

**We push the
boundaries
of science to
deliver medicines
that transform the
lives of people
around the world**

AstraZeneca Pharma India Limited
Annual Report 2013-14

AstraZeneca 



AstraZeneca Values



We follow the science



We put patients first



We play to win



We do the right thing



We are entrepreneurial

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AstraZeneca Pharma India Limited

Board of Directors

Mr. D. E. Udwadia, Chairman
Mr. K. S. Shah
Mr. Narayan K Seshadri
Mr. Ian Brimicombe
Mr. Justin Ooi
Mr. Sanjay Murdeshwar, Managing Director
Mr. Robert Ian Haxton, Whole Time Director

Auditors

BSR & Co. LLP, Bangalore

Legal Advisors

Udwadia Udeshi & Argus Partners, Mumbai

Bankers

The Hongkong and Shanghai
Banking Corporation Limited

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*, Guwahati, Hyderabad,
Indore, Jaipur, Kochi, Kolkata, Lucknow,
Mumbai, Patna, Ranchi, Chandigarh,
Panchkula and Zirakhpur.

*Company outlets (only Delhi)

Committees of Directors

Audit Committee

Mr. K. S. Shah, Chairman
Mr. D. E. Udwadia
Mr. Justin Ooi

Nomination & Remuneration Committee

Mr. Narayan K Seshadri, Chairman
Mr. D. E. Udwadia
Mr. K. S. Shah
Mr. Ian Brimicombe

Stakeholders’ Relationship Committee

Mr. K. S. Shah, Chairman
Mr. Sanjay Murdeshwar

Corporate Social Responsibility Committee

Mr. Ian Brimicombe, Chairman
Mr. D. E. Udwadia
Mr. Sanjay Murdeshwar

Chief Financial Officer

Mr. Rajesh Marwaha (From Aug 4, 2014)

Legal Counsel & Company Secretary

Mr. Anantha Murthy N (From Aug 1, 2014)

Annual General Meeting
at 3.00 p. m. on Tuesday, September 30, 2014
at Vivanta by Taj, MG Road, Bangalore 560 001

AstraZeneca Pharma India Limited

Registered Office: ‘Avishkar’, Off Bellary Road, Hebbal, Bangalore 560 024, Karnataka

Tel: (080) 67748000, Fax: (080) 23622015, CIN: L24231KA1979PLC003563

Email: comp.secy@astrazeneca.com Website: www.astrazeneca/india.com

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held on Tuesday, September 30, 2014 at 3.00 p.m. at Vivanta by Taj Hotel, MG Road, Bangalore 560001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Audited Profit and Loss Account and the Cash Flow Statement of the Company for the Financial Year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Justin Ooi (holding DIN 06567885) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Messrs. BSR & Co. LLP, Chartered Accountants, (ICAI Registration No.101248W) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. Ratification of Cost Auditor’s remuneration

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof,) the appointment of M/s. Rao, Murthy & Associates, Cost Accountants, Bangalore, as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year ending March 31, 2015 on a remuneration of ₹ 1,40,000/- (Rupees one lac forty thousand only) plus applicable service tax and reimbursement of out-of-pocket expenses, at actuals, be and is hereby ratified.”

5. Appointment of Mr. D. E. Udwadia as an Independent Director

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

“**RESOLVED THAT** the appointment of Mr. D. E. Udwadia (Director of the Company holding DIN 00009755), as a Non-Executive Independent Director for a term of 5 consecutive years from September 30, 2014 to September 29, 2019, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, be and is hereby approved.”

6. Appointment of Mr. K. S. Shah as an Independent Director

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

“**RESOLVED THAT** the appointment of Mr. K. S. Shah (Director of the Company holding DIN 00136952), as a Non-Executive Independent Director for a term of 5 consecutive years from September 30, 2014 to September 29, 2019, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, be and is hereby approved.”

7. Appointment of Mr. Narayan K.Seshadri as an Independent Director

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

“**RESOLVED THAT** the appointment of Mr. Narayan K. Seshadri, (Director of the Company holding

DIN 00053563), as a Non-Executive Independent Director for a term of 5 consecutive years from September 30, 2014 to September 29, 2019, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, be and is hereby approved.”

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

Sanjay Murdeshwar
Managing Director

Place: Bangalore
Date: August 12, 2014

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 / herself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company.**

The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. The Register of Members and Share Transfer Books of the Company will remain closed for **9 days i.e., from September 22, 2014 to September 30, 2014** (both days inclusive) in connection with the Annual General Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of

any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
7. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
8. Electronic copy of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting

along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

9. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.astrazeneca.com/india for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: comp.secy@astrazeneca.com.

10. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Company is pleased to provide members facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

A. In case of Members receiving e-mail from NSDL:

- i. Open e-mail and the attached PDF file titled “AZPIL e-Voting.PDF” with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password. The said PDF file contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password.
- ii. Open internet browser by typing the URL: <https://www.evoting.nsdl.com/>.

- iii. Click on “Shareholder” - “Login”.

- iv. Type in your User ID and Password as initial password as mentioned in step (i) above and click Login.

- v. Password Change Menu appears. Change the password with the new password of your choice with minimum 8 digits/ characters or combination thereof.

- vi. Please note your new password. It is strongly recommended that you do not share your new password and take utmost care to keep your password confidential.

- vii. Home page of “e-voting” opens. Click on “e-voting- Active Voting Cycles”.

- viii. Select “EVEN” of AstraZeneca Pharma India Limited for casting your vote.

- ix. You are now ready for “e-voting” as “Cast Vote” page opens. The e-voting period commences on September 23, 2014 (9.00 a.m. IST) and ends on September 25, 2014 (6.00 p.m. IST).

- x. Cast your vote by selecting appropriate option and click “Submit” and also “Confirm” when prompted. Upon confirmation, the message, “Vote cast successfully” will be displayed. Once voted on the resolution, you will not be allowed to modify your vote.

- xi. Institutional Members (other than Individuals, HUF, NRI, etc.) are also required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc., together with an attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through email on vijaykt@vjkt.in with a copy marked toevoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.

C. Other instructions:

(i) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available at the “Downloads” section of www.evoting.nsdl.com or contact NSDL at 022-2499 4600.

(ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

(iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(iv) The e-voting period commences on September 23, 2014 (9.00 a.m. IST) and ends on September 25, 2014 (6.00 p.m. IST) for three days. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off

date (record date) of August 29, 2014.

(vi) The Board of Directors has appointed Mr. Vijayakrishna KT, Practicing Company Secretary, (Membership No. FCS 1788) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Mr. Vijayakrishna has conveyed to the Company his willingness to act as such.

(vii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(viii) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.astrazeneca/india.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges, where the equity shares of the Company are listed.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

BRIEF RESUME AND OTHER INFORMATION IN RESPECT OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Item – 2

Appointment of Mr. Justin Ooi, Non-executive Director, retiring by rotation

Mr. Justin Ooi, holds B Econ degree – major in accounting and economics from Macquarie University. He is a Certified Public Accountant from ASCPA. He also holds Masters Degree from MGSM / London Business School.

Mr. Ooi has two decades of rich experience in the pharmaceutical industry, comprehensive experience has been gained across both commercial and financial institution functions.

He is the member of the Audit Committee of the Board of the Company. He is not a Director / Member of any Committee of Board of Directors of

any other Company in India. He does not hold any shares in the Company and he is not related to any other Directors of the Company.

Mr. Ooi, being an appointee is concerned or interested in the resolution set out at Item No.2 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4

Ratification of remuneration payable to the Cost Auditors

In terms of Section 148 of the Companies Act, 2013 ('Act') and the Rules made thereunder, the Company is required to maintain Cost Audit records and to have the same audited by a Cost Auditor. Further, Rule 14 of Companies (Audit and Auditors) Rules 2014, requires that the remuneration payable to the Cost Auditor shall be ratified by the shareholders.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on Aug 12, 2014, has appointed M/s. Rao, Murthy & Associates, as Cost Auditor, for conducting the Cost Audit for the year 2014-15 on a remuneration of ₹ 1,40,000/- plus reimbursement of out of pocket expenses at actuals.

The Company has received a Certificate from the Cost Auditor confirming its independence and arm's length relationship with the Company and their willingness to act as Cost Auditor of the Company.

The Board recommends the proposed resolution for approval by the shareholders.

None of the Directors, Key Managerial Personnel of the Company, and relatives of any of the Directors or Key Managerial Personnel of the Company may be deemed to be concerned or interested in resolution set out at Item No. 4.

Item No.5 – Appointment of Mr. D. E. Udwardia as an Independent Director

Mr. D. E. Udwardia is a Non-Executive Independent Director of the Company.

Mr. Udwardia is a Post-graduate from the University of Bombay. He is an Advocate and Solicitor of the Bombay High Court. He is also a Solicitor of the Supreme Court of England.

Mr Udwardia was a partner of Crawford Bayley & Co., Mumbai, one of the India's leading law firms

for more than two decades. He is a founder partner of Udwadia Udeshi & Argus Partners, Advocates and Solicitors, Mumbai. Consequent upon the reconstitution of the firm, its name was changed to Udwadia Udeshi & Argus Partners effective 1st April 2012. His firm and he are legal advisors to several Indian and multinational companies having a presence in India.

He has during his nearly 49 years of active law practice acquired significant knowledge, experience and expertise in the areas of corporate law, mergers, acquisitions and takeovers, corporate restructuring, foreign collaboration, joint ventures, project and infrastructure finance, intellectual property, international loans and finance related transactions and financial instruments, mutual funds, real estate and conveyancing.

He is the Chairman of the Board and Member of Audit Committee and a Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Board of the Company. He does not hold any shares in the Company and is not related to any other Directors of the Company. Details of his directorship in other Public Companies and other membership / chairmanship of committees (i.e. Audit Committee / Stakeholders Relationship Committee) are given below:

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Udwadia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company, for a term of 5 consecutive years from September 30, 2014 to September 29,

2019.

Mr. Udwadia has given a declaration dated April 8, 2014 confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013. The Board of Directors, at its meeting held on August 12, 2014, opined that, Mr. Udwadia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment for Mr. Udwadia, as an Independent Director, would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours, on any working day, excluding Saturday.

The Board considers that his continued association would be of great benefit to the Company and it is desirable to continue to avail of the services of Mr. Udwadia, as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director, for the approval by the shareholders of the Company.

Mr. Udwadia is concerned or interested in the resolution set out at Item No.5 of the Notice since it relates to his appointment. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the stock exchanges.

Sl. No.	Name of the Public Company	Name of the Committee	Position held
1	ABB India Limited	Audit Committee Stakeholders Grievance Committee	Member Chairman
2	The Bombay Burmah Trading Corporation Limited	Audit Committee	Member
3	Concast (India) Limited	Audit Committee	Member
4	ITD Cementation India Limited	Audit Committee	Member
5	JM Financial Limited		
6	JM Financial Products Limited		
7	MPS Limited	Audit Committee	Member
8	WABCO India Limited	Audit Committee Stakeholders Relationship Committee	Member Chairman
9	Wyeth Limited	Audit Committee	Member

Item No.6 – Appointment of Mr. K. S. Shah as an Independent Director

Mr. K. S. Shah is a Non-Executive Independent Director of the Company.

Mr. Shah is a Graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of the Institute of Company Secretaries of India.

Mr. Shah has wide experience in the Industry including finance, general management & administration. Formerly, he was the Managing Director of AstraZeneca Pharma India Limited.

He is the Chairman of the Audit Committee and Stakeholders Relationship Committee and also Member of Nomination & Remuneration Committee of the Board. He does not hold any shares in the Company and is not related to any other Directors of the Company. He does not hold directorship in other Public Companies.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company, for a term of 5 consecutive years from September 30, 2014 to September 29, 2019.

Mr. Shah has given a declaration dated April 8, 2014 confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013. The Board of Directors, at its meeting held on August 12, 2014, opined that, Mr. Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment for Mr. Shah, as an Independent Director, would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours, on any working day, excluding Saturday.

The Board considers that his continued association

would be of great benefit to the Company and it is desirable to continue to avail of the services of Mr. Shah, as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director, for the approval by the shareholders of the Company.

Mr. Shah, is concerned or interested in the resolution set out at Item No.6 of the Notice since it relates to his appointment. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the stock exchanges.

Item No.7 – Appointment of Mr. Narayan K Seshadri as an Independent Director

Mr. Narayan K Seshadri is a Non-Executive Independent Director of the Company.

Mr. Narayan K Seshadri is a graduate of Science from the University of Bangalore and a Chartered Accountant with vast professional experience.

He was the founder of Halcyon Group and now Chairman of Tranzmute Capital and Management (P) Limited, an Investment and Management Services organization.

Prior to establishing Halcyon, Mr. Narayan K Seshadri was the Managing Director at KPMG's Business Advisory Service Practice. Besides the industry sectors that he currently works with, Mr. Narayan Seshadri has advised the Power, Banking and Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT and ITES Sectors at different levels from policy formulation to corporate strategy, restructuring and organization transformation.

He is the Chairman of the Nomination & Remuneration Committee of the Board of the Company. He does not hold any shares in the Company and is not related to any other Directors of the Company. Details of his directorship in other Public Companies and other membership/ chairmanship of committees (i.e., Audit Committee/ Stakeholders Relationship Committee) are given below:

Sl. No.	Name of the Public Company	Name of the Committee	Position held
1	P I Industries Ltd.	Audit Committee	Member
2	Magma Fincorp Ltd.	Audit Committee	Chairman
3	Kalpataru Power Transmission Ltd.	Audit Committee	Member
4	SBI Capital Markets Ltd.	Audit Committee	Member

Sl. No.	Name of the Public Company	Name of the Committee	Position held
5	IRIS Business Services Ltd.	Audit Committee	Member
6	Sundaram Investment Ltd.		
7	WABCO India Limited	Audit Committee	Chairman

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Seshadri being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company, for a term of 5 consecutive years from September 30, 2014 to September 29, 2019.

Mr. Seshadri has given a declaration dated April 8, 2014 confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013. The Board of Directors, at its meeting held on August 12, 2014, opined that, Mr. Seshadri fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft letter of appointment for Mr. Seshadri, as an Independent Director, would be available for inspection without any fee by the

Members at the Registered Office of the Company during normal business hours, on any working day, excluding Saturday.

The Board considers that his continued association would be of great benefit to the Company and it is desirable to continue to avail of the services of Mr. Seshadri, as an Independent Director. Accordingly, the Board recommends the resolution in relation to his appointment as an Independent Director, for the approval by the shareholders of the Company.

Mr. Seshadri is concerned or interested in the resolution set out at Item No.7 of the Notice since it relates to his appointment. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the listing agreement with the stock exchanges.

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

Place: Bangalore
Date: August 12, 2014

Sanjay Murdeshwar
Managing Director

DIRECTORS' REPORT

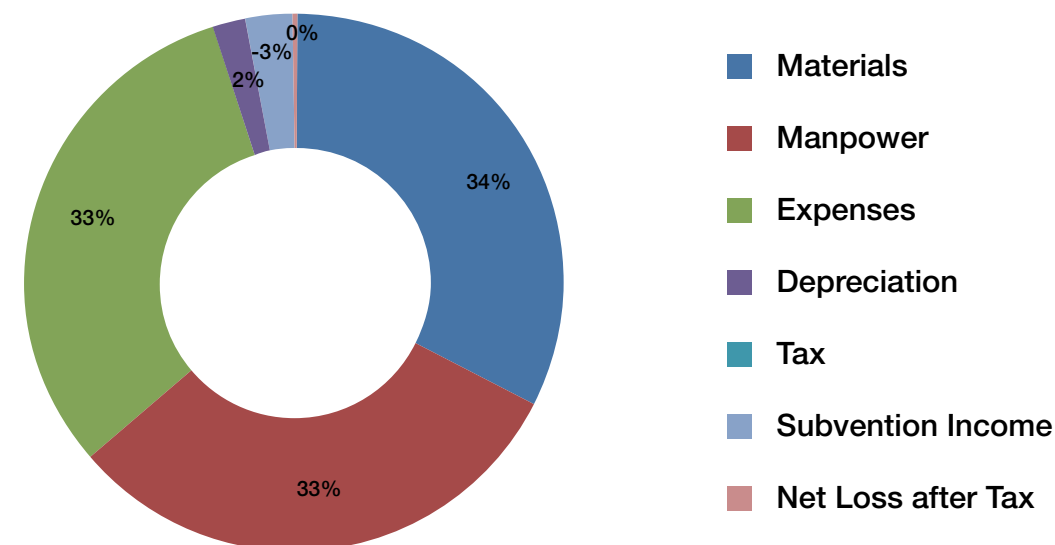
Your Directors present the 35th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2014.

FINANCIALS

(₹ in Million)

Particulars	2013-14	2012-13
Sales and Other Income	4,832	4,009
Profit/ (Loss) Before Tax	-	(703)
Provision for Taxation		
- Income Tax	5	15
- Adjustment for Deferred Tax	-	178
Total Tax	5	193
Profit/ (Loss) after Taxation	(5)	(895)
Surplus brought forward from the previous year	416	1,312
Total amount available for appropriation	411	416
Appropriation made by Directors		
Transfer to General Reserve	-	-
Appropriation recommended by Directors		
Dividend	-	-
Tax on proposed Dividend	-	-
Surplus carried over	411	416

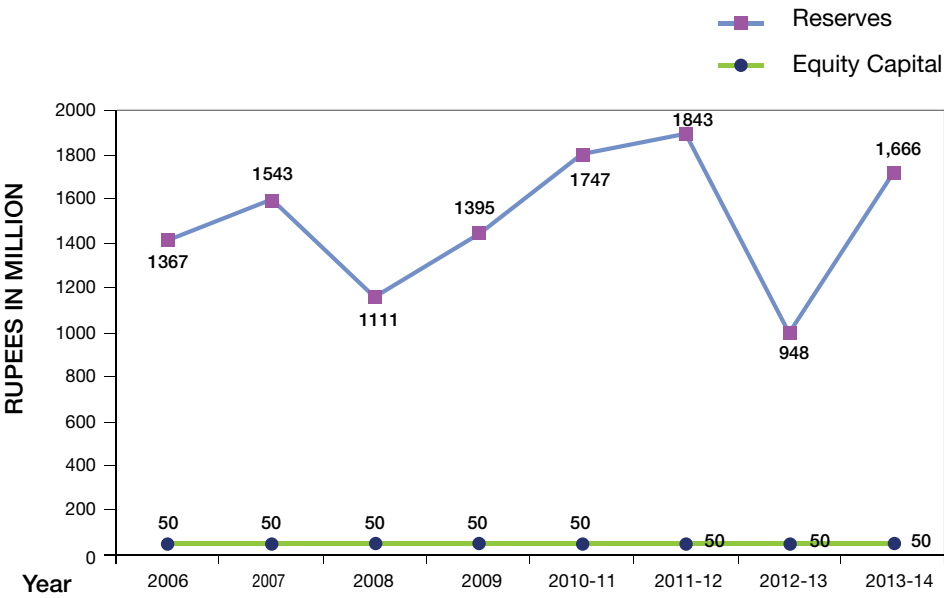
Distribution of Total Revenue (%)



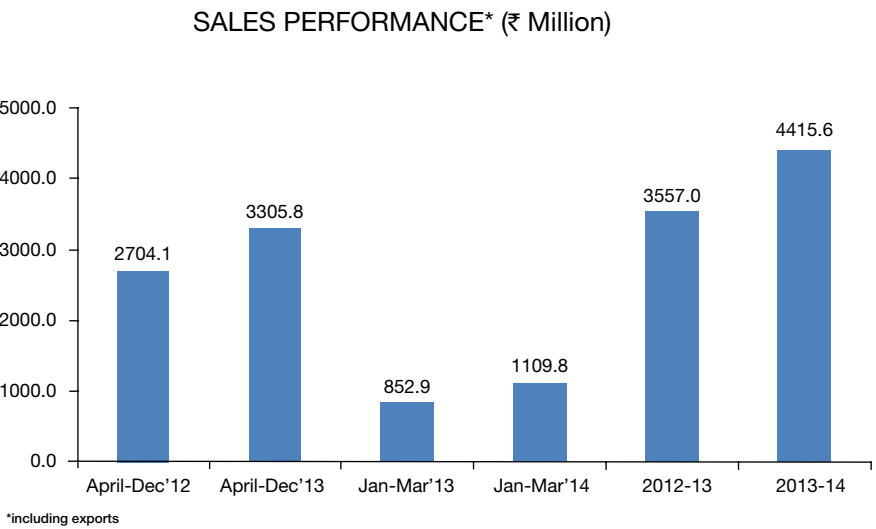
DIVIDEND

Though the Company made significant progress during the year in terms of its business performance, considering its overall financial position, the Directors are unable to recommend any dividend for the year 2013-14.

Net worth



SALES AND MARKETING



The Year 2013-14 has been the first full year post supply stabilization from the Company's factory operations, which had impacted the performance of the Company since March 2012.

Continuing with its commitment to growth, the Company registered sales of ₹ 4415.6 Million, a 24% growth over the last year. The growth has been steady and while over the 9 months April-December 2013, the Company grew by 22%, the last quarter growth surpassed the growth rate by registering a 30% growth over the same quarter previous year.

In the last Directors' Report, the Members were informed that the Company's efforts would be focused on regaining the market position by re-introduction of the products which were impacted due to supply constraints. The Directors are pleased to inform that, despite the long disruption in the supply, the Company has delivered strong growth in these products and has been able to regain 60-80% of the market share¹ in respect of most of the key products not impacted by regulatory changes.

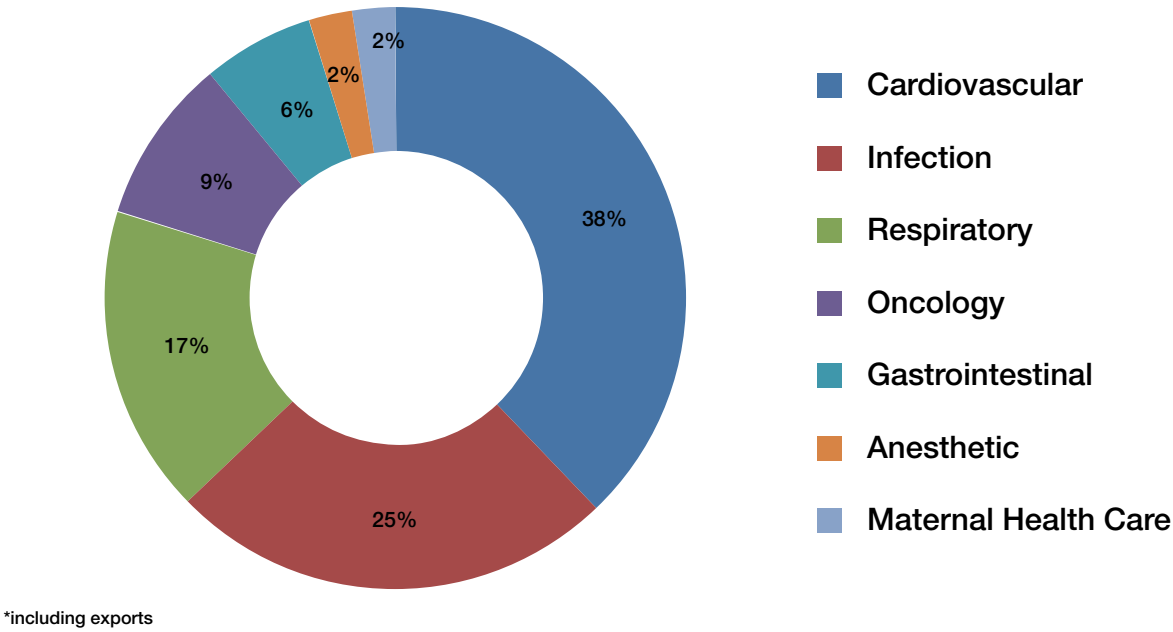
The Year 2013-14 witnessed a series of regulatory interventions in the Indian Pharmaceutical Market. In the last Directors' Report, Members were informed

that the National Pharmaceutical Pricing Policy 2012 announced by the Government in December 2012 had brought 348 medicines covered in the National List of Essential Medicines (NLEM), under price control. Based on this policy, Drug Pricing Control Order was notified in May 2013. Since then, ceiling prices have been announced by the Government in a phased manner. Uncertainty around the announcements on the ceiling prices and the multiple notifications by the Government impacted the market growth for these products. 15 SKUs across 8 brands of the Company were covered under the NLEM.

The drug, BRILINTA® (Ticagrelor) which provides cardiologists with a new and effective treatment to help reduce the rate of heart attack and cardiovascular deaths in adult patients with Acute Coronary Syndrome (ACS), has been received well by the market and continues to register rapid growth. During the year, the brand continued to grow its market share, as per IMS Health, from 1.4% (MAT March 2013) to 6.7% (MAT March 2014). Members were informed that, as per IMS Health data, the brand ranked in the top 10 brands in the oral antiplatelets segment in the Indian Pharmaceutical Market.

1 Value Market Share as per IMS Health Report, March 2014.

Therapeutic Area wise Sales* contribution (%)



MANUFACTURING

The Company benefitted from a comprehensive review of its manufacturing operations with assistance from AstraZeneca group, initiated during 2012-13.

The manufacturing site at Yelahanka has resolved many constraints in the supply during the year 2013-14, consistently meeting supply requirements. The remediation measures established in the previous year have delivered discernible improvements in Quality Management System and Quality Capabilities in the current year, such as Good Manufacturing Practices (GMP), root cause analysis and shop floor Quality Assurance Controls. Resultantly, GMP metrics tracked by the Company on site have also shown significant improvements.

The Directors are pleased to inform that the planned move of manufacture and Quality Control laboratory from its existing facilities to the new state-of-the-art tablets and laboratory facility was completed as per the plan with the first commercial supply from the new facility taking place in the first quarter of Financial Year 2013-14. The establishment programme was delivered to plan, with planned QC transfers and the majority of tablet transfers delivered by the end of the Financial Year 2013-14. This will enable the cessation of manufacture from the existing manufacturing facility and will ensure a platform for consistent supply of global quality medicines.

The supply assurance of Terbutalane Sulphate (TBS) API to AstraZeneca Group was strengthened with an INR 185.5 million investment. The upgrade programme was completed in the last quarter of Financial Year 2013-14. The Company is currently establishing new quality control testing equipment and is experiencing some product supply delays.

As has been widely reported, regulatory authorities around the world have recently adopted a more stringent and forensic approach to their audit programmes, with particular emphasis on data integrity. In line with this, our World Wide Audit Group (WWAG) is now following a similar format for their audits.

The outsourcing programme of sterile products, liquid orals and semisolids completed during the previous year has presented significant challenges in sustaining supply in accordance with GMP. The Company continues to monitor and review the performance of its external partners. As compliance issues arise, the Company makes its assessment

and develops and implements corrective action plans as appropriate.

VOLUNTARY NON-REPAYABLE FINANCIAL GRANT BY ASTRAZENECA PHARMACEUTICALS AB, SWEDEN

As you are aware, last year, in order to assist the Company in its efforts to establish/grow its presence in the Indian market despite the significant losses incurred, AstraZeneca Pharmaceuticals AB Sweden (Promoter Company) had agreed to provide a voluntary non-repayable financial grant of approximately USD 22.5 million to USD 26.5 million over the three years period Financial Year 2013-14 to Financial Year 2015-16 under a Subvention Agreement dated May 7, 2013.

During the year ended 31 March 2014, the Company received a sum of ₹ 862.4 million as financial grant under the said agreement. The Promoter Company vide its letter dated March 1, 2014 informed the Board of Directors of the Company of a revision of the said agreement, whereby the payment under the said agreement was revised to USD 14 million (Indian rupee equivalent 862.4 million) and period covered under the said agreement to financial year 2013-14. The Promoter Company, in terms of the said agreement, vide its letter dated April 25, 2014 terminated it effective March 25, 2014 on the ground that the Company's business and financial performance has been in line with more recent expectations and that the Company shall not require any further grant for the financial years 2014-15 and 2015-16.

SAFETY HEALTH AND ENVIRONMENT

Providing a safe workplace, and promoting the health and wellbeing of all its people remains a core consideration for the Company. During the period under review, the Company's field force was trained in defensive driving techniques which resulted in a decreased number of road accidents. Regular initiatives like 'Hypertension awareness' and 'Diabetes Awareness' continued during the year to encourage the Company's employees to adopt healthy and productive lifestyle practices.

HUMAN RESOURCES AND EMPLOYEE RELATIONS

The Company continued to enjoy good industrial relations and cooperation with its employees. Retaining and developing talent during a period when the Company is targeting to return to growth,

employee morale and motivation was a priority. The increased focus on employee engagement through improved communication and building accountability at all levels had a positive impact on talent management. Managers were trained in conducting performance coaching and feedback with a view to enhancing capabilities of employees.

FACTORY LAND AT YELAHANKA

The Company received compensation amount of ₹ 13.7 million in respect of first acquisition of land made by NHAI in 2004. However, the review petition which was filed by NHAI before the Karnataka High Court, and the arbitration proceedings initiated by NHAI before the Arbitrator at Bangalore, are still pending.

The Company received further compensation amount of ₹ 102.8 million in respect of second acquisition of land made by NHAI in 2011. The Company subsequently invoked arbitration seeking, inter alia, enhancement of compensation from NHAI.

OTHER MATTERS

In December 2012, the Company had received a notice from Bruhat Bangalore Mahanagar Palike (BBMP) demanding from the Company improvement charges amounting to ₹ 15,58,04,930/-. The Company had filed a Writ Petition before the Karnataka High Court challenging the said demand notice from BBMP. The Court had granted interim stay against the notice issued by BBMP and the stay is in force.

In the last Directors' Report, the members were informed of the ongoing investigation pursuant to a First Information Report filed in February 2012 by the Central Bureau of Investigation against, among others, the Company. During the year, the investigation was concluded and a charge sheet was filed in the Court by CBI on August 5, 2013. Neither your Company nor any of its officials/employees have been named as accused in the charge sheet.

VOLUNTARY DELISTING OFFER

AstraZeneca Pharmaceuticals AB, Sweden (AZPAB) vide its letter dated March 1, 2014, notified the Company of its proposal to make a voluntary delisting offer to the public shareholders of the Company, in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, with a view to delist the equity shares of the Company from BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Bangalore Stock Exchange Limited (BgSE), where

the equity shares of the Company are currently listed (delisting proposal).

The Board at its meeting held on March 5, 2014 considered the delisting proposal as above and sought additional information from AZPAB. On receipt of the additional information, the Board had a further meeting on March 15, 2014, at which, after consideration of the additional information, it approved the delisting proposal.

Thereafter, the Board met on April 15, 2014 to consider seeking approval of shareholders through Postal Ballot and deferred the decision in light of further clarifications and explanations sought from ICICI securities Ltd. (Manager) and Walker Chandio & Co LLP (Valuer). Upon receipt of the clarifications sought, the Board again met on May 5, 2014 and after consideration of the clarifications provided, approved seeking approval of shareholders of the Company through Postal Ballot, for voluntary delisting of equity shares from the stock exchanges.

In terms of the report submitted by the Scrutinizer, the Special Resolution in relation to voluntary delisting of equity shares of the Company from stock exchanges has been duly approved by the requisite majority of shareholders. Further, the number of votes cast by public shareholders in favour of the Special Resolution being two times more than the votes cast against it by the public shareholders, the additional requirement as envisaged in Regulation 8(1)(b) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 has been satisfied and accordingly, the Special Resolution would be acted upon by the Company.

SEBI ORDER DATED JUNE 24, 2014

The Securities & Exchange Board of India (SEBI), came across certain reports stating that the Offer for Sale (OFS) of the shares of the Company carried out by the Promoter – AstraZeneca Pharmaceuticals AB, Sweden, (AZPAB) on May 26, 2013, was a deliberate attempt to subsequently get the shares of the Company delisted at ease. It was also reported that more than 94% of total shares offered through OFS had been subscribed by 6 Foreign Institutional Investors (FII).

SEBI has in its order dated June 24, 2014, stated that the facts and circumstances stated in the order, raises suspicion that Elliott Group who are the end subscribers in respect of shares held by FIIs, may have been working in collaboration/ concert with the Promoters, to facilitate the delisting of shares of the Company.

The Order also states that the matter requires further examination and in order to protect the interest of the retail investors in the delisting process which is already on, SEBI issues the following directions:

(a) Bombay Stock Exchange Limited and National Stock Exchange of India Limited shall closely monitor the entire delisting process of the Company and allow the final delisting of shares only after satisfying themselves that the process has been fair and transparent

(b) Bombay Stock Exchange Limited and National Stock Exchange of India Limited shall promptly report any aberrations noticed in the delisting process of the Company, to SEBI

(c) The Promoters of the Company shall finally purchase shares from public shareholders in the delisting offer only after seeking approval of Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

WRIT PETITION – VOLUNTARY DELISTING OFFER

A Writ Petition has been filed by two shareholders of the Company before the Bombay High Court seeking inter-alia an order from the Court, restraining the Company and AZPAB from implementing the said voluntary delisting as proposed by AZP AB.

The Hon'ble High Court which heard the matter on July 14, 2014 adjourned the same to July 24, 2014, with a direction that any steps taken hereafter shall be subject to further orders and shall not entitle any of the parties to claim equities.

The Company has filed its affidavit before the Court stating that it is only a target Company and that it has no stake in the Delisting Proposal of AZPAB other than to comply with the mandatory requirements under the SEBI (Delisting of Equity Shares) Regulations, 2009 ('Delisting Regulations') and the procedure prescribed thereunder & the Companies Act, 2013 and that it has duly complied with the requirements as such.

At the hearing held on July 24, 2014, SEBI had sought additional time to file its affidavit in the matter and in view thereof, the Court adjourned the matter by 2 weeks. Further, at the hearing held on August 7, 2014, SEBI sought further additional time to file its affidavit, based on which, the Court has granted one week's time to enable SEBI file its affidavit. The matter is now scheduled for hearing by the Court on August 14, 2014.

ACQUISITION OF BMS'S DIABETES INTEREST

In December 2013, AstraZeneca globally announced an agreement to purchase BMS's 50% interest in AstraZeneca's and BMS's joint diabetes business. On February 1, 2014, AstraZeneca completed the acquisition of BMS's interests in the companies' diabetes alliance. The acquisition provided AstraZeneca with 100% ownership of the intellectual property and global rights for the development, manufacture and commercialisation of the diabetes business, which includes Onglyza (saxagliptin), Kombiglyze XR (saxagliptin and metformin HCl extended release), Komboglyze (saxagliptin and metformin HCl), Farxiga (dapagliflozin, marketed as Forxiga outside the US), Byetta (exenatide), Bydureon (exenatide extended release for injectable suspension), metreleptin and Symlin (pramlintide acetate).

The Company had since 2010 been associated with BMS in promotions of Onglyza (Saxagliptin), Kombiglyze XR (Saxagliptin and Metformin HCl extended release) and Byetta in the Indian Pharmaceutical Market. The acquisition enables the Company to focus on the Diabetes segment, which today impacts approximately 65 million people in India, who are suffering from the disease. The Company, over the next few years, expects to launch more products in disease segment and strengthen its position.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 (the Act), the Board of Directors states that:

a) In the preparation of the Company's Annual Accounts, the applicable accounting standards had been followed and proper explanations had been provided for material departures, wherever applicable.

b) It has selected such accounting policies which had been applied consistently 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 as at the end of the year March 31, 2014 and of the Loss of the company for that period.

c) It had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) The financial statements had been prepared on a going concern basis.

BOARD'S RESPONSE TO AUDIT OBSERVATIONS

The observations made by the Auditors under para (x) of the Annexure to the Auditors' Report relating to cash loss in the immediately preceding financial year is self explanatory. The management has initiated and is vigorously pursuing plans and actions to drive the Company back to profitability. These measures would help the Company in stabilizing its fund position during the Financial Year 2014-15.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Information required under Section 217(1)(e) of the Companies Act, 1956 (1956 Act), read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I and forms part of this Report.

Information under Section 217 (2A) of the 1956 Act, read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the 1956 Act, the Report and the Accounts are being sent to all the members, excluding the information under Section 217(2A) of the 1956 Act. Any member, desirous of obtaining a copy of this Statement, may write to the Company Secretary.

CORPORATE SOCIAL RESPONSIBILITY

The Company introduced AstraZeneca's signature global initiative the Young Health Programme (YHP) in Financial Year 2010-11, designed to help marginalized young people deal with health problems they face, enabling them to live a better life. The programme has made significant progress since then.

YHP India has directly been able to reach out to 89,493 young people (40,271 boys and 49,222 girls), and has influenced 84,387 wider community members, including health professionals, educators and policy makers.

The several achievements of YHP India have been through two key approaches namely, the establishment of 15 Health Information Centres

(HICs) which act as a forum for the youth. The second vital approach is the training and support of 1,581 Peer Educators (of which 814 are girls) who are responsible for spreading awareness in their respective communities.

In India, YHP focuses on hygiene, infection, reproductive health and wider health issues (such as tobacco use and alcohol abuse) of adolescents. Customized packages comprising of training curriculum is disseminated through various mediums such as street plays, magic shows, workshops, community meetings, video shows, competitions, thematic camps and fairs. Training of 588 healthcare workers including Anganwadi workers (family health), ASHA workers (community health) and ANMs (Auxiliary Nurse Midwives) have been a part of YHP's achievements as well. YHP India continues to enhance knowledge on health issues and ways to cope with it for adolescents and hopes to reach a larger audience as the year progresses.

COMMITTEES

Pursuant to Section 178 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors at its meeting held on May 30, 2014, constituted the Nomination & Remuneration Committee and the Stakeholders' Relationship Committee, details of which are given in the Corporate Governance Report.

Further, pursuant to Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors at its meeting held on August 12, 2014, constituted the Corporate Social Responsibility Committee, which comprises of Mr. Ian Brimicombe, Mr. DE Udwadia and Mr. Sanjay Murdeshwar, as Members of the Committee.

CORPORATE GOVERNANCE

The Company has taken steps to ensure that all mandatory provisions of Corporate Governance as per the Listing Agreement with the Stock Exchanges, where the Company shares are listed, have been complied with.

The Management Discussion and Analysis is attached as Annexure-II and forms part of this Report.

The Report on Corporate Governance, along with a certificate from the Statutory Auditors confirming compliance, is annexed as Annexure-III and forms part of this Report.