

# commitment to innovation

Annual Report 2004



AstraZeneca   
life inspiring ideas

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# life inspiring ideas



AstraZeneca is one of the world's leading pharmaceutical companies.

Our success is based on our passion for new ideas - that make a difference to life for all those who benefit from our business.

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For patients, we discover effective new medicines for treating some serious illnesses.

For employees, we aim to provide a culture of creativity in which they feel valued, energised and rewarded for their performance.



# ASTRAZENECA PHARMA INDIA LIMITED

## Board of Directors

D E Udwadia, *Chairman*  
J A Stevens  
K S Shah  
Andrew Howden  
Ms Philippa Rodriguez (*w.e.f. 21.04.2004*)  
Bhasker V Iyer, *Managing Director*  
(*w.e.f. 06.05.2004*)  
Lars Walan, *Managing Director*  
(*upto 01.04.2004*)

## Committees of Directors:

### Audit Committee

K S Shah, *Chairman*  
D E Udwadia  
J A Stevens

### Transfer and Shareholders Grievance Committee

D E Udwadia, *Chairman*  
K S Shah  
Bhasker V Iyer

### Company Secretary

Supriya Kumar Guha

## Bankers

The Hongkong and Shanghai Banking Corporation Ltd.  
State Bank of India

## Auditors

BSR & Co., Bangalore

## Legal Advisors

Udwadia & Udeshi, Mumbai

## Corporate and Registered Office

"Avishkar"  
Off Bellary Road  
Hebbal  
Bangalore 560 024

## Factory

12<sup>th</sup> Mile on Bellary Road  
Kattigenahalli Village, Yelahanka  
Bangalore 560 063

## Sales Outlets

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

\* Company outlets

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Annual General Meeting  
@ 3.30 p.m. 6<sup>th</sup> April 2005  
Ball Room, Taj West End Hotel  
Race Course Road, Bangalore 560 001



# NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held at 3.30 p.m. at the Ball Room, Taj West End Hotel, Bangalore on 6<sup>th</sup> April, 2005 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> December, 2004 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr.J.A. Stevens, who retires by rotation, and, being eligible, offers himself for re-appointment.
4. To appoint M/s. BSR & Co., (formerly known as M/s Bharat S Raut & Co.) Chartered Accountants, as Auditors and to authorize the Board of Directors to fix their remuneration.
5. To appoint a Director in place of Ms. Philippa Rodriguez who was appointed by the Board of Directors as a Director with effect from 21<sup>st</sup> April, 2004 pursuant to Article 116 of the Articles of Association of the Company to fill the casual vacancy caused by the resignation of Mr. Lars Walan, and who holds office under Section 262 and other applicable provisions, if any, of the Companies Act, 1956 upto the date of this Annual General Meeting, and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the said Act signifying his intention to propose her as a candidate for the office of Director.
6. To appoint a Director in place of Mr. Bhasker V. Iyer, who was appointed as an additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice from a Member under Section 257 of the said Act signifying his intention to propose him as a candidate for the office of Director.
7. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
  
“RESOLVED THAT pursuant to Section 269 of the Companies Act, 1956 read with Schedule XIII thereto, and other applicable provisions of the said Act, the appointment of Mr. Bhasker V. Iyer as Managing Director of the Company for a period of five years from 6<sup>th</sup> May, 2004 on the remuneration including perquisites to be paid or granted to him as set out in the Agreement dated 6<sup>th</sup> May, 2004 entered into by the Company with Mr. Iyer placed before the meeting be and the same is hereby approved.”



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

“RESOLVED THAT the Board of Directors be and is hereby authorised to pay to the non-executive Directors of the Company such fee as it may determine from time to time not exceeding the limit prescribed

under the Companies Act, 1956, for every meeting of the Board of Directors and/or a Committee thereof attended by them.”

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

**S K GUHA**  
COMPANY SECRETARY

Registered Office:  
“Avishkar”  
Off Bellary Road  
Hebbal  
Bangalore 560 024

Dated: 16<sup>th</sup> February 2005



## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 ("the Act"), in respect of item Nos. 5 to 8 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22<sup>nd</sup> March, 2005 to 6<sup>th</sup> April, 2005 (both days inclusive).
4. The Dividend, if any, that may be declared at the Meeting will be paid on or before 5<sup>th</sup> May, 2005 to those Members whose names appear in the Company's Register of Members as on 6<sup>th</sup> April, 2005.
5. Members are requested to immediately notify change of address, if any, to the Company's Registrars and Share Transfer Agents, M/s. Alpha Systems Private Limited, 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bangalore – 560 003 (Telephone No.080-23460815 / 6 / 7 / 8 – Fax No.080-23460819).
6. For the convenience of Members and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members/proxies attending the Meeting are kindly requested to complete the enclosed Attendance Slip and affix their signature at the place provided thereon and hand it over at the entrance.
7. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of share folios and send the relative share certificates to the Company's Registrars and Share Transfer Agents.
8. Members are requested to quote the Folio Numbers / Client Id / DP Id in all correspondence.
9. Members/proxies are requested to bring a copy of the Annual Report along with them to the Meeting since extra copies will not be supplied at the Meeting.
10. (a) Members may please note that unpaid or unclaimed Dividends in respect of the financial years upto 1993-94 have been transferred to the credit of the General Revenue Account of the Central Government in terms of Section 205A of the Act. Members who have not encashed the dividend warrants for the aforesaid financial years are requested to claim the amount from the Registrar of Companies - Karnataka, Kendriya Sadan, 2<sup>nd</sup> Floor, 'E' Wing, Koramangala, Bangalore. Intimations have been sent to the Members concerned, pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.



- (b) Members may also please note that consequent to the amendment to Section 205A(5) of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, all amounts transferred to the Unpaid Dividend Account of the Company for the years 1994-95, 1995-96 and 1996-97 and remaining unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer have been transferred to the Investor Education and Protection Fund.
11. Members are requested to note that as prescribed by Securities and Exchange Board of India (SEBI), trading in securities of the Company are in dematerialised form only. Hence, Members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for Demat facilities.

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

**Item No.5**

At the meeting of the Board of Directors of the Company ("the Board") held on 21<sup>st</sup> April, 2004, Ms. Philippa Rodriguez ("Ms. Rodriguez") was appointed as a Director of the Company to fill the casual vacancy caused by the resignation of Mr. Lars Walan. Pursuant to Section 262 of the Companies Act, 1956 ("the Act") read with Article 116 of the Articles

of Association of the Company, Ms. Rodriguez holds office upto the date to which Mr. Walan, in whose place she was appointed, would have held office had he continued to be a Director of the Company. Mr. Walan would have ceased to hold office as a Director of the Company at the date of the forthcoming Annual General Meeting of the Company. Accordingly, Ms. Rodriguez will hold office upto the date of the forthcoming Annual General Meeting of the Company.

Notice in writing has been received from a Member under Section 257 of the Act, signifying his intention to propose Ms. Rodriguez as a candidate for the office of Director of the Company along with a deposit of Rs. 500/- (Rupees Five Hundred only) which shall be refunded to the Member, if Ms. Rodriguez is elected as a Director of the Company.

The Directors of the Company consider that her appointment as a Director of the Company will be beneficial to the Company having regard to her knowledge and experience. The Directors of the Company accordingly recommend that she be appointed as a Director of the Company.

Ms. Rodriguez is interested in the resolution at item No.5 of the Notice since it relates to her appointment.

**Item Nos. 6 and 7**

At the meeting of the Board held on 21<sup>st</sup> April 2004, Mr. Bhasker V. Iyer ("Mr. Iyer") was appointed as an additional Director of the Company, with effect from 6<sup>th</sup> May 2004. Pursuant to Section 260 of the Act, read with Article 116 of the Articles of Association of the Company, he holds office upto the date of the



forthcoming Annual General Meeting of the Company. Notice in writing has been received from a Member under Section 257 of the Act, signifying his intention to propose Mr. Iyer as a candidate for the office of Director of the Company along with a deposit of Rs.500/- (Rupees Five Hundred only), which shall be refunded to the Member, if Mr. Iyer is elected as a Director of the Company.

The Directors of the Company consider that his appointment as a Director of the Company will be beneficial to the Company having regard to his knowledge and experience. The Directors of the Company accordingly recommend that he be appointed as a Director of the Company.

At the said meeting of the Board held on 21<sup>st</sup> April, 2004, Mr. Iyer was also appointed Managing Director of the Company, subject to approval of the Members in general meeting, for a period of 5 (five) years from 6<sup>th</sup> May, 2004.

An Agreement dated 6<sup>th</sup> May, 2004 was entered into between the Company and Mr. Iyer setting out the terms of his appointment, including his remuneration as Managing Director of the Company.

The terms of his appointment including his remuneration are set out in the Agreement referred to in the resolution at item No.7 of the Notice. An Abstract pursuant to Section 302 of the Act setting out the material terms of Mr. Iyer's appointment and remuneration provided in the Agreement dated 6<sup>th</sup> May, 2004, was sent to all the Members in May, 2004.

The material terms of the Agreement dated 6<sup>th</sup> May, 2004 are set out below :

1. Subject to the consent of the Company in general meeting, Mr. Iyer to be appointed as Managing Director of the Company for a period of 5 (five) years effective 6<sup>th</sup> May 2004.
2. Mr. Iyer, as Managing Director of the Company, to have general control of the business of the Company and be vested with the management of the day to day affairs of the Company subject to the superintendence, control and direction of the Board and subject to such restrictions or limitations on his powers and authorities as the Board may in its discretion determine from time to time.
3. Mr. Iyer to devote his whole time and attention during business hours to the business and affairs of the Company and to exert his best endeavours to promote its interests and welfare.
4. Mr. Iyer to undertake such travelling in and outside India as may be necessary in the interests of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.
5. The Company to pay to Mr. Iyer::
  - (i) (a) Salary : A salary of Rs.2,00,000/- (Rupees two lakhs only) per month with such annual increments as the Board may in its absolute discretion determine.
  - (b) Performance Bonus: Such performance linked bonus, as the Board may in its absolute discretion determine.





(ii) Mr. Iyer to be also entitled to the following benefits:

(a) (i) the use of furnished residential accommodation leased or taken on leave and licence by the Company subject to deduction of tax under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force.

(ii) reimbursement by the Company of all charges for gas, electricity and water consumed in the residential accommodation referred to at item (i) above, to be valued as per the Income Tax Rules, 1962 for the time being in force.

Provided that the overall expenditure incurred by the Company on providing the residential accommodation referred to at item (i) above and for gas, electricity and water pursuant to item (ii) above shall be subject to an overall ceiling of 50% of his salary.

(iii) the use of one telephone at the aforesaid accommodation, the rent, call charges and other outgoings in respect thereof to be paid by the Company save and except for personal long distance calls which shall be billed by the Company to, and payable by, Mr. Iyer directly.

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

(c) utilisation of the club facilities of the Company, subject to a maximum of one club but excluding admission and life membership fees.

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

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

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

- (g) gratuity at the rate of one month's salary for each completed year of service as Managing Director.
  - (h) encashment of unavailed privilege leave at the end of his tenure of office as Managing Director of the Company in accordance with the Rules of the Company for the time being in force.
  - (i) use of a Company owned or leased motor car with driver, all expenses for running of such motor car to be borne by the Company. The use of such motor car by Mr. Iyer for private purpose, shall be billed by the Company to, and payable by, Mr. Iyer directly.
  - (j) the actual travelling expenses by business class air travel incurred by Mr. Iyer, his wife and dependent children, if any, from Mumbai to Bangalore at the time of the taking up employment with the Company as Managing Director as well as the cost of transportation of Mr. Iyer's personal belongings and household effects from Mumbai to Bangalore for his own use or for the use of his family.
- (iii) In addition to the foregoing, Mr. Iyer to be also entitled to medical benefits, leave travel concessions and such other expenses of a like nature, in accordance with the Rules of the Company in force from time to time, the total sum not exceeding Rs.12,00,000/- (Rupees twelve lakhs only) per annum in the aggregate.
- (iv) Income Tax, if any, on or in respect of the aforesaid remuneration to be borne and paid by Mr. Iyer.
- (v) The total remuneration of Mr. Iyer as Managing Director including salary, performance bonus and perquisites as aforesaid, not in any event, to exceed 5% of the net profits of the Company in any year computed in accordance with the Act.
- (vi) If in any financial year during the continuance of the employment of Mr. Iyer as Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to remuneration as aforesaid subject to the limits of minimum remuneration prescribed by Schedule XIII to the Act.
6. Mr. Iyer not to engage in any other business, occupation or employment whatsoever while in the Company's employment.
7. The Agreement to be terminable by not less than 90 (ninety) days notice in writing by either party without necessity of assigning any reason. Mr. Iyer's employment also terminable by the Company at any time by payment to him of 3 (three) months' salary in lieu of such notice.
- The approval of the Members is being sought to Mr. Iyer's appointment as Managing Director of the Company for a period of 5 (five) years from 6<sup>th</sup> May, 2004 and to payment to him of the above remuneration. Hence, the resolution at item No. 7 of the Notice.
- The Board considers the above remuneration of Mr. Iyer to be reasonable and commensurate with his duties and responsibilities as Managing Director of the Company.
- The Agreement dated 6<sup>th</sup> May, 2004 will be open for inspection by the Members at its Registered Office between 10.30 a.m.

