



AstraZeneca Pharma India Limited

Annual Report 2008

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Foreword



AstraZeneca (AZ) is one of the world's leading pharmaceutical companies with a broad range of medicines designed to fight disease in important areas of healthcare. Backed by strong science and wide-ranging commercial skills, we are committed to sustainable development of our business and the delivery of a flow of new medicines that bring benefit for patients and create enduring value for our shareholders and society.

Continuing on its path to success, AZ India has embarked on a growth trajectory to significantly enhance its presence in the Indian Pharma Market. A key element of this strategy is to expand its product portfolio by:

- Launching all AZ mega brands
- Preparing for and launching AZ patented molecules
- Launching differentiated products to cater to the requirements of the Indian market

The other key element of this strategy is to use this enhanced portfolio to expand the field force size and presence very significantly. This would not only help in the launch of new products but would also help in the growth of its existing product portfolio.

Together, these initiatives will ensure that your company will be able to compete effectively in the market in terms of market presence and coverage.

This strategy entails considerable investments in the short term and will provide the impetus to achieve accelerated growth in the coming years.

AstraZeneca Pharma India Limited

Board of Directors

Mr. D. E. Udawadia, *Chairman*
Mr. K. S. Shah
Mr. Ian Brimicombe
Mr. Graham Baker (Till December 31, 2008)
Mr. Bhasker V. Iyer
Mr. Francis McNamara III (Effective February 18, 2009)
Mr. Anandh Balasundaram, *Managing Director*

Auditors

BSR & Co., Bangalore

Legal Advisors

Udwadia & Udeshi, Mumbai

Bankers

The Hongkong and Shanghai
Banking Corporation Limited

Committees of Directors

Audit Committee

Mr. K. S. Shah, *Chairman*
Mr. D. E. Udawadia
Mr. Bhasker V. Iyer

Shareholders'/Investors' Grievance Committee

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

Chief Financial Officer

Mr. S. J. V. Chelliah

Company Secretary

Mr. N. R. Srinivasan

Corporate and Registered Office

"Avishkar"
Off Bellary Road
Hebbal
Bangalore 560 024

Factory

12th Mile on Bellary Road
Kattigenahalli Village, Yelahanka
Bangalore 560 063

Sales Outlets

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

* Company outlets

Annual General Meeting

at 3.00 P.M. on Monday, May 18, 2009
at The Ball Room, The Taj West End Hotel,
Race Course Road, Bangalore 560001

Notice

Notice is hereby given that the 30th Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held at 3:00 P.M. on Monday, May 18, 2009 at The Ball Room, The Taj West End Hotel, Race Course Road, Bangalore 560 001, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at December 31, 2008 and the Profit and 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 M/s. BSR & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration
4. To appoint a Director in place of Mr. K. S. Shah, who retires by rotation, and, being eligible, offers himself for re-appointment
5. To appoint a Director in place of Mr. Ian Brimicombe, who retires by rotation, and, being eligible, offers himself for re-appointment

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 OF THE COMPANY.**
2. The relevant details as required by Clause 49 of the Listing Agreement executed with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under item numbers 4 and 5 are annexed.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, May 5, 2009 to Monday, May 18, 2009 (both days inclusive).
4. The Dividend, if any, that may be declared at the Meeting will be paid on or before Wednesday, June 17, 2009 to those members entitled thereto whose names appear in the Register of Members of the Company at the close of business hours on Monday, May 4, 2009.
5. Members are requested to immediately notify change of address, if any, to the Company's Registrar & Share Transfer Agents, M/s. Alpha Systems Private Limited, 30, Ramana Residency, 4th 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 the proper conduct of the Meeting, entry to the place of 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 Registrar & Share Transfer Agents. Members are requested to quote the Folio numbers / Client ID / DP ID in all correspondence.
8. Members are advised to avail of the Electronic Clearing Service (ECS) facility for dividends that may be declared. To avail of this facility, those members holding shares in physical form, are requested to return the duly filled in ECS form enclosed herewith to the Company's Registrar & Share Transfer Agents. Members holding shares in demat mode are requested to provide the details to National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL), as the case may be, through their respective Depository Participant (DP).
9. (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 Companies Act, 1956. Members who have not encashed the dividend

warrants for the aforesaid financial years are requested to claim the amount from the Registrar of Companies- Karnataka, Kendriya Sadan, 2nd Floor, 'E' Wing, Koramangala, Bangalore 560 034. Intimations have been sent to the Members concerned, pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

- (b) Members may also please note that 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, 1996-97, 1997-98, 1998-99, 1999-2000, and 2000-2001 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.
10. Members are requested to note that as prescribed by the Securities and Exchange Board of India (SEBI), trading in securities of the Company is in dematerialised form only. Hence, Members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with NSDL and CDSL for demat facilities.

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

N R Srinivasan
Company Secretary

Dated: March 16, 2009

Registered Office:

"Avishkar",
Off Bellary Road,
Hebbal, Bangalore - 560 024

 **Report Junction.com**

Annexure to Notice

Details of the Directors seeking appointment / re-appointment at the 30th Annual General Meeting

Particulars	Mr. K. S. Shah	Mr. Ian Brimicombe
Date of Birth	September 3, 1940	October 15, 1963
Date of Appointment	May 5, 2004	September 8, 2006
Qualifications	Graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Company Secretaries of India.	BSc. Hons. King's College, London Chartered Accountant (Institute of Chartered Accountants of England & Wales) Charter Tax Adviser (Chartered Institute of Taxation)
Expertise in specific functional area	Mr. Shah has wide experience in the industry including Finance, General Management & Administration.	Mr. Brimicombe is trained in audit, tax and corporate finance at Coopers & Lybrand, London (now Price Waterhouse Coopers) from 1986 to 1994 qualifying as a Chartered Accountant and a Chartered Tax Adviser. Mr. Brimicombe has been a Director of Group Tax, responsible for Global Tax operations and delivery of AstraZeneca's Group Tax targets.
Directorships held in other Public Companies (excluding foreign companies)	Sundaram-Clayton Limited (Alternate Director)	NIL
Membership / Chairmanships of Committees of other public companies (included only Audit and Shareholders/ Investors Grievance Committee)	Sundaram-Clayton Limited (Alternate Director) – Audit Committee member	NIL
Shareholding in the Company (No. of shares)	NIL	NIL

Directors' Report

Your Directors have pleasure in presenting their 30th Report together with the Audited Accounts of the Company for the year ended December 31, 2008.

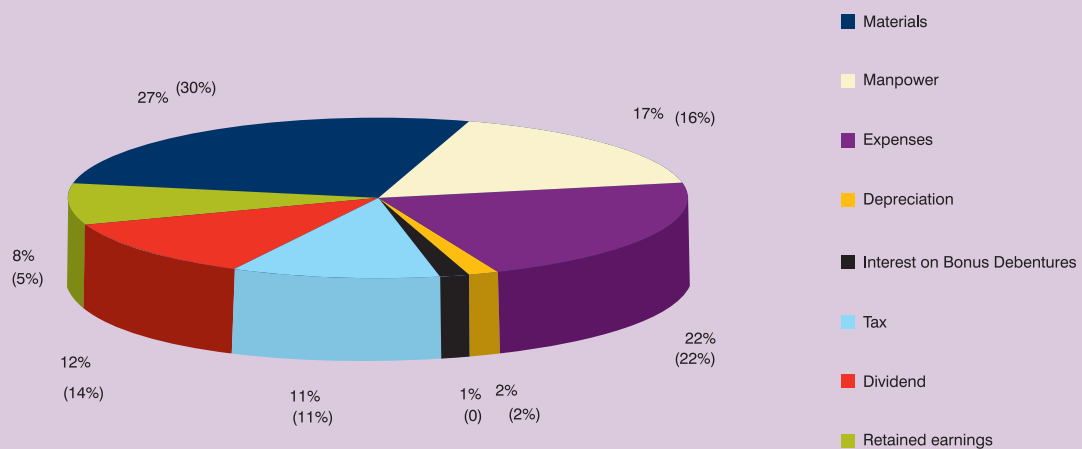
FINANCIAL RESULTS

(Rs. in Million)

	2008		2007
Sales and Other Income	3681		3136
Profit Before Tax	1144		954
Provision for Taxation			
- Income Tax	395	333	
- Adjustment for Deferred Tax	(6)	(7)	
- Fringe Benefit Tax	17	13	339
Profit after Taxation	738		615
Surplus brought forward from the previous year	496		381
Total amount available for appropriation	1234		996
Appropriation made by Directors			
Transfer to General Reserve	74		61
Transfer to Debenture Redemption Reserve	312		
Appropriation recommended by Directors			
Dividend	375		375
Tax on proposed Dividend	64		64
Surplus carried over	409		496

DISTRIBUTION OF GROSS REVENUE

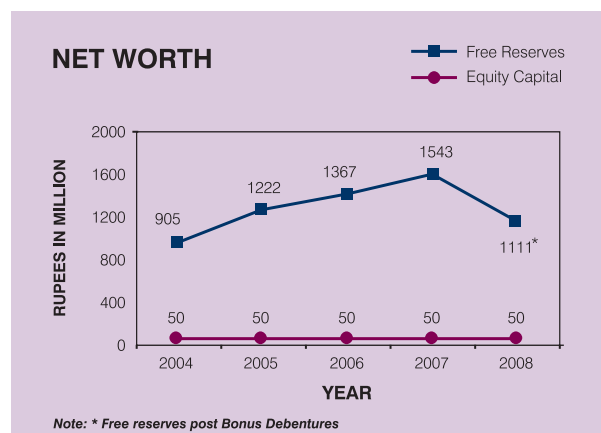
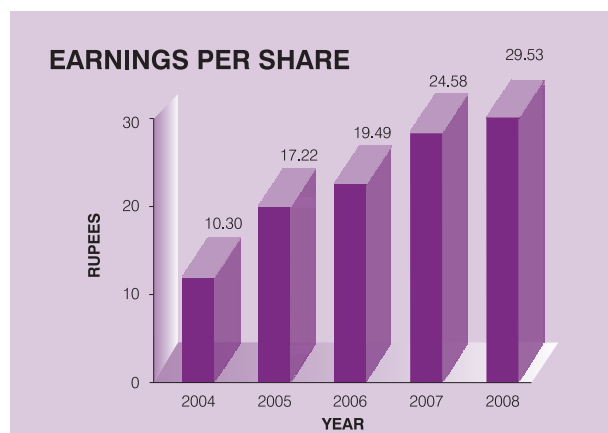
FY 2008



(Previous year figures in brackets)

DIVIDEND

The Directors are pleased to recommend payment of a Dividend of 750% (Rs.15/- per Equity Share of the face value of Rs.2/- each), which, if approved by the Members at the Annual General Meeting will involve an outflow of Rs. 375 Million towards Dividend and Rs.63.73 Million as Dividend Distribution Tax resulting in a total outflow of Rs.438.73 Million.



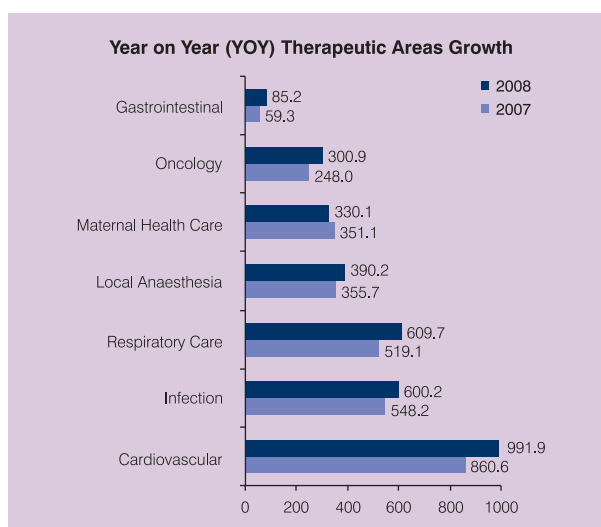
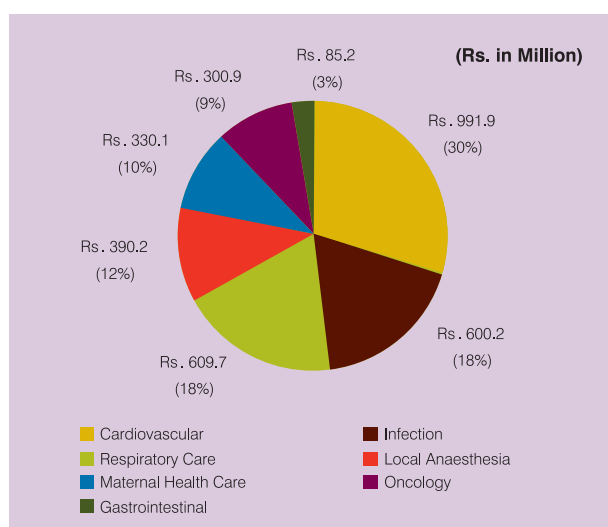
BONUS DEBENTURES

The 8% secured fully paid-up redeemable non-convertible Debentures of the face value of Rs. 25/- each (Bonus Debentures) issued by the Company on January 12, 2008, from the General Reserve of the Company, pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka on July 6, 2007, were redeemed on January 11, 2009, as per the terms of the issue. This involved an outflow of Rs. 675 Million towards the repayment of the principal amount (Rs. 625 Million) together with the interest amount (Rs. 50 Million). As the issue of Bonus Debentures constituted 'Deemed Dividend' under the Income Tax Act, 1961, the Company has remitted an amount of Rs. 106 Million as Dividend Distribution Tax.

SALES AND MARKETING

The Company registered an impressive growth of 14.28% over the previous year with sales of Rs. 3,398 Million (which included export sales of Rs. 83.8 Million).

Therapeutic Area wise Sales contribution - 2008



Note: Other products contributing about Rs.5.6 Million not represented in the graphical representation

During the year, each Therapeutic Area (TA), except Maternal Health Care TA, showed a positive growth.

In the Cardiovascular TA, Seloken XL continued to show strong performance. Selomax which was launched in the previous year also showed an impressive growth rate. Betaloc, Imdur and Ramace continued to be major contributors in this TA.

In the Infection TA, Meronem continued to be the No.1 Hospital product*.

The Respiratory TA's performance was driven by the performance of Clavotrol, Bricanyl and Linctus Codeine. It was further strengthened by the launch of AstraZeneca's research product Symbicort Turbuhaler (formoterol/budesonide) for treatment of Asthma. The Local Anesthesia TA continued to grow, both Xylocaine and Sensorcaine registering steady growth.

The Maternal Health Care TA showed marginal degrowth. However, with the launch of Gladis and Valenzia, it is expected that this TA will consolidate its position in the market in the following years.

The Oncology portfolio was the fastest growing TA in 2008. Arimidex, Iressa, Zoladex 10.8 mg and Faslodex were amongst the major contributors.

The Gastrointestinal TA registered an impressive growth driven by both Nexium Tab and Nexium I.V.

(*Source: IMS HSA Audit Dec'08)

SALES FORCE EFFECTIVENESS (SFE)

Year 2008 was a year of consolidation for the Company's SFE practices. Of the key building blocks of SFE, Segmentation and Targeting was seen as a clear priority to have the right customer list validated by both internal and external sources. New Selling Skills modules were rolled out to the Speciality Care Team to sharpen their skill sets. A major step was taken in the direction of optimizing learning by adopting state of the art e-learning training programs. Performance management and R3 (Recognition, Reward and Retention) training was rolled out to the Regional Business Managers.

MEDICAL, REGULATORY AND CLINICAL TRIALS

During the year 2008, medical support was provided for the launch of new brands, namely, Symbicort, Gladis and Valenzia. Strategic medico-marketing initiatives such as setting up and conducting of Advisory Board meetings, scientific meetings and symposium in order to update the knowledge of medical fraternity were undertaken for the existing products.

Timely renewals of various licenses including import licence and site registrations were obtained for the Company's products.

Various regulatory approvals in connection with conducting Global Clinical Trials in India were obtained during the year. Your company continued to participate in pivotal global clinical trials as per Good Clinical practice norms for AstraZeneca pipeline products like Zactima, Recentin and Brilinta.

MANUFACTURING

The Company continued with its initiatives towards better cost management through purchasing efficiency, improved Overall Equipment Effectiveness and process improvements both in formulations and Active Pharmaceutical Ingredients (APIs). During the year the API facility was re-certified by Swedish regulatory authorities. Productivity continued to show improvement both in terms of value and volume. There was reduction in normalised waste generation by 5.8 % and normalised power and water consumption by 1.98 % and 13.58 % over the previous year, respectively.

SAFETY HEALTH AND ENVIRONMENT

During the year 2008, the surveillance audit for Occupational Health Safety Assessment Series (OHSAS) 18001 for health and safety and ISO 14001 for the environment by M/s. Germanischer Lloyd, Germany, were successfully completed.

The Company crossed 1 Million accident free man-hours with no accidents reported during the year.