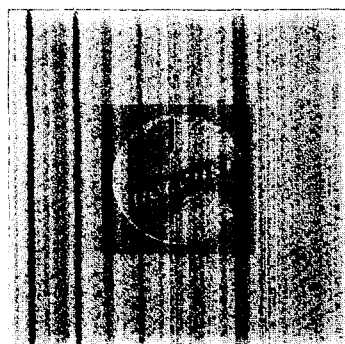
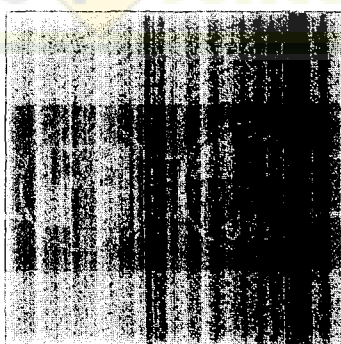
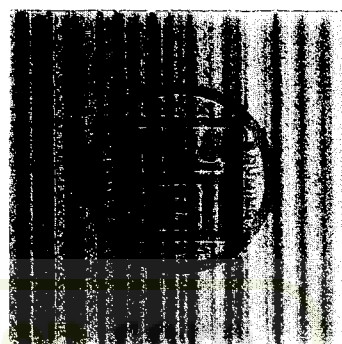
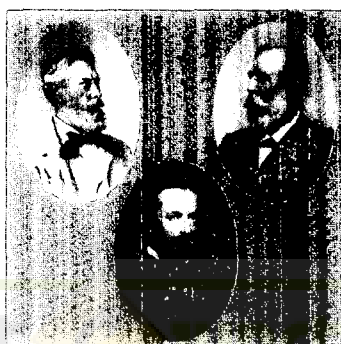
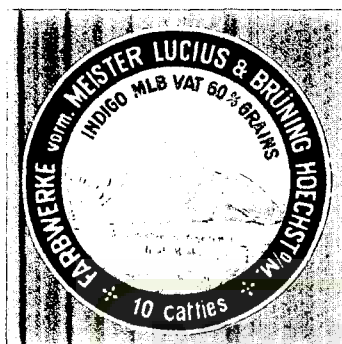


# Hoechst Marion Roussel Limited

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
ACM	✓	SHI	✓
VE	✓		✓

41ST ANNUAL REPORT  
1996-97



# Hoechst



**Hoechst Marion Roussel Limited****BOARD OF DIRECTORS**

Mr. Vijay Mallya  
Chairman

Mr. D. Bhadury  
Managing Director

Dr. F.L. Douglas  
(From 21.03.97)

Mr. M. Dunoyer

Mr. S.R. Gupte

Dr. B. Hofmann

Mr. M. Moerler  
(from 21.03.97)

Mr. P.N. Venugopalan

Mr. S. Chattopadhyay  
(Alternate to Dr. J. Reden upto 12.03.97)  
(Alternate to Dr. F.L. Douglas from 21.04.97)

Mr. Bashir Ahmed  
(Alternate to Mr. M. Dunoyer from 21.04.97)

Mr. Ramesh Subrahmanian  
(Alternate to Mr. M. Moerler from 21.04.97)

Mr. J. M. Volat  
(upto 05.03.97)

Dr. J. Reden  
(upto 12.03.97)

Mr. A. G. H. Theunis  
(Alternate to Mr. J. M. Volat upto 05.03.97)

**COMPANY SECRETARY**

Mr. K. Subramani

**AUDITORS**

M/s. P.C. Hansotia & Co.

**SOLICITORS**

M/s. Crawford Bayley & Co.

**BANKERS**

ANZ Grindlays Bank Plc.  
Bank of America  
Citibank N.A.  
Deutsche Bank  
Hongkong & Shanghai Banking Corpn.  
Nepal Grindlays Bank Ltd.  
State Bank of India

**REGD. OFFICE & HEAD OFFICE**

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

**FACTORIES**

Lal Bahadur Shastri Marg,  
Mulund, Mumbai 400 080.  
6301 - 14 & 3501 -15  
GIDC Estate, Ankleshwar 393 002.

**REGISTRARS & TRANSFER AGENTS**

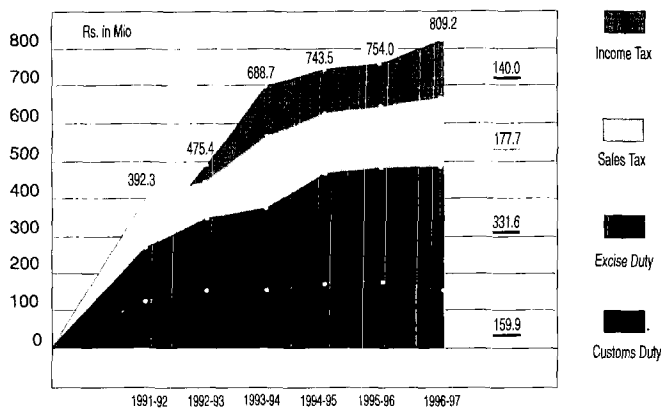
MCS Limited, Sri Venkatesh Bhavan,  
Plot No.27, Road No. 11,  
M.I.D.C. Area,  
Andheri (East), Mumbai 400 093.

**41ST ANNUAL GENERAL MEETING**

Date : Tuesday, 26.08.97  
Time : 2.45 p.m.  
Venue : Y.B. Chavan Centre - Auditorium,  
Gen. J. Bhosaie Marg, Nariman Point  
Mumbai 400 021.

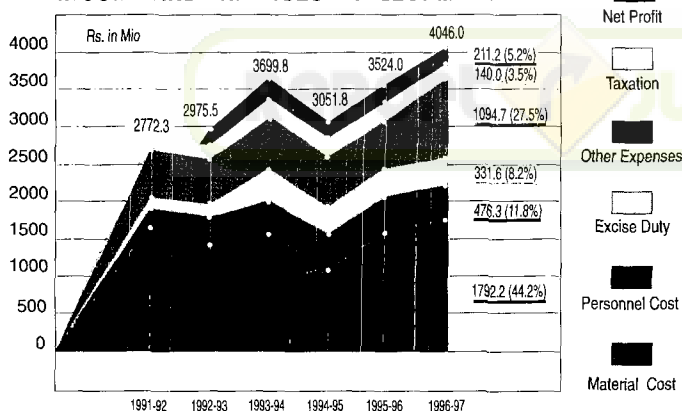
# OVERVIEW

## CONTRIBUTION TO THE NATIONAL EXCHEQUER



In 1996-97 our contribution was Rs. 809.2 Mio., equivalent to 21% of total sales

## INCOME AND EXPENSES DEVELOPMENT



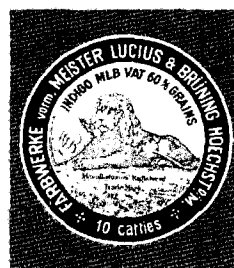
**E**very face tells a story. And a Company is no exception.

**O**ne of the finest ways to gauge a Company's personality is by reading its most public face, its logo. The logo provides a host of clues to the way the Company perceives itself and its strengths, its current attitudes and outlook, and above all, the way it would like the world to perceive it.

**A**s the Company evolves, so does its logo.

The logo, as the central element of the external image, is always an expression of corporate identity. It is subject - in the same way as the development of personality - to a constant process of development and change. The previous Hoechst logo has represented the Group virtually unchanged for more than 30 years. The tower and bridge motif dates back to 1947.

The first Hoechst trademark was a lion couchant with a shield in its right paw bearing the intertwined initials MLB for 'Meister Lucius and Brüning'.



When IG Farbenindustrie AG was broken up and the successor companies formed in 1947, Hoechst introduced a circular logo showing the tower and bridge with the inscription 'Hoechst 1863'.

In 1951 Hoechst acquired a revised logo in which only the tower stood to the left within the circle while the bridge soared dynamically to the right.



The logo underwent further change in 1960. The visual effect of the tower and bridge symbol surrounded by a rather thin-looking circle failed to satisfy the advertising specialists. The dark symbol against the generally pale background did not appear to have any 'fixed point'. It needed and

**A**nd has Hoechst evolved! The global chemical giant has reshaped its structure, redefined its priorities and sharpened its focus on its core businesses.

**T**oday, Hoechst AG is a strategic management holding company and each of its core businesses world-wide - health care, agrochemicals and industry - is managed by autonomous companies.

**H**oechst Marion Roussel, the flagship company



## HOECHST MARION ROUSSEL LIMITED

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

### Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-first 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, 26th August 1997 at 2.45 p.m. to transact the following business:-

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1997 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 for the year ended 31st March 1997.
3. 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.
4. 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.
5. 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 1997-98 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

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

"RESOLVED THAT Mr. M. Moerler, who was appointed an Additional Director of the Company on 21st March 1997, 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."

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

"RESOLVED THAT Dr. F. L. Douglas who was appointed a Director of the Company on 21st March 1997, in the casual vacancy caused by the resignation of Dr. J. Reden and who, in terms of Section 262 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."

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

“RESOLVED THAT Dr. B. Hofmann, who was appointed a Director of the Company on 27th June 1996, in the casual vacancy caused by the resignation of Dr. E. Baltin and who, in terms of Section 262 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.”

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

“RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956, and all other applicable provisions, if any, to the appointment of Mr. Bashir Ahmed (presently an Alternate Director to Mr. M. Dunoyer) as Wholtime Director of the Company for a period of five years with effect from the 21st day of April 1997 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. Bashir Ahmed, a draft whereof is placed before the Meeting and, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. M. Dunoyer returning to the State of Maharashtra and Mr. Bashir Ahmed being re-appointed as Alternate Director to Mr. M. Dunoyer or Mr. Bashir Ahmed being appointed as Alternate Director to any other Director or Mr. Bashir Ahmed filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General 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. Bashir Ahmed 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, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

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

“RESOLVED THAT, subject to the approval of the Central Government, the Company hereby accords its approval and consent under Sections 198, 269, 309 and 314 of the Companies Act, 1956, and all other applicable provisions, if any, to the appointment of Mr. Ramesh Subrahmanian (presently an Alternate Director to Mr. M. Moerler) as Wholtime Director of the Company for a period of five years with effect from the 21st day of April 1997 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. Ramesh Subrahmanian, a draft whereof is placed before the Meeting and, for the purposes of identification, is initialled by the Chairman of the Meeting. Provided that the aforesaid approval and consent shall not be impaired by reason of Mr. M. Moerler returning to the State of Maharashtra and Mr. Ramesh Subrahmanian being re-appointed as Alternate Director to Mr. M. Moerler or Mr. Ramesh Subrahmanian being appointed as Alternate Director to any other Director or Mr. Ramesh Subrahmanian filling in any casual vacancy or being appointed as Additional Director or as a Director in his own right by the Company in General 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. Ramesh Subrahmanian 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, 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 in partial modification of the Resolution passed at the Thirty-ninth Annual General Meeting held on 11th August 1995, the Company hereby accords its sanction under Section 310 and other applicable provisions of the Companies Act, 1956 to an increase, for the residue of the term, in the remuneration payable to Mr. D. Bhadury, Managing Director, as under :

- a) that the range of salary payable to Mr. D. Bhadury be increased from Rs. 60,000 to Rs. 120,000 per month to Rs. 120,000 to Rs. 250,000 per month.
- b) that the Board of Directors shall be entitled to grant increments as it may determine from time to time in the salary range of Rs. 120,000 to Rs. 250,000 per month.
- c) that all salary related ceilings/payments shall stand correspondingly enhanced."

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

"RESOLVED THAT in partial modification of the Resolution passed at the Thirty-ninth Annual General Meeting held on 11th August 1995, the Company hereby accords its sanction under Section 310 and other applicable provisions of the Companies Act, 1956, to an increase, for the residue of the term, in the remuneration payable to Mr. S. Chattopadhyay (presently an Alternate Director to Dr. F. L. Douglas) as under :

- a) that the monthly salary be increased from Rs. 50,000 per month to Rs. 70,000 per month with effect from 1st April 1997.
- b) that the range of salary payable to Mr. S. Chattopadhyay be increased from Rs. 30,000 to Rs. 60,000 per month to Rs. 70,000 to Rs. 150,000 per month.
- c) that the Board of Directors shall be entitled to grant increments as it may determine from time to time in the salary range of Rs. 70,000 to Rs. 150,000 per month.
- d) that all salary related ceilings/payments shall stand correspondingly enhanced."

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

"RESOLVED THAT pursuant to the provisions of Section 372 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and any other approvals, if required, the Company hereby sanctions the investment by the Board of Directors of a sum not exceeding Rs. 100,000,000 by subscription to and/or purchase of the Equity Shares of a Company to be promoted and registered under the Companies Act, 1956 under the name CHIRON BEHRING VACCINES PRIVATE LIMITED,

# Hoechst

or such other name as may be approved by the Registrar of Companies, subject to such investment not exceeding 49% of the paid-up Equity Share Capital of the said new Company and notwithstanding that such investment or such investment together with the Company's existing investments in all other bodies corporate, shall be in excess of any or all the percentages prescribed by the Central Government under sub-section (2) of Section 372 of the Act and the provisos thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual sum not exceeding Rs. 100,000,000 to be so invested and to take all steps, necessary, expedient or desirable to give effect to this Resolution and to agree to any modifications or conditions that may be suggested or prescribed by the Central Government at the time of granting its approval to the proposed investment."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the contribution by the Company, to a new Company to be promoted and registered under the Companies Act, 1956 under the name CHIRON BEHRING VACCINES PRIVATE LIMITED, or such other name as may be approved by the Registrar of Companies, of the Company's undertaking in Ankleshwar for the manufacture of the anti-rabies vaccine RABIPUR for a consideration to be mutually agreed upon.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to agree to the Company receiving such consideration either in cash or against allotment of shares in the said new Company or a combination of both.

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

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

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors to allow Foreign Institutional Investors (FIIs), Overseas Corporate Bodies predominantly owned by individuals of Indian nationality or origin resident outside India (OCBs) and Non-Resident Indians (NRIs) to acquire Shares of the Company through Stock Exchanges in India under the Portfolio Investment Scheme subject to the condition that the acquisition by such FIIs, OCBs and NRIs shall always be within the overall ceiling of 30% of the issued and paid-up capital of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient for giving effect to this Resolution and for matters connected therewith or incidental thereto."

By Order of the Board

Registered Office :

Hoechst House  
193, Backbay Reclamation, Nariman Point  
Mumbai 400 021.  
Mumbai, 4th July 1997

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



**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 Tuesday, 5th August 1997 to Tuesday, 26th August 1997 (both days inclusive).
3. The dividend, if declared, will be paid on or after 27th August 1997 to those Members entitled thereto whose names appear in the Register of Members of the Company on 26th August 1997.
4. The amounts of the unclaimed dividend upto the financial year ended 31st March 1993 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. 6 to 15 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. 6 to 15 of the accompanying Notice of the Annual General Meeting to be held on 26th August 1997.

1. Item No. 6

By a Resolution passed at its Meeting held on 21st March 1997, Mr. M. Moerler was appointed an Additional Director of the Company. Under Section 260 of the Companies Act, 1956, Mr. Moerler 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. M. Moerler is the Financial Controller, Hoechst Marion Roussel Asia Pacific. The Directors are of the opinion that Mr. Moerler'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. Moerler, is interested or concerned in the Resolution.

2. Item No. 7

By a Resolution passed by the Board of Directors at its Meeting held on 21st March 1997, Dr. F. L. Douglas was appointed a Director of the Company in the casual vacancy caused by the resignation of Dr. J. Reden. Under Section 262 of the Companies Act, 1956, Dr. Douglas 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.

Dr. Douglas is the Executive Vice President, Global Research of Hoechst Marion Roussel. He has wide ranging experience in the pharmaceutical industry. The Directors are of the opinion that Dr. Douglas' knowledge and experience in the pharmaceutical industry 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 Dr. Douglas, is interested or concerned in the Resolution.

3. Item No. 8

By a Resolution passed by the Board of Directors at its Meeting held on 27th June 1996, Dr. B. Hofmann was appointed a Director of the Company in the casual vacancy caused by the resignation of Dr. E. Baltin. Under Section 262 of the Companies Act, 1956, Dr. Hofmann 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.

Dr. Hofmann is a Director of Hoechst South Asia Investment Limited. He has held various senior positions in Hoechst AG.

The Directors are of the opinion that Dr. Hofmann'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 Dr. Hofmann, is interested or concerned in the Resolution.