

# Hoechst Marion Roussel Limited

42ND ANNUAL REPORT  
1997-98

MD	✓			BKC	✓
CS	✓			OPY	✓
RO	✓			IV	✓
TRA	✓			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		



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**HOECHST MARION ROUSSEL LIMITED**

Hoechst House, Narman Point, 193, Backbay Reclamation, Mumbai 400 021

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE Forty-Second Annual General Meeting of the Members of Hoechst Marion Roussel Limited will be held at Y.B. Chavan Centre - Auditorium, Gen. J. Bhosale Marg, Near Sachivalaya Gymkhana, Nariman Point, Mumbai 400 021 on Tuesday, 22nd December 1998 at 11 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1998 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 final dividend for the year ended 31st March 1998.
3. To elect a Director in place of Mr. M. Dunoyer, who retires by rotation and, being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. S. R. Gupte, who retires by rotation and, being eligible, offers himself for re-election.
5. To elect a Director in place of Dr. Vijay Mallya, who retires by rotation and being eligible, offers himself for re-election.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
7. To appoint Auditors in Nepal to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors be and is hereby authorised to appoint the Company's Auditors and/or in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956, to audit the Accounts for the financial year 1998-99 of the Company's Regional Offices and to fix their remuneration (which in the case of the Auditors of the Company shall be in addition to their remuneration as the Company's Auditors) and the terms and conditions on which they shall carry out the audit."



## SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association be altered in the following manner :

- A. The interpretation of the term Member appearing in Article 2 of the Articles of Association shall be substituted as follows :-

“Member” shall mean shareholder and vice versa and includes the duly registered holder from time to time of the shares of the Company and the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

- B. The following sub-clauses shall be added in Article 2 of the Articles of Association after the definition of “Persons” appearing in the said clause:-

“Beneficial Owner”

“Beneficial Owner” shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Bye-laws”

“Bye-laws” means by-laws made by a Depository under Section 26 of the Depositories Act, 1996;

“Depository”

“Depository” shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Depositories Act, 1996”

“Depositories Act, 1996” shall include any statutory modification or re-enactment thereof.

“Record”

“Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by regulations made by the SEBI Board.

“SEBI”

“SEBI” means the Securities & Exchange Board of India established pursuant to Section 3 of the Securities and Exchange Board of India Act, 1992.

“Security”

“Security” means such security as may be specified by SEBI from time to time.

- C. Article 8 (1) of the Articles of Association shall be substituted by the following Article :

“8 (1) The Company shall maintain a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 and the rules framed thereunder with the details of shares held in material and dematerialised form in any

Register of  
Members  
and  
Debenture-  
holders

media as may be permitted by law including any form of electronic media. The Register and Index of beneficial Members maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be a Register and Index of Members for the purpose of this Act.

The Company shall cause to be kept a Register and Index of Debentureholders in accordance with the provisions of the Companies Act, 1956. The Company may also keep a foreign Register of Members and Debentureholders in accordance with the provisions of the Companies Act, 1956."

- D. After Article 8(3) the following Article to be numbered Article 8(4) shall be inserted :

"The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in a Depository and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any."

- E. The existing Article 21 of the Articles of Association be deleted and the following Article be substituted therefor as Article 21 :

"21. A. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears in the Register of Members as the holder of any Share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. But the Board of Directors shall be at liberty to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

Trusts  
not  
recognised

21.B. The provisions of Sections 153, 153A, 153B, 187C and 372 of the Act shall not apply in respect of the shares, debentures and securities held on behalf of the owners by a Depository as defined in the Depositories Act, 1996."

- F. The following Proviso shall be added to Article 23(1) of the Articles of Association :-

"Provided that no Share Certificate(s) shall be issued for shares held in a Depository."

- G. The following Proviso shall be added to Article 24(1) of the Articles of Association :-

"Provided that the provisions relating to distinctive numbers of shares shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form."

- H. Article 48 of the Articles of Association shall be substituted by the following Article :

"48. The Company shall maintain a Register of Transfers and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share held in material form."

- I. The following Proviso shall be inserted in Article 53(3) of the Articles of Association :

"Provided that in the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply."



J. The following proviso shall be added in Article 97 of Articles of Association :

“Provided that the Depository as a registered owner shall not have any voting rights or any other right in respect of shares held by it and the beneficial owner shall be entitled to all the rights and benefits and be subject to all the rights and liabilities in respect of its shares held by a Depository.”

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

“RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269 and 309 of the Companies Act, 1956 and all other applicable provisions, if any, to the appointment of Mr. N. Aleco as Wholtime Director of the Company for a period of three years with effect from 3rd November 1998 and to his receiving remuneration, benefits and amenities as Wholtime Director of the Company upon the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Aleco, a draft whereof is placed before the Meeting and for the purposes of identification is initialled by the Chairman of the Meeting.

RESOLVED further that the remuneration including benefits, amenities and perquisites as set out in the said draft agreement shall nevertheless be paid and allowed to Mr. Aleco as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds and matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

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

“RESOLVED THAT Mr. J. M. Volat, who was appointed an Additional Director of the Company on 6th November 1998, and who, in terms of Section 260 of the Companies Act, 1956, holds office upto the date of the Annual General Meeting, and in respect of whom the Company has received 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, be and is hereby appointed a Director of the Company.”

Registered Office :  
Hoechst House  
193, Backbay Reclamation, Nariman Point  
Mumbai 400 021.

Mumbai, 9th November 1998

By Order of the Board

**K. SUBRAMANI**  
COMPANY SECRETARY

**Hoechst** **NOTES :**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.
2. The Register of Members of the Company shall remain closed from Monday, 7th December 1998 to Tuesday, 22nd December 1998 (both days inclusive).
3. The dividend, if declared, will be paid on or after 23rd December 1998 to those Members entitled thereto whose names appear in the Register of Members of the Company on 22nd December 1998.
4. The amounts of unclaimed dividend upto the financial year ended 31st March 1995 have been transferred to the General Revenue Account of the Central Government in terms of Section 205 A of the Companies Act, 1956. Those who have not encashed the Dividend Warrants for the said period may claim their dividends by submitting applications in Form No. II to the Registrar of Companies, Maharashtra, Hakoba Compound, 2nd Floor, Fancy Corpn. Ltd. Estate, Dattaram Lad Marg, Kalachowkie, Mumbai 400 033.
5. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos. 9, 10 and 11 is annexed to and forms part of this Notice.



## EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all material facts relating to item Nos. 9, 10 and 11 of the accompanying Notice of the Annual General Meeting to be held on 22nd December 1998 :

### 1. Item No. 9

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System is a far safer and more convenient method for holding and trading in the securities of a Company. The Company has also joined the Depository System and it is, therefore, proposed that the Company's Articles of Association be suitably altered as set out in Resolution at Item No. 9 to reflect the provisions of the Depositories Act, 1996 and to indicate therein the rights of the beneficial owners of the securities in such a system.

The Board commends the Resolution for acceptance by the Members.

A copy of the Memorandum and Articles of Association is available for inspection by the Members of the Company on any working day of the Company between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director is interested or concerned in the Resolution.

### 2. Item No. 10

Mr. N. Aleco, a French national, was appointed a Director of the Company on 5th March 1998 in the casual vacancy caused by the resignation of Dr. B. Hofmann.

Mr. N. Aleco who was the Managing Director of Roussel India Limited has been appointed a Wholtime Director of the Company for a period of 3 years from 3rd November 1998 consequent on the amalgamation of Roussel India Limited with the Company.

The appointment and remuneration payable to Mr. Aleco require your approval by Ordinary Resolution.

The remuneration proposed to be paid and perquisites proposed to be provided to Mr. N. Aleco are set out below :

- i) Salary - Rs. 81,000 per month.
- ii) Increments - Such increments as may be fixed by the Board of Directors from time to time in the salary range Rs. 81,000 to Rs. 150,000 per month.
- iii) Commission - Upto one percent of the net profits of the Company in any financial year but not less than fifty percent of the annual salary provided that the Board of Directors shall in their absolute discretion pay a higher amount subject to the limit stated herein.
- iv) Housing - The Company to provide free fully furnished, partly airconditioned, residential accommodation, with telephone, electricity, gas, water and the services of sweepers and watchmen and gardeners, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.



The Company also to bear the actual expenses incurred in respect of such accommodation for pest control services, painting, repairs and other facilities and servicing of airconditioners.

- v) Medical Aid - Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed one month's salary per year.
- vi) Gratuity - Gratuity benefits as applicable to Officers of the Company, subject to the condition that it will not exceed one half month's salary for each completed year of service and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.
- vii) Free use of the Company's car with driver or reimbursement of expenses in respect of own car with Company's driver. The Company to bear cost of freight, insurance, import duty, clearance charges etc. if Mr. Aleco imports his own car. The car can be used for the Company's business as well as for own use. The Company shall bear all the expenses in respect of the car such as garaging charges, servicing, repairs, fuel, taxes, comprehensive insurance premium and depreciation if he uses his own car. The monetary value of this perquisite will be determined as per the Income-tax Rules, 1962.
- viii) Leave and Leave Travel Concession on full pay and allowances as per rules of the Company applicable to delegates of HMR AG but not exceeding 1 ½ months' leave for every year of service. There will be no encashment of leave. Mr. Aleco would be entitled to return passage money for self and family once in a year to and fro Paris by Club Class.
- ix) The Company to pay return holiday passage once in a year by Economy Class or once in two years by First Class to Mr. Aleco's children from their place of study abroad to India and to the members of Mr. Aleco's family if they are not residing with him in India.
- x) The Company to pay fees for two Clubs (including admission or entrance fees and monthly or annual subscriptions).
- xi) The Company to pay or reimburse packing, forwarding, loading and unloading expenses as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of the personal effects (including car) of Mr. Aleco, his wife and family and also passage moneys at the time of repatriation.
- xii) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed by the Board of Directors from time to time.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost).

#### Minimum Remuneration :

The above remuneration (including perquisites) shall be paid to Mr. N. Aleco as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company but shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956 from time to time.



Other Terms and Conditions :

- a) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- b) He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- c) The appointment may be terminated by the Company or by Mr. N. Aleco by giving not less than three months' prior notice in writing.

The Directors are of the opinion that Mr. N. Aleco's knowledge and experience will be of immense value to the Company. The Board, therefore, recommends the acceptance of the Resolution set out in the Notice convening the Meeting.

This explanation together with the accompanying Notice is to be regarded as an Abstract of Terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The said draft agreement referred to in the Resolution is available for inspection to the Members at the Registered Office of the Company on any working day between 11 a.m. and 1 p.m. prior to the date of the Annual General Meeting.

No Director, excepting Mr N. Aleco, is concerned or interested in the Resolution.

### 3. Item No. 11

By a Resolution passed at its Meeting held on 6th November 1998, Mr. J. M. Volat was appointed an Additional Director of the Company. Under Section 260 of the Companies Act, 1956, Mr. Volat holds the office of Director upto the date of this Annual General Meeting and the Company has received Notice from a Member under Section 257 of the said Act signifying his intention to propose him as a candidate for the office of Director.

Mr. Volat is the Vice President, Marketing of Hoechst Marion Roussel Asia Pacific. The Directors are of the opinion that Mr. Volat's knowledge and experience will be of immense value to the Company. The Board, therefore, recommends the acceptance of the Resolution set out in the Notice convening the Meeting.

No Director, excepting Mr. Volat, is interested or concerned in the Resolution.

By Order of the Board

**K. SUBRAMANI**  
**COMPANY SECRETARY**

Mumbai, 9th November 1998