

# AstraZeneca Pharma India Limited

Registered Office: Block N1, 12<sup>th</sup> Floor, Manyata Embassy Business Park,  
Rachenahalli, Outer Ring Road, Bangalore - 560045

CIN: L24231KA1979PLC003563, Web: [www.astrazeneca.com/india](http://www.astrazeneca.com/india)

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## NOTICE

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of AstraZeneca Pharma India Limited will be held on **Thursday, August 11, 2016 at 3.00 p.m. at 'The Mysore Hall', ITC Gardenia, No.1, Residency Road, Bangalore - 560025**, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements viz., the Audited Balance Sheet as at March 31, 2016, the Audited Profit & Loss Account and the Cash Flow Statement of the Company and Explanatory Note annexed thereto or forming part of the above documents, for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Murdeshwar (holding DIN 01481811) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), as Statutory Auditors of the Company in place of M/s. BSR & Co. LLP, the retiring Statutory Auditors, to hold office for a period of 5 years from the conclusion of this 37<sup>th</sup> Annual General Meeting, until the conclusion of 42<sup>nd</sup> Annual General Meeting, subject to ratification at every Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, as amended to date, payment of remuneration of ₹ 1,50,000/- (Rupees one lac fifty thousand only) plus applicable service tax and reimbursement of out-of-pocket expenses, at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants, Bangalore, (Firm Registration No.000065), appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year ending March 31, 2017, be and is hereby confirmed, approved and ratified.

5. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

**RESOLVED THAT** subject to the provisions of Regulation 23 (4) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended to date, approval of the Members be and is hereby granted to the following Material Related Party Transactions entered into by the Company with AstraZeneca UK Limited (AZ UK), a Related Party as defined in Section 2(76) of the Act and in the Listing Regulations, during the financial year 2015-16:

(₹ in Crores)

| Sl. No.      | Nature of Material Related Party Transactions                                                       | Transactions Value<br>(FY 2015-16) |
|--------------|-----------------------------------------------------------------------------------------------------|------------------------------------|
| 1.           | Purchase of raw materials and traded goods by the Company from AZ UK                                | 102.07                             |
| 2.           | Reimbursement by AZ UK to the Company of the cost of employees deputed by the Company outside India | 1.54                               |
| 3.           | Reimbursement by the Company to AZ UK, the cost related to overseas employees deputed in India      | 0.42                               |
| <b>Total</b> |                                                                                                     | <b>104.03</b>                      |

**RESOLVED FURTHER THAT** the Managing Director and the Company Secretary, be and are hereby severally authorised to do or cause to be done all such acts, deeds, matters and things as may be necessary / desirable to give effect to the above resolution.

6. To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

**RESOLVED THAT** pursuant to and in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, as amended to date ("the Act"), read with the applicable provisions of Schedule V thereto and subject to the approval of the Central Government and such conditions, if any, as may be stipulated by it while granting approval, which the Board of Directors of the Company ("the Board") is hereby authorised to accept, consent of the Company be and is hereby

accorded for the re-appointment of Mr. Sanjay Murdeshwar (DIN: 01481811) ("Mr. Murdeshwar") as the Managing Director of the Company for a period of 3 (three) years from May 2, 2016 to May 1, 2019 (both days inclusive) at the remuneration set out in the Agreement dated May 24, 2016 between the Company and Mr. Murdeshwar, such remuneration, in view of inadequacy of profits in the financial year ended March 31, 2016, having been approved both by the Board and by the Nomination and Remuneration Committee of the Board pursuant to the applicable provisions of Section II of Part II of Schedule V to the Act.

**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary be and are hereby severally authorised to do or cause to be done all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution.

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

Place: Bangalore  
Date: May 25, 2016

**Anantha Murthy N**  
Legal Counsel & Company Secretary

## 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 / herself and the proxy or proxies so appointed need not be a member or members, as the case may be, of the Company.

The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.

2. The Register of Members and Share Transfer Books of the Company will remain closed for **8 days i.e., from August 4, 2016 to August 11, 2016** (both days inclusive) in connection with the Annual General Meeting.
3. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning Item Nos. 4, 5 and 6 of the Notice, being Special Business, is annexed hereto.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member, as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of

Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

6. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred under Section 205A of the Companies Act, 1956, to the Investor Education and Protection Fund, established under Section 205C of the Companies Act, 1956.
7. Members who have not yet encashed the dividend warrant(s) from the financial year ended December 31, 2008 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on December 31, 2007, have been transferred to the Investor Education and Protection Fund. The details of the unclaimed dividends are available on the Company's website at [www.astrazeneca.com/india](http://www.astrazeneca.com/india). Members are requested to contact Integrated Enterprises (India) Limited (Unit: AstraZeneca Pharma India Limited), 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleshwaram, Bangalore - 560 003, the Registrar and Share Transfer Agents of the Company to claim the unclaimed / unpaid dividends.
8. Details as required under the Listing Regulations in respect of the Director seeking appointment / re-appointment at the Annual General Meeting form an integral part of the Notice. The Director has furnished requisite declarations for his appointment / re-appointment.
9. The present Auditors - M/s. BSR & Co. LLP, Chartered Accountants, Bangalore who hold office up to the ensuing Annual General Meeting have conveyed that they do not wish to be re-appointed as Statutory Auditors of the Company for the financial year 2016-17. Accordingly, the Board of Directors have recommended the appointment of M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm Registration No. 304026E/E-300009), as Statutory Auditors of the Company, for a period of 5 years from the conclusion of the ensuing Annual General Meeting upto the conclusion of the 42<sup>nd</sup> Annual General Meeting, subject to ratification at every Annual General Meeting.
10. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2015-16 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 37<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the 37<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website at [www.astrazeneca.com/india](http://www.astrazeneca.com/india) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company's investor email ID: [comp.secy@astrazeneca.com](mailto:comp.secy@astrazeneca.com).

### 13. Voting through Electronic Means

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members, a facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through polling paper will be made available at the AGM and the members attending the meeting who have not cast their votes through remote e-voting shall be able to exercise their right at the meeting through polling paper.

The instructions for e-voting are as under:

#### A. In case of Members receiving e-mail from NSDL:

- i. Open e-mail and the attached PDF file titled "AZPIL remote e-Voting.PDF" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password. The said PDF file contains your "User ID" and "Password/PIN for remote e-voting". Please note that the password is an initial password.
- ii. Open internet browser by typing the URL: <https://www.evoting.nsdl.com/>
- iii. Click on "Shareholder / Member" - "Login".
- iv. Type in your User ID and password as initial password / PIN as mentioned in step (i) above and click Login.
- v. Password Change Menu appears. Change the password / PIN with the new password of your choice with minimum 8 digits/characters or combination thereof.
- vi. Please note your new password. It is strongly recommended that you do not share your new password and take utmost care to keep your password confidential.

- vii. Home page of "remote e-voting" opens. Click on "remote e-voting-Active Voting Cycles".
- viii. Select "EVEN" of AstraZeneca Pharma India Limited for casting your vote.
- ix. You are now ready for "remote e-voting" as "Cast Vote" page opens.
- x. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once voted on the resolution, you will not be allowed to modify your vote.
- xi. Institutional Members (other than Individuals, HUF, NRI, etc.) are also required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc., together with an attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through email on vijaykt@vjkt.in with a copy marked to evoting@nsdl.co.in.

#### B. In case a Member receives physical copy of the Notice of AGM [for members case whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

| EVEN (E-Voting Event Number) | USER ID | PASSWORD/PIN |
|------------------------------|---------|--------------|
|                              |         |              |

- (ii) Please follow all steps from Sl. No. (ii) to (xi) above, to cast vote.

#### C. Other instructions:

- (i) A member may participate in the meeting even after exercising his right through remote e-voting, but he / she will not be allowed to vote again at the meeting.
- (ii) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and remote E-voting User Manual for Members available at the "Downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL on toll free no. 1800-222-990.

- (iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - (iv) You can also update your mobile number and e-mail Id in the user profile details of the folio which may be used for sending future communication(s).
  - (v) The remote e-voting period commences on August 7, 2016 (9.00 a.m. IST) and ends on August 10, 2016 (5.00 p.m. IST) for four days. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 4, 2016 may cast their vote through remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - (vi) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date (record date) of August 4, 2016.
  - (vii) Any person, who acquires shares of the Company and become member of the Company after despatch of the notice and holding shares as on the cut-off date i.e. August 4, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [giri@integratedindia.in](mailto:giri@integratedindia.in).  
  
However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at toll free no.: 1800-222-990.
  - (viii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
  - (ix) The Board of Directors has appointed Mr. K. T. Vijayakrishna, Practicing Company Secretary, (Membership No. FCS 1788) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Mr. Vijayakrishna has conveyed to the Company his willingness to act as such.
  - (x) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
  - (xi) The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three (3) days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the resolution of the voting, forthwith.
  - (xii) The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at [www.astrazeneca/india.com](http://www.astrazeneca/india.com) and on the website of NSDL, immediately after the result is declared by the Chairman and communicated to the stock exchanges, where the equity shares of the Company are listed.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

# STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

## Item No.4

In terms of Section 148 of the Act and the Rules made thereunder, the Company is required to maintain Cost Audit records and to have the same audited by a Cost Auditor.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 25, 2016, appointed M/s. Rao, Murthy & Associates, as Cost Auditor, for conducting the Cost Audit for the year 2016-17 at a remuneration of ₹ 1,50,000/- plus applicable service tax and reimbursement of out-of-pocket expenses at actuals.

Rule 14 of Companies (Audit and Auditors) Rules, 2014, as amended, requires that the remuneration payable to the Cost Auditor be ratified by the Members. Hence the resolution at Item No.4 of the Notice.

The Company has received a Certificate from the Cost Auditor confirming their independence and arm's length relationship with the Company and their willingness to act as the Cost Auditor of the Company.

The Board recommends that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No.4 of the accompanying Notice be confirmed, approved and ratified by the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

## Item No.5

The Company is a part of AstraZeneca Group, which is one of the world's leading pharmaceutical companies, with a broad range of medicines designed to fight disease in important areas of healthcare. The Company is engaged in the manufacture and marketing of pharmaceutical products in the country, with certain pharmaceutical products imported from AstraZeneca Group Companies.

AstraZeneca UK Limited ("AZ UK"), with whom the Company has entered into the material related party transaction set out in the resolution at Item No.5 of the accompanying Notice, is a related party as defined in Section 2(76) of the Act and in the Listing Regulations.

Regulation 23 (4) of the Listing Regulations provides that all transactions with a Related Party which constitute material transactions as defined in the Listing Regulations, require the approval of the Members by a resolution passed in general meeting.

The transactions entered into by the Company with AZ UK, a related party during the financial year 2015-16, constitute material transactions as defined in the Listing Regulations. They will accordingly require to be approved by the Members at the ensuing Annual General Meeting by an ordinary resolution. Hence, the resolution at Item No.5 of the Notice. The Related Party viz, AZ UK is not a member of the Company.

The following relevant information is provided to the Members:

| Particulars                                                            | Information                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Related Party                                              | AstraZeneca UK Limited ("AZ UK")                                                                                                                                                                                                                                                                  |
| Nature of relationship                                                 | AZ UK is the Parent Company of AstraZeneca Treasury Limited, United Kingdom, which is the Holding Company of AstraZeneca AB, Sweden, which in turn is the Holding Company of AstraZeneca Pharmaceuticals AB, Sweden, and which in turn is the Holding Company of AstraZeneca Pharma India Limited |
| Name of Director(s) or Key Managerial Personnel who is related, if any | Mr. Sanjay Murdeshwar<br>Mr. Ian Brimicombe<br>Ms. Claire-Marie O'Grady<br>(being representatives of AstraZeneca Group on the Board of the Company)                                                                                                                                               |

| Particulars                                                                | Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nature, material terms, monetary value and particulars of the transactions | <p><u>Nature of the Transactions:-</u><br/>Formulation, packaging and resale by the Company of the Related Party's products as defined therein pursuant to the Formulation, Packaging and Distribution Agreement dated June 20, 2005 entered into by the Company with AZ UK.</p> <p><u>Material Terms:</u></p> <ul style="list-style-type: none"> <li>- Credit period: 360 days maximum</li> <li>- Transactions to take place at agreed transfer pricing</li> <li>- Termination of Agreement by 6 months written notice by either party</li> </ul> <p>Monetary Value of the transactions during 2015-16 is ₹ 102.07 Crores.</p> <p><u>Other Particulars:</u></p> <p>a) Either party can terminate the Agreement with immediate effect by giving notice to the other, in the event of breach of any of the provisions of the Agreement, not remedied within 30 days of receiving written notice from the other.</p> <p>b) AZ UK is entitled to cancel or suspend further delivery of products to the Company, if the payment by the Company for the invoice amount is delayed by 30 days beyond the time stipulated for payment.</p> <p>The Company had sent its personnel to the Related Party viz., AZ UK, on deputation. Likewise, the AZ UK had deputed its personnel to the Company. The Related Party has reimbursed the Company the cost of deputation of such personnel and vice-versa. The aggregate reimbursement made by the Related Party to the Company and vice-versa is ₹ 1.96 Crores as indicated in the text of the resolution at Item No. 5 of the Notice.</p> <p>The aggregate value of all of the material transactions with AZ UK shown in the text of the resolution at Item No. 5 of the Notice during the financial year 2015-16 was ₹ 104.03 Crores.</p> |
| Any other relevant or important information for the Members                | <p>The above Formulation, Packaging and Distribution Agreement dated June 20, 2005 was approved by the Members at the 36<sup>th</sup> Annual General Meeting held on September 2, 2015.</p> <p>AZ UK is not a member of the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

The Board recommends the Resolution at Item No.5 of the Notice for approval of the Members.

Mr. Ian Brimicombe, being a Director of AZ UK, a Related Party and Mr. Sanjay Murdeshwar and Ms. Claire-Marie O'Grady, being representatives of AstraZeneca Group on the Board of the Company, may be deemed to be interested in the resolution at Item No. 5 of the Notice.

### Item No.6

At the meeting of the Board held on February 6, 2016, Mr. Sanjay Murdeshwar (Mr. Murdeshwar) was re-appointed as the Managing Director of Company for a period of 3 (three) years from May 2, 2016.

In view of inadequacy of profits of the Company for the financial year ended March 31, 2016, the remuneration agreed to be paid by the Company to Mr. Murdeshwar, as Managing Director in terms of the Agreement dated May 24, 2016 between the Company and Mr. Murdeshwar referred to in the resolution at Item No.6 of the Notice is required, having regard to the applicable provisions of Section II of Part II of Schedule V to the Act, to be approved by a resolution passed by the Nomination and Remuneration Committee constituted by the Board and by the Members of the Company by a special resolution in general meeting. Further, payment of remuneration to Mr. Murdeshwar, is subject to the approval of the Central Government.

The Company is in the process of submitting an application to the Central Government seeking its approval for payment of remuneration to Mr. Murdeshwar.

The material terms of the said Agreement dated May 24, 2016 between the Company and Mr. Murdeshwar referred to in the text of the special resolution at Item No.6 of the Notice are as follows:

1. Mr. Murdeshwar to be the Managing Director for a period of three (3) years from May 2, 2016, unless his employment is previously determined in pursuance of any of the provisions of this Agreement. The re-appointment of Mr. Murdeshwar as Managing Director is subject to the approval of shareholders of the Company in the general meeting, by way of a special resolution. Further, payment of remuneration to Mr. Murdeshwar is subject to the approval of the Central Government.
2. As Managing Director, Mr. Murdeshwar to exercise such powers and perform and discharge such duties, functions and responsibilities as the Board shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, Mr. Murdeshwar to have the general control of the business of the Company and is vested with the management of the day-to-day affairs of the Company. Mr. Murdeshwar to be a Director liable to retire by rotation.
3. Mr. Murdeshwar to devote his whole time and attention during business hours to the business and affairs of the Company.
4. In consideration of the faithful and proper performance by Mr. Murdeshwar of his duties and responsibilities as Managing Director, the Company shall pay to him:
  - (i) (a) Salary: A salary of ₹ 4,88,250/- (Rupees four lakhs, eighty eight thousand two hundred and fifty only) per month with such increments as the Board may in its absolute discretion determine;
  - (b) Personal Pay: An amount of ₹ 6,75,080/- (Rupees six lakhs, seventy-five thousand and eighty only) per month with such increments as the Board may in its absolute discretion determine;
  - (c) Variable Performance Bonus as per the Company's Bonus Scheme for the time being

and from time to time in force, as the Board may in its absolute discretion determine. The payment of Variable Performance Bonus shall be based both on the Company's overall performance as well as the Managing Director's individual performance; it being expressly agreed and understood that there is no contractual entitlement to bonus.

The Company's Bonus Scheme currently has an on-target figure of 35% based on the Company's overall performance as well as the Managing Director's individual performance.

- (ii) The Company to provide to Mr. Murdeshwar:
  - (a) Housing Assistance - Company-leased house with a current rental amount of ₹ 3,50,000/- (Rupees three lakhs and fifty thousand only) per month, with such increase as negotiated between the Company and the Lessor;
  - (b) Education Assistance-reimbursement of international school fees for two children in Bangalore.
- (iii) Mr. Murdeshwar to be also entitled to the following benefits:
  - (a) the use of a telephone and one internet facility at his residence
  - (b) reimbursement of entertainment expenses actually incurred by Mr. Murdeshwar exclusively for the purpose of the Company's business;
  - (c) utilisation of the club facilities of the Company but excluding admission and life membership fees;
  - (d) use of a Company owned and maintained or leased motor car with driver, all expenses for running and maintenance of such motor car to be borne and paid by the Company. The use of such motorcar by Mr. Murdeshwar for private purpose, shall be billed by the Company to, and payable by, Mr. Murdeshwar directly.
5. Income Tax, if any, on or in respect of the above remuneration shall be borne and paid by Mr. Murdeshwar.
6. If in any financial year of the Company during the continuance of the employment of Mr. Murdeshwar as Managing Director, the Company has no profits

or its profits are inadequate, Mr. Murdeshwar shall be entitled to remuneration as aforesaid subject to the limits prescribed in Schedule V to the Act.

7. Mr. Murdeshwar not to directly or indirectly engage in any trade or other business, occupation or employment whatsoever.
8. Mr. Murdeshwar shall, during his employment with the Company:
  - (a) follow the hours, work days and public holidays observed in the Company
  - (b) observe and comply with the service rules of the Company applicable to him
  - (c) to work at the Company's establishment in Bangalore or at such other place in India as the Company may direct without being entitled to any extra remuneration;
  - (d) not to divulge either during the continuance of his employment or thereafter to any person any confidential information pertaining to the Company, its business property, contracts, customers and trade secrets or of any Company which is the parent or associate of the Company.
9. If Mr. Murdeshwar is prevented by ill health or accident or any physical or mental disability from performing his duties, he shall promptly inform the Company and the Company shall be entitled to terminate forthwith his employment if such ill health or accident or such disability for a consecutive period of ninety (90) days in any twelve calendar month period.
10. The Company may terminate Mr. Murdeshwar's employment by notice in writing to him in accordance with the Company's policy, if Mr. Murdeshwar shall be guilty of negligence, misconduct or breach of this Agreement which, in the Board's opinion, renders his retirement from the office of Managing Director, desirable.
11. Either party to be entitled to terminate the Agreement at any time by giving to the other not less than ninety (90) days prior notice in writing without assigning any reason therefor.

However, the Company is entitled to terminate Mr. Murdeshwar's employment at any time by payment to him of 3 (three) months' salary in lieu of notice.

The Nomination and Remuneration Committee, at its meeting held on February 5, 2016 approved the remuneration agreed to be paid to Mr. Murdeshwar.

When approving the above remuneration agreed to be paid to the Managing Director, the Nomination and Remuneration Committee took into account his existing remuneration package and other relevant factors objectively considered by it to be reasonable including the overall interests of the Company and all its stakeholders and the heavy responsibilities that Mr. Murdeshwar will be called upon to effectively discharge in the present challenging times the Company is encountering.

The approval of the Members in general Meeting by a special resolution is being sought to the re-appointment of Mr. Murdeshwar as Managing Director and to the payment of the aforesaid remuneration to Mr. Murdeshwar as Managing Director for a period of 3 (three) years, which was approved by the Nomination and Remuneration Committee as aforesaid.

Hence, the special resolution at Item No. 6 of the Notice.

The said Agreement dated May 24, 2016 will be open for inspection by the Members at the Registered Office of the Company during normal hours (10.00 a.m. to 12.00 noon) on all working days, upto and including the date of the Annual General Meeting of the Company.

Mr. Murdeshwar is interested in the resolution at Item No. 6 of the Notice since it relates to his re-appointment as Managing Director and payment of remuneration to him.

None of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

**Anantha Murthy N**  
Legal Counsel & Company Secretary

Place: Bangalore  
Date: May 25, 2016

## Annexure - I to Notice

### Statement of information in terms of Section II of Part II of Schedule V to the Companies Act, 2013

#### I. General Information

|                                                                   |                                                                                                                                                                     |
|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Nature of Industry                                             | Pharmaceuticals                                                                                                                                                     |
| 2. Date or expected date of commencement of commercial production | The Company commenced its commercial production on November 6, 1979                                                                                                 |
| 3. Financial performance based on given indicators                | For the year ended March 31, 2016<br>(Amount in ₹)<br>Total Revenue 5,705,049,408<br>Profit before Tax 57,636,403<br>Profit after Tax 52,589,820                    |
| 4. Foreign investments or collaborations, if any                  | AstraZeneca Pharmaceuticals AB, Sweden, the Company's promoter holds 1,87,50,000 equity shares constituting 75% of the paid-up equity share capital of the Company. |

#### II. Information about the appointee

|                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Background details                                                                                                                                                                                        | Mr. Murdeshwar holds Bachelor Degree in Chemical Engineering and Masters' Degree in Business Management and has nearly two decades of wide ranging experience in the pharmaceutical industry.                                                                                                                                                                          |
| 2. Past remuneration                                                                                                                                                                                         | During the year ended March 31, 2016, the remuneration at cost to the company for Mr. Murdeshwar, Managing Director, stood at ₹ 2,65,09,530/-.                                                                                                                                                                                                                         |
| 3. Recognition or awards                                                                                                                                                                                     | None                                                                                                                                                                                                                                                                                                                                                                   |
| 4. Job profile and his suitability                                                                                                                                                                           | Mr. Murdeshwar has been re-appointed as the Managing Director of the Company for a period of 3 years effective May 2, 2016, to be the overall in charge of the business affairs of the Company.<br><br>He carries with him nearly two decades of wide ranging experience in the pharmaceutical industry and is best suited for the position for which he is appointed. |
| 5. Remuneration proposed                                                                                                                                                                                     | ₹ 2,65,10,826/- per annum (cost to the company)                                                                                                                                                                                                                                                                                                                        |
| 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin) | The remuneration proposed to be paid to Mr. Murdeshwar is commensurate with his job profile, experience, qualification, size of the Company, remuneration being paid in the same industry.                                                                                                                                                                             |
| 7. Pecuniary relationship/ relationship with the managerial personnel, if any.                                                                                                                               | None                                                                                                                                                                                                                                                                                                                                                                   |

### III. Other information

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#### 1. Reasons for loss or inadequate profits

- a) Government of India had notified the Drug Pricing Control Order ('the Order') during May 2013. Since then, ceiling prices have been announced by the Government in a phased manner. In the year 2014-15, 10 selling units across 5 brands of the Company were additionally covered in National List of Essential Medicines. While the Order benefits the patients by making essential drugs affordable, it had an adverse impact on the Company's profitability due to average price reduction of 41%.
- b) During 2014-15, the Company undertook a comprehensive review of the manufacturing standards of its contract manufacturers and identified certain process weaknesses. Production was stopped pending the review. Due to this, a significant part of the Company's portfolio, including several of its major brands, namely, Bricanyl (Respiratory), Bricarex (Respiratory), Linctus Codeinae (Respiratory), Xylocaine (Local Anesthesia), Sensorcaine (Local Anesthesia), Cerviprime (Maternal), Prostodin (Maternal), Seloram and Selomax (Cardiovascular) was not available in the market.
- c) Government of India has prohibited the manufacturing, sale and distribution of 344 fixed dose combinations including that of Chlopheniramine Maleate and Codeine Syrup. As such, the Company has stopped manufacture of its formulation, Mit's Linctus Codeine Co. (LCC) which is a fixed dose combination of Chlopheniramine Maleate and Codeine.
- d) Due to low demand for Terbutaline Sulphate, which was manufactured predominantly for export markets, the Company had shut down the Active Pharmaceuticals Ingredient Unit (API Unit) situated at Yelahanka, Bangalore, during December 2015.

In view of the above, the profitability of the Company has been adversely impacted.

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#### 2. Steps taken or proposed to be taken for improvement

The Company remains committed to accelerate growth in key therapy areas viz., cardiovascular and metabolic disease, respiratory and oncology through a science-led innovation strategy. Further, the Company will continue to have increased investment in these growth platforms and will remain committed to maintaining a strong focus on cost optimisation and controls.

Further, the current oral solid dosage facility has spare manufacturing capacity. Different options are under consideration to utilise this capacity to put the Company on a stronger footing for the future.

All of the above would enable the Company to improve its performance in the near future.

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#### 3. Expected increase in productivity and profits in measurable terms

With continued investment and focus on the growth platform coupled with cost optimisation and controls, the Company has achieved Net Profit of ₹ 5.25 Crores during the financial year 2015-16 and expects to resume its growth path during the financial year 2016-17.

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## Annexure - II to Notice

### Information under Regulation 36(3) of Listing Regulations regarding the Director seeking appointment / re-appointment at the 37<sup>th</sup> Annual General Meeting

| <b>Particulars</b>                                                       | <b>Mr. Sanjay Murdeshwar</b>                                                                                                                                                                                                        |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth & Age                                                      | August 30, 1966 (49 Years)                                                                                                                                                                                                          |
| Date of Appointment / Re-appointment                                     | May 2, 2016                                                                                                                                                                                                                         |
| Qualification(s)                                                         | Bachelor in Chemical Engineering from University of Bombay;<br>Masters' in Business Management from Asian Institute of Management, Philippines                                                                                      |
| Brief profile and nature of their expertise in specific functional areas | He has rich experience in the Pharmaceutical Industry working across various roles and regions with Bayer AG.<br><br>He has expertise on marketing, strategy development, sales and marketing excellence, and business development. |
| Directorships held in other listed companies                             | NIL                                                                                                                                                                                                                                 |
| Membership/Chairmanships of Committees of other listed companies         | NIL                                                                                                                                                                                                                                 |
| Shareholding in the Company (No. of shares)                              | NIL                                                                                                                                                                                                                                 |
| Relationship between Directors, inter-se                                 | NIL                                                                                                                                                                                                                                 |

## Route Map - AGM Venue (ITC Gardenia)

