) Performance Bonus with a target payout of Rs. 1,774,080 for the financial year ended 31st December 2010 and a payout range of 0% to 120% of target amount to be paid at the end of the financial year, as may be determined by the Board of Directors. (The target payout will undergo revision every year.)
 - iv) Provident Fund - Company's contribution of 12% of basic salary.
 - v) Interest subsidy @ Rs. 4,500 per lakh per annum towards interest on loan taken by him for purchase of house subject to a maximum loan amount of Rs. 25,00,000.
 - vi) Housing - The Company to provide rent free, partially furnished, fully airconditioned, residential accommodation with telephone, gas and electricity, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
 - vii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
 - viii) Free use of the Company's car and reimbursement of salary of driver for use on the Company's business as well as for own use.
 - ix) The Company to pay the premium for the Personal Accident Insurance Policy taken for Dr. Ayyangar along with other Officers of the Company.
 - x) The Company to pay the premium for the Group Insurance Policy taken for Dr. Ayyangar as per rules of the Company.
 - xi) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
 - xii) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
 - xiii) Reimbursement of actual travelling, mobile phone and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- (All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Dr. S. Ayyangar as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board / Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency without prior approval of the Central Government.
- c) The holding of office as Managing Director may be terminated by the Company or Dr. S. Ayyangar by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Dr. Ayyangar's knowledge and experience will be of immense value to the Company. The Board, therefore, recommends the acceptance of the Resolution set out in Item No. 7 of the Notice convening the Meeting.

The said draft Agreement referred to in the Resolution is available for inspection to the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director, excepting Dr. Ayyangar, is concerned or interested in the Resolution.

4. Item No. 8

By a Resolution passed at the Annual General Meeting held on 3rd June 2004, the Members of the Company had approved the appointment of and remuneration payable to Mr. M. G. Rao, Wholetime Director (then Alternate to Mr. A. Peychaud) for a period of five years from 29th July 2003.

By a Resolution passed at the Annual General Meeting held on 24th April 2008, the Members of the Company had approved the appointment of and remuneration payable to Mr. M. G. Rao, Wholetime Director (then Alternate to Mr. J. M. Georges) for the period from 29th July 2008 to 5th September 2010.

The Board of Directors has, by a Resolution passed at its Meeting held on 25th October 2010, approved the appointment of Mr. M. G. Rao as Wholetime Director of the Company (being Alternate to Mr. J. M. Georges) for the period from 25th October 2010 to 5th September 2011, subject to the approval of the Shareholders of the Company.

Mr. Rao may be deemed to be holding an office or place of profit within the meaning of Section 314 (1) of the Companies Act, 1956. The appointment of and remuneration payable to Mr. Rao requires your approval by a Special Resolution.

The remuneration proposed to be paid and the perquisites to be provided to Mr. Rao are set out below:

- i) (a) Salary - Rs. 259,000 per month
 - (b) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 259,000 to Rs. 400,000 per month.
 - ii) Special Allowance: Rs. 90,816 per month
 - iii) (a) Bonus : 5% of Annual Salary
 - (b) Performance Bonus – Payment of Performance Bonus with a target payout of Rs. 1,465,963 for the financial year ended 31st December 2010 and a payout range of 0% to 120% of target amount to be paid at the end of the financial year, as may be determined by the Board of Directors. (The target payout will undergo revision every year.)
 - iv) Provident Fund - Company's contribution not to exceed 12% of salary.
 - v) Superannuation Fund – Company's contribution not to exceed 15% of salary.
 - vi) Gratuity - Gratuity benefits as applicable to Officers of the Company and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.
 - vii) Housing – The Company to provide rent free accommodation in a Company owned or leased flat or to pay Mr. Rao House Rent Allowance of Rs. 75,000 per month or such amount as may be fixed by the Board of Directors from time to time. The flat (either owned or leased or for which House Rent Allowance is paid) shall be partly furnished and air conditioned with reimbursement of gas, water and electricity bills, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
 - viii) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
 - ix) Free use of the Company's car, fuel and reimbursement of salary of driver for use on the Company's business as well as for own use.
 - x) The Company to pay the premium for the Personal Accident Insurance Policy taken for Mr. Rao along with other Officers of the Company.
 - xi) The Company to pay the premium for the Group Insurance Policy taken for Mr. Rao as per rules of the Company.
 - xii) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
 - xiii) Leave Travel Concession for self and family for undertaking one or more journeys in India subject to a ceiling of one and half month's salary in a financial year.
 - xiv) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company in the Head Office.
 - xv) Reimbursement of bills for residential landline and mobile telephone and actual travelling / entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.
- (All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

MINIMUM REMUNERATION

The above remuneration (including perquisites) shall be paid to Mr. Rao as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company but shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

OTHER TERMS AND CONDITIONS

- a) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and / or minor children in any selling agency without prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. Rao by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Mr. Rao's knowledge and experience will be of benefit to the Company. The Board, therefore, recommends the acceptance of the Resolution set out in item No.8 of the Notice convening the Meeting.

The said draft Agreement referred to in the Resolution is available for inspection to the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director, excepting Mr. Rao, is concerned or interested in the Resolution.

By Order of the Board

K. SUBRAMANI
COMPANY SECRETARY

Registered Office:
Aventis House
54/A, Sir Mathuradas VasANJI Road
Andheri East
Mumbai 400 093
Mumbai, 4th March 2011

AVENTIS PHARMA LIMITED

Registered Office: Aventis House, 54/A, Sir Mathuradas VasANJI Road, Andheri East, Mumbai 400 093

PROXY FORM

Reg. Folio No.

I/We

of

.....

.....in the district of

being a member/members of the above named Company hereby appoint

..... of

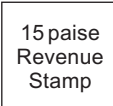
in the district of or failing him

of in the district of

as my/our proxy to vote for me/us on my/our behalf at the FIFTY-FIFTH ANNUAL GENERAL MEETING of the Company to be held on 26th April 2011 and at any adjournment(s) thereof.

Signed this day of

Signature



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

AVENTIS PHARMA LIMITED

Registered Office: Aventis House, 54/A, Sir Mathuradas VasANJI Road, Andheri East, Mumbai 400 093

ATTENDANCE SLIP

Fifty-fifth Annual General Meeting – 26th April 2011

Reg. Folio No.

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the FIFTY-FIFTH ANNUAL GENERAL MEETING of the Company at Y. B. Chavan Centre - Auditorium, Near Sachivalaya Gymkhana, General J. Bhosale Marg, Mumbai 400 021 on Tuesday, 26th April 2011.

.....
Member's/Proxy's name in full

.....
Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL

BOOK-POST



55th Annual Report 2010 Aventis Pharma Limited

Group
sanofi aventis
Because health matters

Aventis Pharma Limited: Aventis House, 54/A, Sir Mathuradas Vasani Road, Andheri (East), Mumbai 400093, INDIA. Tel.: (91-22) 2827 8000.

Because health matters
sanofi aventis
Group

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