



AstraZeneca Pharma India Limited

Annual Report 2007

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Making the most
meaningful difference to patient health
through great medicines



Core Values

RESPECT FOR THE INDIVIDUAL AND DIVERSITY

OPENNESS, HONESTY, TRUST AND SUPPORT FOR EACH OTHER

INTEGRITY AND HIGH ETHICAL STANDARDS

LEADERSHIP BY EXAMPLE AT ALL LEVELS

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

Our strategy for achieving sustained industry leading growth centers on our key priorities, which are:

- Strengthening our pipeline of new medicines from our own research laboratories and by gaining access to scientific innovation outside AstraZeneca.
- Delivering the full potential of all our marketed medicines through rigorous life cycle management and excellent customer support.
- Challenging our cost structure to make room for further investment in R&D and externalisation, whilst increasing access to our medicines.
- Promoting a culture of responsibility and accountability.

At AstraZeneca we believe that how we do business, as well as what we do, is important to our reputation among our stakeholders and wider society.

At the foundation of all our strategic and business endeavours are our core values, which are at the heart of what we are as a company and represent what we stand for. Alongside our commitment to competitiveness and top-tier performance, we continue to be led by our core values to achieve sustainable success.

AstraZeneca Pharma India Limited

Board of Directors

Board of Directors

(as on February 25, 2008)

D E Udwadia, *Chairman*

K S Shah

Ian Brimicombe

Graham Baker

Bhasker V. Iyer

Anandh Balasundaram, *Managing Director*

Bankers

The Hongkong and Shanghai

Banking Corporation Ltd.

State Bank of India

Auditors

BSR & Co., Bangalore

Legal Advisors

Udwadia & Udeshi, Mumbai

Corporate and Registered Office

"Avishkar"

Off Bellary Road

Hebbal

Bangalore 560 024

Factory

12th Mile on Bellary Road

Kattigenahalli Village, Yelahanka

Bangalore 560 063

Sales Outlets

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

* Company outlets

Committees of Directors

Audit Committee

K S Shah, *Chairman*

D E Udwadia

Anandh Balasundaram

Shareholder/Investors' Grievance Committee

K S Shah, *Chairman*

Anandh Balasundaram

Chief Financial Officer

S J V Chelliah

Company Secretary

N R Srinivasan

Annual General Meeting
at 2.30 pm, 28th April 2008
at the Grand Ball Room, The Grand Ashok,
Kumara Krupa High Grounds, Bangalore 560 001

Notice is hereby given that the 29th Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held at 2.30 p.m. at the Grand Ball Room, The Grand Ashok, Kumara Krupa High Grounds, Bangalore 560 001 on April 28, 2008 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at December 31, 2007 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. D.E. Udawadia, who retires by rotation, and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Graham Baker who was appointed as Additional Director by the Board of Directors with effect from July 26, 2007 under Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting, and, being eligible, offers himself for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the said Act, signifying his intention to propose Mr. Baker's candidature for the office of Director.
5. To appoint a Director in place of Mr. Bhasker V. Iyer who was appointed as Additional Director by the Board of Directors with effect from July 26, 2007 under Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting, and, being eligible, offers himself for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the said Act, signifying his intention to propose Mr. Iyer's candidature for the office of Director.
6. To appoint a Director in place of Mr. Anandh Balasundaram who was appointed as Additional Director by the Board of Directors with effect from June 1, 2007 under Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting, and, being eligible, offers himself for re-appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the said Act, signifying his intention to propose Mr. Anandh's candidature for the office of Director.
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269 of the Companies Act, 1956 read with Schedule XIII thereto, and other applicable provisions of the said Act, the appointment of Mr. Anandh Balasundaram as Managing Director of the Company for a period of five years from June 1, 2007 on the remuneration including perquisites to be paid or granted to him as set out in the Agreement dated June 1, 2007 and entered into by the Company with Mr. Anandh placed before the meeting be and the same is hereby approved."

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**
2. An Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 ("the Act"), in respect of item Nos. 4 to 7 is annexed hereto. The relevant details as required by clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Director under Item Nos. 3, 4, 5 and 6 above are also annexed.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from April 16, 2008 to April 28, 2008 (both days inclusive).
4. The Dividend, if any, that may be declared at the Meeting will be paid on or before May 27, 2008 to those members whose names appear in the Company's Register of Members as on April 28, 2008.

5. Members are requested to immediately notify change of address, if any, to the Company's Registrars and Share Transfer Agents, M/s. Alpha Systems Private Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003 (Telephone No. 080-23460815/6/7/8 Fax No. 080-23460819).
6. For the convenience of Members and for the proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members/proxies attending the meeting are kindly requested to complete the enclosed Attendance Slip and affix their signature at the place provided thereon and hand it over at the entrance.
7. Members holding more than one Share Certificate in different folios are requested to kindly apply for consolidation of share folios and send the relative share certificates to the Company's Registrars and Share Transfer Agents.
8. Members are requested to quote the Folio numbers / Client Id / DP Id in all correspondence.
9. Members are advised to avail of the Electronic Clearing Service (ECS) facility for dividends that may be declared. To avail of this facility, those members holding shares in physical form, are requested to return the duly filled in ECS form enclosed herewith to the Company's Registrars and Share Transfer Agents. In case of members holding shares in demat mode, they are requested to provide the details to National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL), as the case may be, through their respective Depository Participant (DP).
10.
 - (a) Members may please note that unpaid or unclaimed Dividends in respect of the financial years upto 1993-94 have been transferred to the credit of the General Revenue Account of the Central Government in terms of Section 205A of the Act. Members who have not encashed the dividend warrants for the aforesaid financial years are requested to claim the amount from the Registrar of Companies- Karnataka, Kendriya Sadan, 2nd Floor, 'E' Wing, Kormangala, Bangalore 560 034. Intimations have been sent to the Members concerned, pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
 - (b) Members may also please note that consequent to the amendment to Section 205A (5) of the Act and the introduction of Section 205C by the Companies (Amendment) Act, 1999, all amounts transferred to the Unpaid Dividend Account of the Company for the years 1994-95, 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 remaining unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer have been transferred to the Investor Education and Protection Fund.
11. Members are requested to note that as prescribed by Securities and Exchange Board of India (SEBI), trading in securities of the Company are in dematerialised form only. Hence, Members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for demat facilities.

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

N R Srinivasan
Company Secretary

Dated: February 25, 2008

Registered Office:

"Avishkar"
Off Bellary Road
Hebbal
Bangalore - 560 024

Explanatory Statement

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 4

Mr. Graham Baker ("Mr. Baker") was appointed as an Additional Director by the Board with effect from July 26, 2007. In terms of Section 260 of the Companies Act, 1956 ("the Act") read with Article 116 of the Articles of Association of the Company, Mr. Baker holds office as Additional Director, only upto the date of the forthcoming Annual General Meeting of the Company, but is eligible for re-appointment.

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

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

Mr. Baker is interested in the resolution at item No.4 since it relates to his appointment as Director. A brief resume of Mr. Baker has been given in the Annexure attached to the Notice.

Item No. 5

Mr. Bhasker V. Iyer ("Mr. Iyer") was appointed as an Additional Director by the Board with effect from July 26, 2007. In terms of Section 260 of the Companies Act, 1956 ("the Act") read with Article 116 of the Articles of Association of the Company, Mr. Iyer holds office as Additional Director, only upto the date of the forthcoming Annual General Meeting of the Company, but is eligible for re-appointment.

Notice in writing has been received from a Member under Section 257 of the Act, signifying his intention to propose Mr. Iyer as a candidate for the office of Director, along with a deposit of Rs. 500/- (Rupees Five Hundred only), which shall be refunded to the Member, if Mr. Iyer is elected as a Director. Mr. Bhasker Iyer was the Managing Director of the Company from May 6, 2004 to May 31, 2007.

The Directors consider that the appointment of Mr. Iyer, as a Director will be beneficial to the Company having regard to his knowledge, experience and his earlier association with the Company as its Managing Director. The Directors accordingly recommend that he be appointed as a Director.

Mr. Iyer is interested in the resolution at item No.5 since it relates to his appointment as Director. A brief resume of Mr. Iyer has been given in the Annexure attached to the Notice.

Item Nos. 6 and 7

At the meeting of the Board held on May 21, 2007 Mr. Anandh Balasundaram ("Mr. Anandh") was appointed as an Additional Director of the Company with effect from June 1, 2007. In terms of Section 260 of the Companies Act, 1956 ("the Act") read with Article 116 of the Articles of Association of the Company, Mr. Anandh holds office as Additional Director, only upto the date of the forthcoming Annual General Meeting of the Company, but is eligible for re-appointment.

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

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

A brief resume of Mr. Anandh has been given in the Annexure attached to the Notice.

At the said meeting of the Board held on May 21, 2007, Mr. Anandh was appointed Managing Director of the Company, subject to approval of the Members in general meeting, for a period of 5 (five) years effective June 1, 2007.

An Agreement dated June 1, 2007 (hereinafter referred to as "the Agreement") has been entered into between the Company and Mr. Anandh setting out the terms and conditions of his appointment as Managing Director of the Company.

The terms of his appointment including his remuneration are set out in the Agreement referred to in the resolution at item No.7 of the Notice. An Abstract dated June 4, 2007 pursuant to Section 302 of the Act, setting out the material terms of Mr. Anandh's appointment and remuneration provided in the Agreement dated June 1, 2007, was sent to all the Members.

The material terms of the Agreement dated June 1, 2007 are set out below:

1. Subject to the consent of the Company in general meeting, Mr. Anandh be appointed as Managing Director of the Company for a period of 5 (five) years effective June 1, 2007 unless his employment is previously determined in pursuance of any of the provisions of the Agreement.
2. Mr. Anandh, as Managing Director of the Company, to have general control of the business of the Company and be vested with the management of the day to day affairs of the Company and to have power 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 interest of the Company, subject to the superintendence, control and direction of the Board and subject to such restrictions or limitations on his powers and authorities as the Board may in its discretion determine from time to time.
3. Mr. Anandh to devote his whole time and attention during business hours to the business and affairs of the Company and to exert his best endeavors to promote its interests and welfare.
4. Mr. Anandh 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. Anandh in consideration of the faithful and proper performance by him of his duties and functions as Managing Director:
 - (i)
 - (a) Salary : A salary of Rs. 2,02,000/- (Rupees Two lakh Two thousand only) per month with such annual increments as the Board may in its absolute discretion determine.
 - (b) Personal Pay: An amount of Rs. 2,00,000/- (Rupees Two lakh only) per month with such annual increments as the Board may in its absolute discretion determine.
 - (c) Performance Bonus: Such performance linked bonus, as the Board may in its absolute discretion determine.
 - (ii) Mr. Anandh to be also entitled to the following benefits:
 - (a)
 - (i) House rent allowance @ 40% of Salary; and
 - (ii) use of one telephone and Broadband facility at Mr. Anandh's residence, the rent, call charges and other outgoings in respect thereof to be paid by the Company save and except for personal long distance calls which shall be billed by the Company to, and payable by, Mr. Anandh directly.
 - (b) reimbursement of entertainment expenses reasonably incurred by Mr. Anandh exclusively for the purpose of the business of the Company.
 - (c) utilisation of the club facilities of the Company, in accordance with the rules of the company for the time being in force, but excluding admission and life membership fees.
 - (d) the benefit of a personal accident insurance policy in accordance with the Company's Scheme for the time being in force.
 - (e) the benefit of the Company's Provident Fund Scheme in accordance with the Rules of the Scheme for the time being in force, subject to the condition that the Company's contribution thereto shall not exceed such percentage of Mr. Anandh's salary as may be permitted from time to time under the Income Tax Rules, 1962 for the time being in force.
 - (f) the benefit of the Company's Superannuation Scheme in accordance with the Rules of the Scheme for the time being in force, subject to the condition that the Company's contribution thereto together with the Company's contribution to the Provident Fund shall not exceed such percentage of Mr. Anandh's salary as is permitted from time to time under Income Tax Rules, 1962 for the time being in force.

- (g) Gratuity at the rate of one month's salary for each completed year of service as Managing Director.
 - (h) Encashment of unavailed privilege leave at the end of his tenure of office as Managing Director of the Company in accordance with the Rules of the Company for the time being in force.
 - (i) use of a Company owned or leased motor car with driver, all expenses for running of such motor car to be borne by the Company. The use of such motorcar by Mr. Anandh for private purpose shall be billed by the Company to, and payable by, Mr. Anandh directly.
 - (iii) In addition to the foregoing, Mr. Anandh shall also be entitled to medical benefits, leave travel concessions and expenses for providing Security Guard at residence, in accordance with the Rules of the Company in force from time to time.
 - (iv) Income Tax, if any, on or in respect of the aforesaid remuneration to be borne and paid by Mr. Anandh.
 - (v) The total remuneration of Mr. Anandh including salary, performance bonus and perquisites as aforesaid, not in any event, to exceed 5% of the net profits of the Company in any year computed in accordance with the Act.
 - (vi) If in any financial year during the continuance of the employment of Mr. Anandh as Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to remuneration as aforesaid subject to the limits of minimum remuneration prescribed by Schedule XIII to the Act.
6. Mr. Anandh not to engage in any other business, occupation or employment whatsoever while in the Company's employment.
7. Mr. Anandh to maintain strict confidentiality of 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.
8. The Agreement may be terminated by not less than 90 days notice in writing by either party without necessity of assigning any reason. Mr. Anandh's employment may be terminated by the Company at any time by payment to him of 3 months' salary in lieu of such notice.

The approval of the Members is being sought to Mr. Anandh's appointment as Managing Director of the Company for a period of 5 (five) years from June 1, 2007 and to payment to him of the above remuneration. Hence the resolution at item No. 7 of the Notice.

The Board considers the above remuneration of Mr. Anandh to be reasonable and commensurate with his duties and responsibilities as Managing Director of the Company.

The Agreement dated June 1, 2007 will be open for inspection by the Members at its Registered Office between 10.30 a.m. and 12.30 p.m. on any working day except Saturday.

Mr. Anandh is interested in the resolution at item Nos. 6 and 7 of the Notice since they respectively relate to his appointment as a Director and as Managing Director of the Company and to his remuneration.

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

N R Srinivasan
Company Secretary

Dated: February 25, 2008

Registered Office:

"Avishkar"
Off Bellary Road
Hebbal
Bangalore - 560 024

Brief Resume of the Directors seeking Appointment / Re-appointment and Directors Appointed since last Annual General Meeting

Particulars	Mr. D E Udawadia	Mr. Anandh Balasundaram	Mr. Bhasker V. Iyer	Mr. Graham Baker
Date of Birth	27 th September 1939	22 nd September 1965	7 th March 1956	5 th August 1968
Date of Appointment	June 1, 1979	June 1, 2007	July 26, 2007	July 26, 2007
Qualification	BA (Hons.), LL.B. Master's Degree in Political Science and History	Post Graduate Diploma in Management (~MBA) from Indian Institute of Management, Ahmedabad Bachelor of Technology from Indian Institute of Technology, Delhi	Masters in Marketing Management from Bombay University B. Sc. In Microbiology & Chemistry	Graduate in MA (Honours) in Economics from Cambridge University, UK. Chartered Accountant, UK
Expertise in specific functional area	<p>Mr. Udawadia is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. Previously he was a partner of M/s Crawford Bayley & Co. Presently, he is a partner of M/s. Udawadia & Udeshi, Solicitors & Advocates.</p> <p>Mr. Udawadia has been on the Board of the Company from inception, and since September 8, 2000 as Chairman of the Board.</p> <p>He is also on the Board of various other companies.</p>	<p>Mr. Anandh has over 18 years of experience. Before joining the Company he worked with Cadbury's and Unilever in various capacities in Sales and Marketing. He headed all India Sales in Cadbury's and E-business initiatives in Unilever.</p>	<p>Mr. Iyer has an experience of over 25 years in the pharmaceutical industry in various capacities in Sales & Marketing and as Business Head.</p> <p>He was the Managing Director of the Company between May 6, 2004 and May 31, 2007 before moving to a regional role in AstraZeneca as the Area Vice President - South East Asia and India.</p>	<p>Mr. Baker pursued his training as a Chartered Accountant and Tax Adviser with Arthur Andersen in London.</p> <p>He joined Zeneca in 1995 in tax & corporate finance roles. Following merger in 1999, he worked with the CV TA in Sweden, returning to London in 2002 as a BD Director. For the last 4 years, Mr. Baker was CFO of AZ Japan before becoming Regional CFO, Asia-Pacific in 2007.</p>