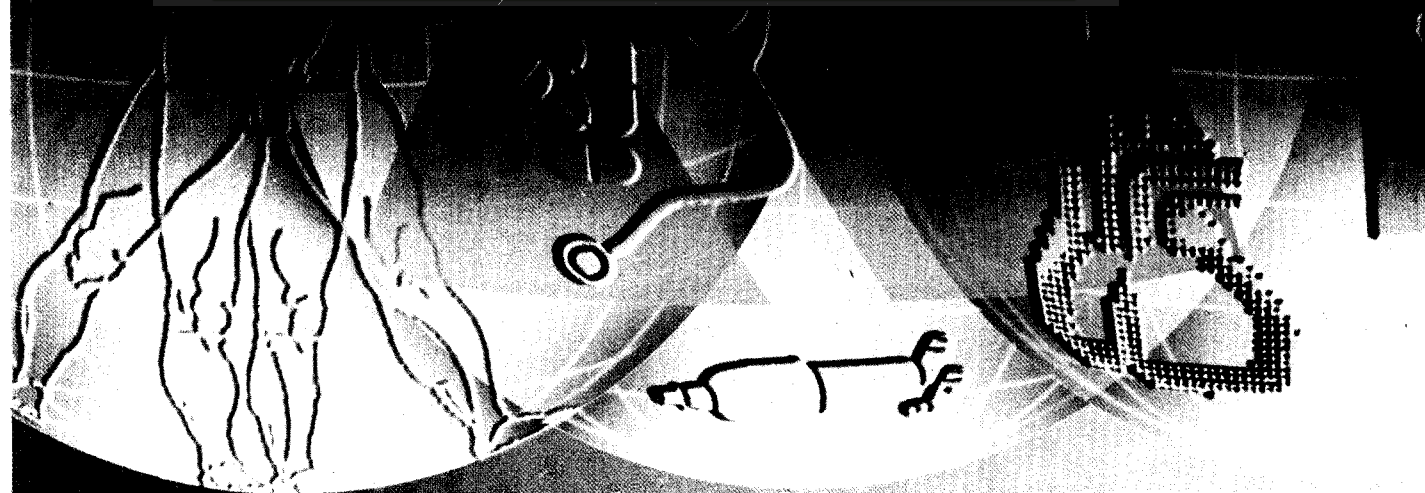


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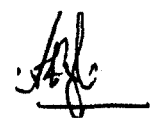


ASTRA-IDL

Our Aim is to Cure & Prevent Disease

QUALITY POLICY

ASTRA-IDL is committed to develop and manufacture products meeting stringent specifications for quality and purity through continuous improvements in processes and systems by team efforts of our dedicated employees in conformance with current Good Manufacturing Practices and world class requirements to delight our valued customers and users, thereby providing better health to mankind.



Managing Director



BOARD OF DIRECTORS

Dr E G Mahadevan, *Chairman*
 D E Udawadia
 K N Venkatasubramanian
 S K Warrior
 Dr Nitya Nand
 B D Punjabi
 K Gyllvik
 P S Dasgupta
 Per Wesslau
 A R Hegde, *Managing Director*

Company Secretary

Supriya Kumar Guha

Senior Management Team

R Melanta
Vice President – HR & Administration

R A Bhat
Vice President – Finance

A S Vittal Rao
Vice President – Marketing & Business Development

Dr B Venugopalan
Vice President – R&D

U N Misra
Vice President – Operations

H N Sharat Chandra
Vice President – Materials & Exports

R K Bhat
General Manager – Sales

K R P Shenoy
General Manager – QA and Technical Services

R S V Rao
Controller – Planning & Production Services

G M Kamath
Controller – Distribution Services

Ramesh Kadaba V
Controller – Production

Dr. Bhide K S
Controller – R&D

Bankers

State Bank of India
 ANZ Grindlays Bank
 Canara Bank

Auditors

A F Ferguson & Co.
 Bangalore

Legal Advisors

Udawadia, Udeshi & Berjis
 Mumbai

Corporate & Registered Office

Crescent Towers
 32/1-2, Crescent Road
 Bangalore 560 001

Registrars & Share Transfer Agents

Alpha Systems Private Limited
 30, Ramana Residency
 4th Cross, Sampige Road, Malleswaram
 Bangalore 560 003

Factory

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

Sales Outlets

Ahmedabad
 Bangalore *
 Calcutta
 Chennai
 Cuttack
 Delhi *
 Ghaziabad
 Guwahati
 Hyderabad
 Indore
 Jaipur
 Kochi
 Lucknow
 Mumbai *
 Patna
 Vijayawada

* Company outlets

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Astra-IDL Limited will be held at 2.30 p.m. at the Ball Room, Taj West End Hotel, Race Course Road, Bangalore, on Friday, 8th September, 2000 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Final dividend.
3. To appoint a Director in place of Mr B D Punjabi, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr D E Udawadia, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. To appoint a Director in place of Mr Kaare Gyllvik who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, under Section 260 of the Companies Act, 1956 and, being eligible, offers himself for re-appointment 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 him as a candidate for the office of Director.
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Sections 269, 309 and 311 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions of the said Act, the re-appointment of Mr A R Hegde as Managing Director for a period of 3 (three) years from 13th October, 2000 at the increased remuneration including perquisites and on terms and conditions set out in the draft Agreement proposed to be entered into by the Company with Mr A R Hegde placed before the Meeting and initialled by the Chairman for the purpose of identification be and the same is hereby approved."

8. 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 Section 149 (2A) and other applicable provisions of the Companies Act, 1956, approval be and is hereby granted to the Company commencing the business of buying, selling, manufacturing, letting on hire and generally dealing in plant, machinery, apparatus, materials, substances, articles and things for purpose of the business activities of the Company or which is likely to be required by customers or others dealing with the Company."

By Order of the Board of Directors
ASTRA-IDL LIMITED

S K GUHA
COMPANY SECRETARY

Bangalore
Date : July 12, 2000

Regd. Office:
Crescent Towers
32/1-2, Crescent Road
Bangalore - 560 001

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 30th August, 2000 to 8th September, 2000 (both days inclusive).
3. The final dividend, if any, that may be declared at the Meeting will be paid on or before 19th October, 2000 to those members, whose names appear in the Company's Register of Members as on 8th September, 2000.
4. Members are requested to notify the change of address, if any, to the Company's Registrars and Share Transfer Agents, M/s Alpha Systems Private Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 (Telephone No.080-3460815/6/7/8-Fax 080-3460819).
5. For the convenience of Members and for 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 are kindly requested to affix their signature at the place provided on the Attendance Slip and hand it over at the entrance.
6. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of share folios and send the relative share certificates to the Company's Registrars and Share Transfer Agents.
7. Members are requested to quote the Folio Numbers in all correspondence.
8. Members are requested to bring a copy of the Annual Report along with them to the Annual General Meeting since extra copies will not be supplied at the Meeting.
9. Members may please note that unpaid / unclaimed Dividends for the years upto 1993-94 have been transferred to 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 years are requested to claim the amount from the Registrar of Companies-Karnataka, Kendriya Sadan, 2nd Floor, 'E' Wing, Koramangala, Bangalore. Intimations have been sent to the Members concerned, pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
10. Members are requested to note that as prescribed by Securities and Exchange Board of India (SEBI), trading in securities of the Company is in *Demat* form only. Hence, Members who are yet to Dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL) for Demat facilities.

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

Item 6

Mr Kaare Gyllvik was a Director of the Company for several years. He resigned as Director on 22nd October, 1999. However, Astra Pharmaceuticals AB once again nominated his appointment as a Director of

the Company. Accordingly, Mr Kaare Gyllvik was appointed as an Additional Director by the Board of Directors with effect from 29th January, 2000. Pursuant to Section 260 of the Companies Act, 1956, read with Article 116 of the Articles of Association of the Company, Mr Gyllvik holds office upto the date of the forthcoming Annual General Meeting of the Company. A Notice in writing along with the deposit of Rs.500/- has been received from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr Gyllvik, as a candidate for the office of Director.

Mr Gyllvik has had a long and close association with the Company. The Board considers that his appointment as Director will continue to be beneficial to the Company.

Mr Gyllvik is interested in the Resolution since it relates to his appointment.

Item 7

Mr A R Hegde has been the Managing Director of the Company since 13th October, 1996. His four year term of office as Managing Director is due to expire on 12th October, 2000.

The Agreement dated 13th November, 1995 between the Company and Mr Hegde setting out the terms of his appointment, including his remuneration as Managing Director, was duly approved by the Shareholders at the 17th Annual General Meeting held on 17th September, 1996.

At the meeting of the Board of Directors held on 12th July, 2000 the Directors resolved, subject to approval of the shareholders in the General Meeting, to re-appoint Mr Hegde as Managing Director for a further period of 3 (three) years from 13th October, 2000. The terms of his appointment including his remuneration are set out in the draft Agreement referred to in the Resolution at Item 7 of the Notice.

The material terms of the draft Agreement are as under:

1. The Company to employ Mr Hegde and Mr Hegde shall serve the Company as Managing Director of the Company for a period of 3 (three) years effective 13th October, 2000.
2. Mr. Hegde to carry out such functions, exercise such powers and perform and discharge such duties and responsibilities as the Board of Directors of the Company ("the Board") shall from time to time in its absolute discretion determine and entrust to him. Mr Hegde shall report and be answerable and responsible to the Board. Subject to the superintendence, control and direction of the Board and subject to such restrictions or limitations as the Board may in its discretion determine from time to time, Mr Hegde as Managing Director to have the general control of the business of the Company and be vested with the management and day to day affairs of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in ordinary course of such business he may consider necessary or proper or in the best interests of the Company.
3. During his employment under this Agreement, Mr Hegde to devote his whole time and attention during business hours to the business of the Company and shall exert his best endeavours to promote its interests and welfare.
4. During his employment under this Agreement, Mr Hegde to undertake such travelling in and outside India as may be necessary in the interests of the Company's business or as may from time to time be required or directed by

the Board in connection with or in relation to the business of the Company.

5. The Company to pay to Mr Hegde in consideration of the faithful and proper performance by him of his duties and functions :

(i) (a) A Salary of Rs.1,00,000 (one lakh) per month with such annual increments as the Board may in its absolute discretion determine.

(b) Commission: Subject to the overall limits laid down under sections 198 and 309 of the Companies Act, 1956 not exceeding 1% of net profits of the Company for each financial year as the Board may in its absolute discretion determine.

- (ii) Mr. Hegde shall also be entitled to the following benefits:

(a) The use of semi-furnished residential accommodation leased or taken on leave and licence by the Company Provided that the expenditure incurred by the Company on providing such accommodation to Mr Hegde, shall be subject to a ceiling of 50% of his salary, subject to deduction of tax as per the Income Tax Act, 1961.

(b) Reimbursement by the Company of all charges in connection with gas, electricity and water in the residential accommodation, to be valued as per the Income Tax Rules, 1962 and to be subject to the ceiling of 10% of salary.

(c) Reimbursement of entertainment expenses reasonably incurred by Mr Hegde exclusively for the purpose of the business of the Company.

(d) Utilisation of club facilities of the Company, subject to a maximum of

two clubs but excluding admission and life membership fees.

(e) The benefit of personal accident insurance policy as per Company Scheme in force.

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

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

(h) Gratuity at the rate of one month's salary for each completed year of service.

(i) Encashment of unavailed privilege leave at the end of his tenure as Managing Director as per the Rules of the Company for the time being in force.

(j) Use of telephone at the aforesaid accommodation, the rent, call charges and other outgoings in respect thereof to be paid by the Company except for personal long distance calls which shall be billed by the Company to Mr Hegde directly.

- (k) Use of a motor car, all expenses for running of such motor car to be borne by the Company. Use of the car for private purpose shall be billed by the Company to Mr Hegde, directly.
- (iii) In addition to the foregoing, Mr Hegde to be allowed to incur expenses towards Medical, Leave Travel Concession and such expenses of like nature as may be prescribed by the Rules of the Company in force from time to time, the total sum not exceeding Rs.400000 (four lakhs) per annum.
- (iv) Income Tax, if any, on or in respect of the aforesaid remuneration to be borne and paid by Mr. Hegde.
- (v) The total remuneration including salary, commission and perquisites, as aforesaid, not in any case to exceed 5% of the net profits in any year computed in accordance with the Companies Act, 1956.
6. During his employment under this Agreement, Mr Hegde, not to directly or indirectly engage himself in any other business, occupation or employment whatsoever PROVIDED HOWEVER that it shall be permissible to Mr Hegde to hold with the previous sanction of the Board, any non-executive directorship or directorships of any other Company or Body Corporate and the holding of any such directorship shall not be deemed to be a contravention of this clause.
7. Mr Hegde not to, so long as he functions as Managing Director of the Company, become interested or otherwise concerned directly or through his wife and/or minor children or other members of the family, if any, in any selling agency of the Company without the prior approval of the Board and the Central Government.
8. Mr Hegde not to, during the continuance of his employment hereunder or any time thereafter, divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company any information or knowledge obtained by him during his employment as to the business affairs of the Company or its customers or its methods or as to any trade secrets or secret processes of the Company and Mr Hegde shall during the continuance of his employment hereunder also use his best endeavours to prevent any other person so doing.
9. If Mr Hegde at any time be prevented by ill health or accident or any physical or mental disability from performing his duties as Managing Director, he shall inform the Company immediately and supply it with such details or information as the Company may reasonably require and if he shall be unable by reason of ill health or accident or such disability for a consecutive period of 180 days in any period of twelve consecutive calendar months to perform his duties hereunder, the Company may forthwith terminate his employment.
10. The employment of Mr Hegde under this Agreement be forthwith determine if he becomes insolvent or makes any composition or arrangement with his creditors or he shall cease to be a Director of the Company.
11. In case Mr Hegde should die during the course of his employment here under, the Company will pay his legal representatives the salary and other emoluments payable hereunder for the then current month together with such further sum as the Board in its sole

and uncontrolled discretion may determine.

12. If Mr Hegde be guilty of negligence in the conduct of the business of the Company or of any misconduct or any breach of this Agreement as in the opinion of the Board renders his retirement from the office of the Managing Director desirable, the Company may by not less than 30 days' notice in writing to Mr Hegde or upon payment to Mr Hegde of one month's salary in lieu of notice determine this Agreement and he shall cease to be a Director and Managing Director, of the Company upon the expiration of such notice.
13. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to determine this Agreement by giving not less than 90 days' notice in writing in that behalf to the other party without the necessity of showing any cause and on the expiry of the period of such notice, this Agreement shall stand determined and Mr Hegde to cease to be a Director and Managing Director of the Company PROVIDED HOWEVER that the Company to be entitled to terminate Mr Hegde's employment at any time by payment to him of 3 months' salary in lieu of such notice.
14. The Agreement represents the entire agreement between the parties hereto in relation to the terms and conditions of Mr Hegde's employment with the Company as Managing Director and cancels and supersedes all prior agreements, arrangements or understanding, if any, whether oral or written, between the parties hereto in relation to Mr Hegde's terms and conditions of employment.

15. No alteration or amendment of this Agreement to be valid and binding on the parties hereto unless made in writing signed by or on behalf of both the parties hereto.

The Board of Directors consider that the remuneration proposed to be paid to Mr Hegde as Managing Director upon his re-appointment is commensurate with his increased duties and responsibilities.

The approval of the shareholders is being sought for to the re-appointment of Mr Hegde as Managing Director and for the increased remuneration proposed to be paid to him pursuant to Section 269, 309 and 311 read with Schedule XIII of the Companies Act, 1956. The increased remuneration payable to Mr Hegde is in conformity with the provisions of Schedule XIII.

The draft Agreement referred to in the Resolution at Item 7 will be open for inspection by the shareholders of the Company at its Registered Office between 10.00 a.m. and 12.00 noon on any working day except Saturday.

Mr Hegde is interested in the Resolution at Item 7 since it relates to his re-appointment as Managing Director.

Item 8

Sub-Clause (21) of Clause III (c) of the Company's Memorandum of Association empowers the Company to buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purposes of any of the business specified herein, or likely to be required by customers or other having, or proposing to have dealings, with the Company.

The Company proposes to commence the above business activity. This would enable the Company to use its surplus funds in an effective and profitable manner. Section 149 (2A) of the Companies Act, 1956 requires the approval of the Members for the commencement of any new business by a Special Resolution. Hence, the Special Resolution at Item 8 of the Notice. The Board recommends the Special Resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution except to the extent of their respective shareholding in the Company.

By Order of the Board of Directors
ASTRA-IDL LIMITED

S K GUHA
COMPANY SECRETARY

Bangalore
Date : July 12, 2000
Regd. Office:
Crescent Towers
32/1-2, Crescent Road
Bangalore - 560 001

