

Annual Report for the year ended March 31, 2002



ABBOTT LABORATORIES (INDIA) LIMITED*

Quality Healthcare Worldwide

*A Group Company of Pharmacia Corporation, USA



ABBOTT LABORATORIES (INDIA) LIMITED

BOARD OF DIRECTORS

Chairman

Rodney Unsworth
(w.e.f. April 19, 2002)

Managing Director

Dr. V. S. Sohoni
(w.e.f. April 19, 2002)

Directors

Chandrabhas Kutty
(w.e.f. April 19, 2002)

K. G. Ananthakrishnan
(w.e.f. April 19, 2002)

H. Dhanrajgir
(w.e.f. April 19, 2002)

Upendra Mehta
(w.e.f. April 19, 2002)

T. R. Reddy
(LIC Nominee)

Company Secretary

S. Shankar

Registered Office

Jehangir Building, 133, M. G. Road,
Mumbai 400 001
Tel. : (022) 267 2159 / 267 1815
Fax : (022) 265 8313

Bankers

State Bank of India

Canara Bank

Standard Chartered Grindlays Bank Ltd.

Societe Generale

The Bank of Tokyo -Mitsubishi, Ltd.

Auditors

P. C. Hansotia & Co.

Solicitors

Crawford Bayley & Co.

MANAGEMENT TEAM

Dr. V. S. Sohoni

Managing Director

C. S. Kutty

Executive Director - Finance, IT & Logistics

Vinod Kumar Topa

Director - Commercial Integration

Dr. S. K. Banerjee

Director - Manufacturing

Dr. Sanjay Karkhanis

Director - Medical & Regulatory Affairs

Factory

Plot No. 3203, G.I.D.C. Industrial Area,
Ankleshwar - 393 002 (Gujarat)

Registrars & Share Transfer Agents

Tata Consultancy Services

6, Lotus House,

Sir Vithaldas Thackersey Marg,

New Marine Lines, Mumbai 400 020.

Tel. : (022) 203 9136

Fax : (022) 201 6689

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QUALITY HEALTH CARE
WORLDWIDE

NOTICE

Notice is hereby given that the Fifty-sixth Annual General Meeting of the Members of the Company will be held at the M.C. Ghia Hall of the Association of Merchants & Manufacturers of Textile Stores & Machinery (India), Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Road, Mumbai 400 001 on Monday, July 15, 2002 at 3.30 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2002 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors.

SPECIAL BUSINESS :

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

"Resolved that pursuant to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Price Waterhouse Coopers, Chartered Accountants, in respect of whom the Company has received a notice under Section 190 of the Companies Act, 1956 proposing their appointment as Auditors of the Company in place of the retiring Auditors, be and are hereby appointed as Auditors of the Company in place of retiring Auditors M/s. P. C. Hansotia & Co., to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the period April 2002 to December 2002 at a remuneration to be fixed by the Board of Directors of the Company."

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

"Resolved that Dr V. S. Sohoni who was appointed as Director of the Company by the Board of Directors at its meeting held on April 19, 2002 to fill in the casual vacancy caused by the resignation of Mr. Munir Shaikh in terms of Section 262 of the Companies Act, 1956, and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Dr V. S. Sohoni as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

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

"Resolved that Mr. C. S. Kutty, who was appointed as Director of the Company by the Board of Directors at its meeting held on April 19, 2002 to fill in the casual vacancy caused by the resignation of Mr. David Wardell in terms of Section 262 of the Companies Act, 1956, and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. C. S. Kutty as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

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

"Resolved that pursuant to the provisions of Sections 198, 269, 309, 316, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and Article 117(a) of the Articles of Association of the Company, the Company hereby accords its approval to the appointment of Dr. V. S. Sohoni as the Managing Director of the Company with effect from April 19, 2002 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice;

Resolved further that the Board of Directors of the Company be and is hereby authorised to amend, alter or otherwise vary the terms and conditions of the appointment of the Managing Director from time to time, including remuneration as the Board may deem fit, provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be permissible within the overall limits specified under the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time;

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing Resolution or otherwise considered by it to be in the best interest of the Company."

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

"Resolved that pursuant to the provisions of Sections 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and Article 117 (a) of the Articles of Association of the Company, the Company hereby accords its approval to the appointment of Mr. C. S. Kutty as Executive Director



in wholtime employment of the Company with effect from April 19, 2002 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice;

Resolved further that the Board of Directors of the Company be and is hereby authorised to amend, alter or otherwise vary the terms and conditions of the appointment of the Executive Director from time to time, including remuneration as the Board may deem fit, provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be permissible within the overall limits specified under the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time;

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to the foregoing Resolution or otherwise considered by it to be in the best interest of the Company."

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

"Resolved that Mr. K. G. Ananthakrishnan, who was appointed as Director of the Company by the Board of Directors at its meeting held on April 19, 2002 to fill in the casual vacancy caused by the resignation of Mr. Thomas Chen in terms of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. K. G. Ananthakrishnan as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

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

"Resolved that Mr. H. Dhanrajgir, who was appointed as Director of the Company by the Board of Directors at its meeting held on April 19, 2002 to fill in the casual vacancy caused by the resignation of Mr. William Chase in terms of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. H. Dhanrajgir as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

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

"Resolved that Mr. Upendra Mehta, who was appointed as Director of the Company by the Board of Directors at its meeting held on April 19, 2002 to fill in the casual vacancy caused by the resignation of Mr. D. M. Gavaskar in terms of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Upendra Mehta as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

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

"Resolved that Mr. Rodney Unsworth, who was appointed as Director of the Company by the Board of Directors at its meeting held on April 19, 2002 to fill in the casual vacancy caused by the resignation of Mr. Harry Patel in terms of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Rodney Unsworth as a candidate for the office of Director, be and is hereby appointed as a Director of the Company."

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

"Resolved that pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be changed from "Abbott Laboratories (India) Limited" to "Pharmacia Healthcare Limited" and immediately upon such change in the name of the Company being complete and effective, the new name 'Pharmacia Healthcare Limited' be substituted for the existing name wherever it occurs in the Memorandum and Articles of Association of the Company."

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

"Resolved that on the resolution for change in name being duly passed and becoming effective as stated in the resolution at Item No. 11, Clause VI of the Memorandum of Association of the Company be deleted and in place thereof the following new Clause VI be substituted :

"Upon Pharmacia Corporation, a Corporation organised and existing under the laws of the State of Delaware, in the United States of America, and having its Principal Office at 100 Route 206 North, Peapack,



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New Jersey 07977, USA, including its successors and assigns, and its parent, subsidiary or associate companies, corporations or bodies corporate, and any Company, corporation or body corporate in which Pharmacia is amalgamated or merged, or its parent, subsidiary or associate companies or bodies corporate including any Company, corporation or body corporate into which any such parent, subsidiary or associate companies, corporations or bodies corporate have merged shall at its sole discretion be entitled to at any time by written notice to the Company to call upon the Company to discontinue the use of the word 'Pharmacia' in any form or manner as part of its corporate or trade name and to change the name of the Company in such manner as to delete the word 'Pharmacia' appearing in the name thereof and the Company shall, within 120 days from the date of receipt of such notice –

discontinue the use of the word 'Pharmacia' as a part of its corporate or trade name, and

take all such steps as may be necessary for the purpose of changing its name as aforesaid.

Any new corporate or trade name which the Company may adopt shall not consist of any word or expression 'Pharmacia' or any similar word or expression.

All the shareholders of the Company shall be deemed to have agreed and undertaken to exercise their rights as shareholders and especially their voting rights in such a manner as would enable the Company to comply with or implement the provisions of this Article and shall be deemed to continue as shareholders on that basis."

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

"Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

- i) In Article 2

- a) Upon the change in the name of the Company from Abbott Laboratories (India) Limited to Pharmacia Healthcare Limited taking effect, the following definition of "the Company" or "this Company" be substituted in place of the existing one –

'The Company' or 'This Company' means Pharmacia Healthcare Limited.

- b) The definition of 'Abbott' be deleted and the following definition be substituted in place thereof :

'Pharmacia' means Pharmacia Corporation, a Corporation organised and existing under the laws of the State of Delaware, in the United States of America, and having its Principal Office at 100 Route 206 North, Peapack, New Jersey 07977, USA, including its successors and assigns, and its parent, subsidiary or associate companies, corporations or bodies corporate, and any Company, corporation or body corporate in which Pharmacia is amalgamated or merged, or its parent, subsidiary or associate companies or bodies corporate including any Company, corporation or body corporate into which any such parent, subsidiary or associate companies, corporations or bodies corporate have merged.

- ii) The name and expression 'Pharmacia' be substituted in place of 'Abbott' wherever appearing in Articles 117 (a), 118, 135 (a), (b) and 144 of the Articles of Association.

- iii) Article 117 (c) be deleted.

- iv) Article 3 be deleted and the following new Article 3 be substituted in place thereof :

"3. Pharmacia shall, for any reason whatsoever and at its sole discretion be entitled to at any time by written notice to the Company to call upon the Company to discontinue the use of the word 'Pharmacia' in any form or manner as part of its corporate or trade name and to change the name of the Company in such manner as to delete the word 'Pharmacia' appearing in the name thereof and the Company shall, within 120 days from the date of receipt of such notice –

discontinue the use of the word 'Pharmacia' as a part of its corporate or trade name, and

take all such steps as may be necessary for the purpose of changing its name as aforesaid.

Any new corporate or trade name which the Company may adopt shall not consist of any word or expression 'Pharmacia' or any similar word or expression.

All the shareholders of the Company shall be deemed to have agreed and undertaken to exercise their rights as shareholders and especially their voting rights in such a manner as would enable the Company to comply with or implement the provisions of this Article and shall be deemed to continue as shareholders on that basis."

- v) The existing Article 116 be deleted and the following Article be substituted :

The Number of Directors (excluding Alternate Directors) shall be between three and twelve both inclusive.



vi) The Following new Article 119 (a) be inserted :

Subject to the provisions of Section 260, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but the Director so appointed alongwith the total number of Directors shall not at any time exceed the maximum number fixed under Article 116. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting, but shall be eligible for appointment as Director at such meeting.

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

"RESOLVED THAT in partial modification of the resolutions passed by the Members at the 52nd, 53rd and 54th Annual General Meetings and subject to the approval of the Central Government and such other sanctions and approvals as may be required, the consent of the Company be and is hereby accorded to ratify, confirm and approve the remuneration paid amounting to Rs. 5340611 including perquisites and contributions made towards Provident Fund, Superannuation Fund to Mr. Tapan Ray the former Managing Director of the Company, for the period April 1,2001 to November 8,2001."

By Order of the Board

S. SHANKAR
Company Secretary

Registered Office :
Jehangir Building,
133, Mahatma Gandhi Road,
Mumbai 400 001.

Mumbai : May 17, 2002

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
2. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 is annexed hereto.
3. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
4. Notice of change of address should be sent to the Company at its Registered Office or to its Registrars & Share Transfer Agents, Tata Consultancy Services.
5. The Register of Beneficial Owners, Register of Members and the Share Transfer Books of the Company will remain closed from Monday, July 8, 2002 to Monday, July 15, 2002 (both days inclusive).
6. Members holding shares in physical form can avail of the nomination facility by filing Form 2B with the Company or its Share Transfer Agents. Blank forms 2B will be supplied on request.
7. All members who have either not received or have not encashed their dividend warrants for the financial year 1994-95 may claim their dividends by submitting application in Form II to the Registrar of Companies, Maharashtra, C/o. Fancy Corporation Ltd., Hakoba Compound, Dattaram Laad Marg, Kala Chowki, Mumbai 400 033, mentioning the relevant Folio No.(s) for issue of dividend warrant(s).
8. Pursuant to Section 205A (5) of the Companies Act, 1956, as amended, any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid dividend account shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government and the shareholders shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter.

YOU ARE REQUESTED TO BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.



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INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed at the ensuing Annual General Meeting are given below :

Name : Mr. K. G. Ananthakrishnan
Age : 45 years
Qualification : B.Sc., Master's degree in Marketing Management from University of Mumbai.

Mr. K. G. Ananthakrishnan joined Pharmacia India Private Limited in January 1999 as Vice-President - Marketing & Sales based at Gurgaon. He is presently responsible for operations in India, Sri Lanka and Bangladesh for Pharmacia India Private Limited.

Mr. Ananthakrishnan began his career with Hindustan Ciba Geigy in 1976 and worked with them for over two decades. He started off as a medical representative and rose to the level of General Manager, Marketing & Sales. He held various positions in sales management and marketing during his tenure at Hindustan Ciba Geigy. Mr. Ananthakrishnan has to his credit the building of two mega brands - Voveran and Tegretol. He also acted as an accredited sales trainer in developing selling skills.

Mr. Ananthakrishnan is Director of the Company since April 19, 2002

Other Directorships : None

Name : Mr. Humayun Dhanrajgir
Age : 65 years
Qualification : B.E. (UK) in Chemical Engg, MI Chem E. (U.K.), C.Engg. (UK) A.M.P. (Harvard University)

Mr. Dhanrajgir started his career in 1960 at the British Oxygen Company, London and was then at Burmah-Shell for five years. In 1969, Mr. Dhanrajgir joined Glaxo India Limited and held several important positions after which he retired as Executive Vice Chairman in 1994. Mr. Dhanrajgir then took over as Managing Director of Lupin Laboratories for one year and moved on to Kodak India Limited as Managing Director. He retired from there after a five-year term in 2000. He also served as Vice-President, from 1990 to 1992 and then President, Organisation of Pharmaceutical Producers of India till 1994.

Mr. Dhanrajgir is on the Board of Directors for several companies including Kodak India Limited, HDFC Asset Management Company Limited, Ciba Speciality Chemicals (India) Limited, German Remedies Limited and Neuland Laboratories Limited. Mr. Dhanrajgir is Member, Global Advisory Board, Asian Centre for Corporate Governance, Trustee for the Dr. P. V. Cherian Artificial Kidney Trust and Associate with A. M. Pappas Associates, Research Triangle Park, USA.

Mr. Dhanrajgir is Director of the Company since April 19, 2002

Other directorships :

Name of the Company	Nature of Interest
H. Dhanrajgir Estates Pvt.Ltd.	Chairman
Ciba Speciality Chemicals (India) Ltd.	Director and Member of Audit Committee & Shareholder's Grievances Committee
Construction Portal Pvt. Ltd.	Director
Emcure Pharmaceuticals Ltd.	Director and Chairman of Audit Committee
German Remedies Ltd.	Director and Member of Audit Committee
HDFC Asset Management Co. Ltd.	Director and Member of Audit Committee & Remuneration Committee
Kodak India Ltd.	Director and Chairman of Shareholder's Grievances Committee & Member of Audit Committee
Neuland Laboratories Ltd.	Director and Chairman of Audit Committee
Sami Labs. Ltd.	Director



Name : **Mr. Upendra Mehta**
Age : 61 years
Qualification : B.Com., M.B.A. (USA), Management Consultant

Mr. Mehta started his career in 1962 at the Swastik Oil Mills, Ahmedabad and then moved on to the Management Science Centre in Philadelphia as a Research Associate. After a short tenure at Kaiser Aluminium, Oakland, Mr. Mehta returned to India and was with Hindalco Industries Limited for five years. He then joined Sandoz (India) in 1970 and was with them as Divisional Planner and then Corporate Planner till 1979.

For the next 13 years, Mr. Mehta served as Vice President and Chief Executive of Wander Limited in Mumbai. In 1993 he took over as Vice President & Head, Pharma Division, Sandoz (India) Limited and was also on the Board of Directors of Wander Limited till 1996.

In 1996, Mr. Mehta started his practice as an independent Management Consultant. He has had a wide ranging experience with clients such as Novartis India Limited, Bank of America, Pharmacia India Private Limited, Novartis Nutrition Limited, Parke Davis India Limited, Sandu Pharmaceuticals, Novartis Enterprise and Wander Limited.

Mr. Mehta is Director of the Company since April 19, 2002

Name : **Mr. Rodney Unsworth**
Age : 59 years
Qualification : Pharmacist

After graduating as a Pharmacist in Victoria, Australia in 1964, Mr. Rodney Unsworth worked as a retail and manufacturing pharmacist in the UK and completed an 18 month European Study Tour.

In 1969, he settled in Perth, Australia and founded a partnership, known as Delta West. He was responsible for steering that partnership as Founder and Chairman to a private Company and then to public Company status in 1985.

In 1991, The Upjohn Company of Kalamazoo, Michigan, USA, acquired Delta West's assets. In November 1995, Upjohn merged with Pharmacia AB and Mr. Unsworth was appointed President for Australasia, responsible for Australia and New Zealand.

In January 1998, he was appointed Group Vice President, Global Business Management responsible for Ophthalmology Growth Hormone and Parkinsons Disease. In 1998, he became President Asia Pacific and a member of the Corporate Operations Group of Pharmacia & Upjohn. In June 1999, he was appointed Senior Vice President and President Asia Pacific, Pharmacia & Upjohn Inc., Area President Asia Pacific in 2000 and President in the combined Asia Pacific Region in May 2001.

Mr. Unsworth is Director of the Company since April 19, 2002

Other directorships

Country	Name of the Company
Australia	: Pharmacia Australia Pty Ltd. Pharmacia (Perth) Pty Ltd. ObjectVision Pty Ltd. Medical Corporation Australasia Limited BioDiem Limited
Hong Kong	: Searle Pharma Ltd.
Indonesia	: PT Pharmacia Indonesia President / Commissioner
Korea	: Pharmacia Korea Ltd.
Pakistan	: Pharmacia Pakistan (Private) Ltd.
Philippines	: Pharmacia Philippines Inc. G D Searle Philippines, Inc.
Taiwan	: Pharmacia Taiwan Inc.
Thailand	: Pharmacia (Thailand) Ltd.



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Name : Dr. Venkat Sohoni
Age : 59 years
Qualification : Graduated in Electronics Engineering from the Indian Institute of Technology, (IIT) Kharagpur in 1963. He obtained a Ph.D. in Information Systems from I.I.T. Mumbai in 1972.

Dr. Venkat S. Sohoni was appointed President & Managing Director of Pharmacia India Private Limited, Gurgaon in October 1999. Dr. Sohoni has resigned from the Managing Directorship and will only continue as President of Pharmacia India Private Limited.

Dr. Sohoni began his career with IBM World Trade Corporation Mumbai, in 1963 and was with them till 1970. In 1971, he joined Sandoz India where he held various management positions including Vice President, Crop Protection Division at San Diego, USA. From 1985 to 1988, Dr. Sohoni was President and CEO of Wander Ltd., a division of Sandoz Group. Thereafter, he joined Biosys Inc., Palo Alto, USA, and was with them for over 7 years as President, CEO and Vice Chairman. Dr. Sohoni then took over as Managing Director of Hindustan Ciba Geigy/Novartis in Mumbai, India in 1996 and was also on the Board of Directors till October 1999.

Dr. Sohoni is currently Vice President, Organisation of Pharmaceutical Producers of India.

Dr. Sohoni is Managing Director of the Company since April 19, 2002

Other directorships : None
Other employment : President, Pharmacia India Private Ltd

Name : Mr. Chandrahas Kutty
Age : 48 years
Qualification : B.Com (Hons) degree from the Sydenham College of Commerce & Economics, Mumbai. He is a member of the Institute of Chartered Accountants of India since 1978.

Mr. C.S. Kutty began his career in 1979 with Ballarpur Industries Ltd., followed by Shaw Wallace & Co. Ltd., and Niky Tasha India Pvt. Ltd. After working in India for 10 years, Mr. Kutty moved to Costa Rica where he worked with Gazapati de Costa Rica S.A. as Chief Financial Officer for 8 years.

On his return to India, Mr. Kutty joined Pharmacia India Private Limited in June 1998 as Director - Finance, Information Technology & Logistics bringing with him his expertise in the development of systems as well as in the setting up of new projects from conception to commissioning.

Mr. Kutty is an Executive Director of the Company since April 19, 2002

Other directorships : None

By Order of the Board

S. SHANKAR
Company Secretary

Registered Office :
 Jehangir Building,
 133, Mahatma Gandhi Road,
 Mumbai 400 001.

Mumbai : May 17, 2002



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 2

Pharmacia Corporation, USA, after taking over the business operations from the Company with effect from April 19, 2002, have informed the Company that worldwide their Auditors are Price Waterhouse Coopers and therefore in India too, it would be in line with their global policy to appoint M/s. Price Waterhouse Coopers for audit and examination of accounts for the year period ending April, 2002 to December, 2002.

A copy of Special notice was served on M/s. P. C. Hansotia & Co., the retiring Auditors and they have given their consent to the appointment of M/s. Price Waterhouse Coopers as the new Auditors for the Company.

As required under Section 224(1) of the Companies Act, 1956, a certificate has been received from M/s. Price Waterhouse Coopers to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224 (1-B) of the Companies Act, 1956.

None of the Directors is interested or concerned in the said Resolution.

Item No. 3

At its meeting held on April 19, 2002, the Board of Directors appointed Dr. V. S. Sohoni as Director of the Company with effect from that date to fill in the casual vacancy caused by the resignation of Mr. Munir Shaikh in terms of Sec. 262 of the Companies Act, 1956. The Company has received a notice from a Member under Sec. 257 of the Companies Act, 1956, signifying his intention to propose Dr. V. S. Sohoni as a candidate for the office of Director.

Dr. Sohoni has also been appointed as Managing Director of the Company with effect from April 19, 2002. The Board, therefore recommends the Resolution at Item No. 3 of the annexed Notice for the approval of the members.

Dr. Sohoni may be deemed to be concerned or interested in this resolution as it concerns him.

No other Director is concerned or interested in the said Resolution.

Item No. 4

At its meeting held on April 19, 2002, the Board of Directors appointed Mr. C. S. Kutty as Director of the Company with effect from that date to fill in the casual vacancy caused by the resignation of Mr. David Wardell in terms of Sec. 262 of the Companies Act, 1956. The Company has received a notice from a Member under Sec. 257 of the Companies Act, 1956, signifying his intention to propose Mr. C. S. Kutty as a candidate for the office of Director.

Mr. Kutty has also been appointed as Executive Director of the Company with effect from April 19, 2002. The Board, therefore recommends the Resolution at Item No. 4 of the annexed Notice for the approval of the members.

Mr. Kutty may be deemed to be concerned or interested in this resolution as it concerns him.

No other Director is concerned or interested in the said Resolution.

Item No. 5

The Board of Directors appointed Dr. V. S. Sohoni as the Managing Director of the Company with effect from April 19, 2002. The brief terms and conditions of his appointment are set out below :

The Managing Director shall subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the Company.

1. Period : Two years with effect from April 19, 2002
2. Remuneration : Dr. Sohoni shall not be entitled to any salary . He shall however be provided such facilities like telephone, car, etc. as may be necessary exclusively for the business of the Company.
3. Dr. Sohoni shall be entitled to the perquisites in the form of membership fees of the following two clubs paid by the Company :
 - a. Belvedere Club, The Oberoi Hotel, Mumbai - Rs.33,000 p.a.
 - b. The Willingdon Sports Club, Mumbai - Rs. 12,000 p.a.
4. The Company shall reimburse actual entertainment and travelling expenses incurred in the course of the Company's business.
5. Dr. Sohoni will be entitled to privilege leave and sick leave and casual leave benefits as per the rules of the Company.
6. Dr. Sohoni will not receive sitting fees for attending meetings of the Board or Committee thereof.
7. Dr. Sohoni shall not, so long as he functions as Managing Director of the Company, become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company without the prior approval of the Central Government.