

# SOLVAY PHARMA INDIA LTD.

The Secretary,  
Bombay Stock Exchange Ltd.  
Phiproze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400023

Secretarial  
April 21.04.2011

Dear Sir,

Sub: Proceedings of the Annual General Meeting held on 18.04.2011

Pursuant to clause 31 (d) of the listing agreement, we wish to inform that at the Annual General Meeting held on 18.04.2011 at Crystal Hall, Quality Inn Parle International, B. N. Agarwal Commercial Complex, Vile Parle (East), Mumbai - 400 057 the following resolutions were passed by the shareholders:-

1. "RESOLVED THAT the audited Balance Sheet as at December 31, 2010 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon be and they are hereby received and adopted."
2. "RESOLVED THAT as recommended by the Board of Directors, Dividend for the year ended 31<sup>st</sup> December 2010, of Rs.25.50 (255%), per share on 5,049,706 Equity Shares of Rs.10/- each payable out of the profits of the Company, be declared and paid to those members whose names are on the Company's Register of Members as on 18<sup>th</sup> April 2011."
3. "RESOLVED THAT Mr. D. G. Rajan be and is hereby re-appointed as a Director of the Company."
4. "RESOLVED THAT Mr. S.N.Talwar be and is hereby re-appointed as a Director of the Company."

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5. "RESOLVED THAT Messrs. Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration. The ICAI registration number of Messrs. Deloitte Haskins & Sells, Auditors is 117366W."
6. "RESOLVED THAT the Non-Executive Independent Directors, be paid remuneration by way of commission of an amount not exceeding Rs. 400,000/- per annum for period of five years commencing from the year ended December 31, 2011."
7. "RESOLVED THAT a one-time discretionary retention bonus of Rs.14,47,800/- be paid to Mr. Niteen B. Gadgil in two equal installments of Rs.7, 23,900/- each payable in the last week of April 2011 and last week of August, 2011, with the second installment payable only if he continues to be in services of the Company till August 15, 2011, subject to the approval of the shareholders and other approvals as may be necessary."

We are also enclosing a copy of the Chairman's Speech.

We trust this meets the compliance requirement under clause 31 (d) of the listing agreement. In case you need any further information / document please let us know.

Thanking you,  
Yours Faithfully,  
For Solvay Pharma India Limited.

  
(Manish A. Mestry)

Company Secretary & Legal Manager  
Encl: As above

Ladies and Gentlemen,

I am very pleased to extend a warm welcome to each of you to the 12<sup>th</sup> Annual General Meeting of your company. I trust all of you are pleased with the results for the year ended December 2010. This year has been a special year for your company because your company crossed Rs. 300 crore landmark in sales. The sales for the year showed 23% growth over 2009, far better than the 16% market growth. I congratulate the entire SPIL team on your behalf for this excellent achievement under challenging circumstances.

As all of you are aware, Solvay Group's global Pharmaceutical business was acquired by Abbott Laboratories, USA in February 2010 and since then, the integration has been progressing in various countries around the world.

In India, too, the process is being followed in accordance with Indian regulations. Last month your Company held a court convened meeting for approving the scheme of amalgamation of your Company with Abbott India Limited pursuant to the order, dated February 11, 2011, of the Hon'ble High Court of Judicature at Mumbai. The resolution for amalgamation was approved by an overwhelming majority in value as well as in numbers by the member present and voting. On behalf of the Company I thank all of you for supporting the amalgamation.

The Pharma market in India, which is currently growing at the rate of 16+ per cent is expected to continue its strong growth in the coming times. Both the market segments, Acute and Chronic, are showing a healthy growth, though there is a clear trend of moving towards chronic therapies. Similarly, preventive medical care is getting increased importance, and hence, vaccines have emerged as one of the lucrative segments of the industry. The domestic vaccine market has recorded a growth of 15% in the last fiscal year and is expected to grow at 15- 20% over the years.

The Pharma Industry in India also face challenges from factors like effects of new product patent regulations, data protection, drug price control, market access and reach. The challenge of counterfeit and spurious drugs is still daunting and remains effectively unresolved.

As mentioned before, your Company achieved sales of Rs. 302 Crore in 2010. Duphaston® maintained the 1st rank contributing 23% of the total Company turnover. Both the divisions have contributed to this achievement.

In the first three months of 2011, the Company continued to register a strong sales growth in both the divisions and all the therapy areas. Your Company continues to lay emphasis on sustainable growth through ethical means. During the year the Company introduced two new products "Solfe®" an Iron Supplement and "Acuver®" an anti- emetic and anti-nauseant. While there is an element of uncertainty in the economy and business, the Company's endeavor is to sustain operational growth in line with the industry growth both in terms of turnover and profitability.

The Board has recommended a dividend of 25% i.e. Rs 25.50 per equity share of Rs. 10/-.

Before I conclude, I take the opportunity to thank all the stakeholders, especially the SPIL Team, for their commitment and wholehearted support in accomplishing our business plans. I also wish to thank my colleagues on the Board for their valuable contribution to the Company's progress.

With this I place, for your approval and adoption, the Directors' Report and the audited accounts for the period ended December 31, 2010.