

BOARD OF DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-sixth Report and the Audited Financial Statements of the Company for the financial year 2019-20.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of Products	4054,47	3640,30
Other Operating Income	38,67	38,30
Other Income	114,39	113,29
Total Income	4207,53	3791,89
Profit Before Tax	802,69	698,85
Profit After Tax	592,93	450,33
Retained Earnings and Other Comprehensive Income (OCI)		
Balance brought forward	1567,49	1305,17
Profit After Tax	592,93	450,33
OCI arising from remeasurement of employee benefits	(4,95)	(2,09)
Dividend - FY 2018-19	(138,12)	--
Dividend - FY 2017-18	--	(116,87)
Dividend Distribution Tax	(28,39)	(24,02)
Transfer to Reserves	(59,29)	(45,03)
Impact of Ind AS 116- Leases (Net of Tax)*	(7,12)	--
Balance carried forward	1922,55	1567,49

*Under modified retrospective method.

DIVIDEND

Your Directors recommend a final dividend of ₹ 107/- and special dividend of ₹ 143/- per share for the year ended March 31, 2020 on 2,12,49,302 fully paid-up Equity Shares of ₹ 10/- each. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 531,23 Lakhs (Previous year : ₹ 166,51 Lakhs including dividend Tax of ₹ 28,39 Lakhs) The Corporate Dividend Tax is provided at the rate applicable on the day on which the accounts were approved by the Board of Directors. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the proposed dividend for the year ended March 31, 2020 after deduction of tax at source.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy adopted by the Company in terms of requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is available on the

Company's website at <https://www.abbott.co.in/investor-relations/policies.html> The said Policy lays down various factors which are considered by the Board while recommending dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSIS ECONOMIC OUTLOOK

India's GDP growth has been the most phenomenal in the past decade regularly achieving an annual growth of 6-7 percent. The rise in GDP is largely credited to factors including urbanization and improvement in the efficiency and productivity of technologies. However, growth in India softened in 2019 as economic and regulatory uncertainty, together with concerns about the health of the non-banking financial sector, weighed on demand. The GDP growth for financial year 2019-20 touched 4.2% vis-à-vis 6.1% in financial year 2018-19, the COVID-19 pandemic further aggravating the slowdown from the end of the last quarter. The Government of India and the Reserve Bank of India (RBI) have acted swiftly to help offset the pandemic-induced disruptions.

Growth in 2020 is expected to remain low due to a sharp decline in trade, investments and private consumption owing to the COVID-19 crisis. Fiscal incentives announced by the Government as well as liquidity measures may help the economy to come back on the normal growth trajectory. But the recovery across economies is expected to be gradual, fragile and susceptible to multiple headwinds.

INDUSTRY REVIEW

The healthcare environment has been dynamic and, at times, volatile. As per IQVIA, a leading global provider of information and research services in the medical sector, Indian Pharmaceutical Market (IPM) is estimated at ₹ 149,900 Crore in 2020, its growth up by 2% from 2019. Acute therapies dominate IPM with 64% of the total sales; however, the chronic segment shows faster growth of 10.9% in comparison to 7.9% for acute therapies (3 year CAGR). The domestic pharmaceutical market is highly fragmented with the top 10 companies making up 43% of the share, and the top 150 companies accounting for 96% of share. Local players enjoy a dominant position, occupying 4 of the top 5 positions.

India is often referred to as the "pharmacy to the world", ranking 3rd worldwide in total pharmaceutical production volume and 10th by value. As per National Indian Promotion Agency, it is the largest producer of generic medicines and vaccines, occupying 20% volume share in generics and 62% in vaccines.

The face of the market itself is changing because the informed consumer has brought a shift in demand. Given that customer experience can have a transformational impact on business,



the informed consumer today is kept at the heart of business operations. In the emerging markets, pharma businesses are increasingly leveraging insights and adapting to changing consumer needs – emotional and behavioral, and not merely clinical - to stay relevant and build a sustainable business.

OPPORTUNITIES AND CHALLENGES

There are multiple factors which impact industry growth and profitability. Severe price pressure is expected due to expansion of pricing regulations and increasing regulatory interventions. Influx of first-time patients from the National Health Protection Scheme (NHPS) into the healthcare ecosystem, relaxation of regulations for patented drugs, and increasing spend on preventive healthcare could emerge as major growth drivers over the next few years. In the medium term, successfully navigating the COVID-19 crisis will be on top of the mind for all companies.

Factors which impact industry and Company growth include :

- **Technology and Digitalization** : Technology led revolutionization of the healthcare industry is likely to be expedited in the year 2020 due to the global pandemic. While healthcare professionals will remain the single largest influencers of treatment and medicine choice, changes in the way doctors interact with both patients as well as sales representatives will open up a new array of opportunities for pharmaceutical companies. Remote healthcare, patient empowerment and multichannel engagement are likely to be some of the important emerging trends. Rapid adoption of new working models will be key to success for pharmaceutical companies in 2020 and beyond.
 - **National Health Protection Scheme** : NHPS was launched by the Government of India in 2018 with the objective of providing free health coverage at the secondary and tertiary level to the poor and vulnerable sections of the population. NHPS has expected to cover 50 Crore beneficiaries in 10 Crore families. The National Health Agency projects a four-fold increase in the number of patients treated annually in India, rising to 10 Million over the next few years. The pharmaceutical industry stands to be a prime beneficiary from the massive influx of first-time patients in the healthcare system who are prescribed medicines at the primary care level.
 - **Specialty medicines** : These will witness increased demand across both developed and pharmerging markets, and are projected to account for more spending than previously.
 - **Price controls and regulations** : Downward pressure on drug prices is likely to intensify due to the inclusion of more medicines in the 2020 update of the National List of Essential Medicines (NLEM). Additional downward pressure could come from the government's plans to implement trade margin caps more widely in 2020. Increase in the price of APIs imported from China due to rate hike in 2019 and supply disruption in 2020 is likely to create upward pressure on drug prices. NLEM could be updated more frequently in the future.
- The 2019 amendment to the Drug Price Control Order (DPCO) broadens provisions for exemptions from price controls to cover all patented medicines as well as products granted orphan drug status. Together with the new rules governing drug registration and clinical research activity notified in March 2019, this is likely to encourage investment from originators and result in early launches of more innovative, patented drugs.
- Frequent and unexpected changes in the domestic pricing policy have created an uncertain environment for investments and innovation. The Government and stakeholders would need to productively engage in order to develop a framework that ensures availability and accessibility of affordable drugs for citizens, while ensuring a workable pricing structure for pharmaceutical companies.
- **OTC drug regulations** : With rising patient empowerment and growing willingness to self-medicate, there is a growing demand for the drafting of a well-defined over-the counter (OTC) drug policy. Creation of a regulated OTC market coupled with stricter enforcement of prescribing and dispensing regulations will drive growth in the OTC space. The Company is well placed to benefit from such a policy with its dedicated OTC vertical.
 - **Uniform Code of Pharmaceuticals Marketing Practices (UCPMP)** : UCPMP, while currently voluntary, could become mandatory shortly. A mandatory code would require ethical marketing practices to be followed by all companies. Given that the Company has a strong compliance process in place, it would be well positioned under a strict enforcement of UCPMP.

REVIEW OF OPERATIONS

The Company has consistently grown in the Indian market, supported by the quality care it offers by way of innovative and trusted products, and backed by expert clinical support. Its position has been further enhanced through strong

customer insights, wider geographical reach, better innovation, differentiated marketing, pill-plus-service approach and commercial expertise.

To continue its leadership position, the Company is strengthening its leading brands and distinctive business capabilities. We are focused on creating innovative products and services for patients, doctors, caregivers and pharmacies across the continuum of care, increasing the breadth and depth of our portfolio and strengthening our urban coverage. A consistent brand focus, changing product mix, and value creation across stakeholder groups are some of the attributes that have ensured delivery of sustainable success.

Financial Performance

Total Revenue : Total Revenue for the year ended March 31, 2020 is ₹ 4207,53 Lakhs in comparison to ₹ 3791,89 Lakhs last year, recording a robust growth of 11.0% over the previous financial year.

Profit Before Tax : Profit Before Tax for the year ended March 31, 2020 at ₹ 802,69 Lakhs grew by 14.9% over the previous year.

Other Income : The Other Income stood at ₹ 114,39 Lakhs, mainly comprising interest income from bank fixed deposits. The Company continues to invest in fixed deposits with banks that have high credit ratings, with a view to safeguarding the principal and maintaining liquidity. Income from bank deposits grew by 27.5%. The investment strategy is reviewed periodically by the Finance Committee. The Company has an investment portfolio of ₹ 2168,68 Lakhs as on March 31, 2020.

Material Cost : The Material Cost increased on account of inflation, but was compensated by improved sales price realisation, resulting in a marginal decrease in Material Cost as a percentage to Sales from 57.4% in financial year 2018-19 to 57.1% in the current year.

Employee Cost : The Company increased its employee strength to 3,551. The Employee Cost as a percentage to Sales shows a marginal decrease at 11.7% in the current year vis-à-vis 12.0% in the financial year 2018-19. The increase in Employee Cost by 9.3% over last year is mainly due to merit increase.

Other Expenses : Other Expenses including Depreciation and Finance Cost increased by 7.8% over the last year. However as a percentage to Sales, it has decreased to 15.1% vis-à-vis 15.6% in the previous year.

Key Financial Ratios :

Particulars	2020	2019	Change
Debtors Turnover (Days)	13.8	13.6	1.5%
Inventory Turnover (Days)	7.2	6.2	16.1%
Interest coverage ratio*	95.1	311.8	(69.5%)
Current Ratio	3.6	3.2	12.5%
Debt Equity Ratio	0.5	0.5	0.0%
Operating profit margin (%)	20.0%	19.0%	5.3%
Net profit margin (%)	14.0%	12.0%	16.7%
Return on Net Worth (%)	26.0%	24.0%	8.3%

*Interest coverage ratio has dropped because of accounting impact of Ind AS 116.

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios except Interest coverage ratio.

Detailed explanation of ratios :

(i) Debtors Turnover (Days)

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers. It is calculated by dividing Revenue from operations by average trade receivables.

(ii) Inventory Turnover (Days)

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing Revenue from operations by average inventory.

(iii) Interest Coverage Ratio

The Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing Earnings Before Interest and Taxes by finance cost.

(iv) Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(v) Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities by its shareholder's equity.



(vi) Operating Profit Margin (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the Earnings Before Interest and Taxes by Revenue from operations.

(vii) Net Profit Margin (%)

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by Revenue from operations.

(viii) Return on Net Worth (%)

Return on Net Worth is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by average capital employed during the year.

Business Performance

The Company operates in a single reportable business segment i.e. “Pharmaceuticals”. The Company provides products and solutions across various therapy areas such as Women’s Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty (Pain Management, Insomnia, Nutritional supplements and Vitamins), Vaccines, Consumer Health, etc.

Performance for the year under review in respect of the Company’s various therapeutic segments are highlighted below :

Women’s Health : This portfolio has consistently shown strong growth over the last several years. This year it grew by 21.9% led by Duphaston. Strong brand equity, coverage of gynecologists and high level of trust and credibility owing to sensitive indications with a high premium on safety (especially in pregnancy) are drivers of growth. Introduction of newer indications, addition of new products to expand the portfolio, setting up separate sales and marketing teams to increase focus on In Vitro Fertilisation (IVF) are some of the initiatives undertaken during the year to sustain the growth. Increasing awareness and widening the portfolio to strengthen market presence remain the key focus areas.

During the year, 5 new products viz. Femoston (Hormone replacement therapy or HRT), Femilon (Contraception), Novelon (Contraception), Cetropro (Prevention of premature ovulation) and Parihep (Thromboembolic conditions) were launched.

Gastroenterology : The Company grew by 9.9% in this area during the year, mainly driven by Cremaffin, Udiliv and Duphalac. Our differentiated offerings beyond pills, a strong portfolio - from Gastro to GPs - and strong equity amongst the consumers are behind the sustained growth. A new, robust product introduction process through extensive market research has helped to further enhance the portfolio. The focus remains on the launch of new products in the Gastrointestinal (GI) space.

During the year, 12 new products viz. Evitol (Non alcoholic fatty liver disease or NAFLD), Fidonal (Anal Fissures), Udisyp (Liver Disorders), Tenfoplus (Hepatitis B), Viadek (Pancreatic Exocrine Insufficiency or PEI), Udistrong Orange (Liver Diseases), Creon SD (Pancreatic Exocrine Insufficiency or PEI), Cremadiet + 300 (Constipation), Udistrong sachet – Cranberry (Liver Diseases), Antoxipan sachet, Duphalac Bears 1.6 (Constipation – Pediatrics) and Duphalac Chews 3.3 (Constipation - Pregnancy) were launched.

Metabolics : This portfolio grew by 27.9%, driven mainly by NeoMercazole and Thyronorm, which retains flagship position* in its respective segment. Integration of the thyroid portfolio to optimise spend and increase market share, introduction and improvement of line extensions to facilitate differentiation, and entering bacterial vaginosis with new sub-therapy (pre-probiotics) to leverage equity with Gynecs are some of the major drivers of performance. Increasing awareness remains the key priority for sustained growth.

Central Nervous System : This portfolio showed a growth of 12.6% during the year. Vertin and Prothiaden continue as the market leaders* in their segments. Creation of hybrid structure, marketing resource allocation strategy and reduction of attrition on account of team engagement have helped this portfolio to show good performance during the year. Introducing new sub-therapies and life-cycle management support for older molecules remain key priorities. Also, during the year, Epishield (Micronutrients/Epilepsy) was launched.

Multi-Specialty : Under this segment, the Company offers products for Pain Management, Insomnia, Nutritional supplements and Vitamins. This portfolio showed a growth of 4.4% during the year which was mainly driven by Zolfresh, Arachitol Nano and Brufen. Promotion of specialty brand matrix and creation of the leadership academy for capacity building have helped maintain growth. Introduction of new molecules and expanding the portfolio through scientific research and market studies remain the key priority.

Vaccines : The key brands in the vaccines portfolio are Influvac, Enteroshield and Rotasure. The portfolio showed strong double-digit growth of 20.4% and contributed 3.9% of Sales for the year. The growth was mainly driven by Influvac, a number 1* product in its participated market. A separate task force was set up to target the untapped adult vaccination market. Focus is to expand the portfolio beyond the current set of vaccines and target segments. The Company has a licensing arrangement with Bharat Biotech India Limited to market vaccines in the immunology segment.

During the year, Influvac Tetra (Flu vaccine) was launched and was a big hit in the first three months of its launch.

Consumer Health : The Company offers a few consumer-directed products, including all variants of Digene - tablets, liquids and powders. During the year, this portfolio showed strong growth of 19.5%. Cremaffin was consumerised to revitalise the brand. Good strategy and sustained investment have helped achieve growth. Our focus remains on expanding this portfolio.

During the year, two new products - Brufen Rapid (Analgesics) and Digene Ultra Fizz (Antacid) were launched.

IMPACT OF COVID-19

The novel coronavirus continues to wreak havoc throughout the globe. It has forced millions across the world to remain locked down in their homes and caused businesses to either close down or realign operations. The pharma industry has been energised by the fight against COVID-19 that has given an impetus to research for new drugs or vaccines, but industrial work has been greatly affected by the pandemic, primarily through the disruption of supply chains.

Initially, the lockdown posed certain challenges for the Company. The Goa plant could not operate at optimum capacity, availability of raw materials and finished stock from third party manufacturers, supply chain and the distribution were impacted marginally on account of disruption of transportation. However, sufficient levels of inventory maintained at various points in the distribution chain helped in meeting the market demand. There was no significant impact on the Company's business operations. Manufacturing, supply chain and distribution have substantially resumed to normal levels. The Company, its employees as well as its business partners remain committed and continue to ensure the uninterrupted supply of products to meet the needs of our customers.

MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

Evidence-based medicine is gaining importance in empowering healthcare professionals to ensure better patient care. Research studies undertaken by the Company, ranging from real-world evidence based studies (observational or epidemiological) to registration studies, have been instrumental in defining and driving organizational strategies and creating high-quality scientific evidence, thus aiding the optimisation of healthcare.

During the year, the Company executed 12 new studies, published 16 articles in major indexed journals, along with making four international presentations. The Company conducted registration studies for Influvac Quadrivalent vaccine, which was approved by the Indian health authorities during the year and the vaccine is now available in the market. This new vaccine boosts protection against influenza by targeting an additional strain. All the studies were conducted in compliance with Good Clinical Practice (GCP) and regulatory requirements.

Capability building of healthcare professionals has remained a high strategic priority for the Company. During the year, more than 2,500 medical education programs were conducted towards achieving this objective. The Company also partnered with over 12 medical associations to drive capability building in various therapy areas. Furthermore, as a continued commitment towards knowledge dissemination, 100 workshops were conducted, training approximately 1,800 medical staff. Over and above these, over 3,000 patient awareness programs were conducted across India.

OUTLOOK

We are positive that our continuous endeavor to help patients in all possible ways, sustained services and culture of trust-building across stakeholders will hold us in good stead through this challenging year. Our values and resilience keep supporting us while we adapt to the new normal. We continue to enjoy the confidence of our consumers, business partners and investors. Additionally, new products and differentiated services offered are contributing to the Company's growth. The Company continues to drive a faster growth rate, beating the market year-after-year.

As a Company we will continue to navigate during these difficult times and accelerate transforming our business. The following are expected to be major enablers as we try to better our service to customers and accelerate growth :

- **Innovative models to engage with healthcare professionals through multiple channels :** Developing presence across the entire customer journey through



innovative multiple channels of engagement, and leveraging data collected from digital channels to augment capabilities of the sales force; enabling them to engage with doctors and healthcare professionals and create product awareness continue to remain a priority.

- **Supporting patients beyond the pill :** As healthcare information becomes more readily available on the internet, we are witnessing a change in consumer behavior, with patients starting to be more involved in making healthcare choices. The Company has been engaging with patients directly through industry-first patient programs to provide education, counselling and support services. As these programs have shown success in ensuring therapy adoption and adherence, we plan to explore targeted partnerships with other industry players and start-ups to expand to additional therapies. The Company has already scaled up the Knowledge Genie platform and also plans to introduce a pregnancy focused patient support programme in 2020.
- **Scaling up pharmacy engagement :** Strengthening our channel management capabilities and resources can be a key differentiator in minimizing prescription substitution. India is rapidly moving towards a uniform quality standard and building capabilities for pharmacists is critical to enable them to play a greater role in the market. The Company's dedicated OTC vertical will continue to expand its coverage in this regard.
- **Shaping therapies to accelerate key brands :** We are prepared to accelerate growth of current brands and plan our future launches with clearly defined strategies developed through in-depth analysis of market trends along with a careful evaluation of our capabilities and strengths. Shaping of key therapies is critical to driving therapy leadership and ensuring that we continue on our path of consistent growth.

RISKS AND CONCERNS

The pharmaceutical Industry in India is strictly regulated by the Government due to implications on health and safety. This control is likely to increase in the future as the industry grows in size and expands its presence in the international markets. While regulators are committed to ensuring a positive business environment for pharmaceutical companies, synergies in policy and implementation will be something to look out for.

Proposed expansion of drugs covered by the National List of Essential Medicines (NLEM) and restrictions on trade margin mark-ups will create uncertainties at market place. Growing awareness about cheaper alternatives to branded generics and more channels providing access to them also impact volume growth.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an internal control mechanism commensurate with its size and nature of business. These systems provide a reasonable assurance on achievement of its operational, compliance and reporting objectives, including safeguarding the Company's assets, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

This mechanism is sound in design and the framework is continuously evaluated for effectiveness and adequacy. The mechanism operates through well-documented standard operating procedures, policies and process guidelines. Periodic analysis and reviews are conducted by the Senior Management to assess its efficiency. Also, the same is discussed with auditors on a regular basis.

The Internal audit plan is finalized based on current perception of internal control risk and compliance requirement in consultation with the operating divisions. The Internal Auditors, as a part of their audits, review the design of key processes to assess the adequacy of controls.

The Internal audit reports issued by the Internal Auditors are discussed with the Senior Management and presented to the Audit Committee on a quarterly basis. An independent and empowered Audit Committee reviews the significant observations and assesses the adequacy of the actions proposed while monitoring their implementation. The Internal Auditors conduct a quarterly follow up for implementation/remediation of all audit recommendations and the status report is presented to the Audit Committee regularly.

The Company has implemented both preventive and detection controls. Appropriate corrective actions taken to reduce the risks include the following :

- The Abbott Code of Business Conduct requires annual certification by all employees;
- The Compliance Committee is formed with representatives from all the operating groups;
- Senior Management has oversight of the compliance programs;

- The Business Compliance Cell is assigned the responsibility of training, monitoring and ensuring employees' compliance with the Company's policies and procedures;
- The Company has a Whistle Blower mechanism in place;
- Internal investigation reports are presented before the Audit Committee on a quarterly basis;
- Business divisions have periodic meetings with the Director, Office of Ethics and Compliance, to monitor and discuss compliance with various business processes.

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2020 and basis the assessment, believes that the processes are working efficiently and effectively.

The Statutory Auditors have issued unmodified audit report on the adequacy of the internal controls over financial reporting and its operating effectiveness.

HUMAN RESOURCES

At Abbott India, people are our strong and formidable assets. The Company provides holistic capabilities to its employees to boost organizational performance. Their skill, dedication, zeal and agility are helping the business understand and respond to changing healthcare needs so that the Company can live up to its promise of helping people live fuller, healthier lives.

The Company encouraged employees to stay upbeat during the tough situation by conducting Mental Resilience workshops and COVID-19 awareness sessions. All employees were supported with remote working tools viz. Global IT microsite, myHR portal, etc.

During the time, employees were upskilled through the conduct of various ASK workshops, soft skills training programs, sales and product refresher trainings and training on digital tools and new ways of working. The training team delivered over 1600 sessions/topics virtually to engage the field.

Diversity continued to be a big priority last year. We conducted diversity drives across sales offices across India and at the head office. At these events, our Women Leaders at Abbott (WLA) gave an insight of our Diversity initiatives.

The Company's Human Resource team has developed and deployed integrated talent management practices that encompass the entire employee life cycle - recruitment, induction, development, career progression, rewards and recognitions.

Our Talent Management process is well embedded in our system and supports leadership, sales, marketing and support functions. Through our uniform assessments to gauge the

readiness for first and second-line manager roles, we create a common talent pool. Additionally, we have launched certification programs and career paths for field employees.

Several leadership development programs such as In-Stride, Global Citizen Development Program, Emerging Leaders Program, New Leaders Program, etc. were conducted during the year.

- An in-depth Talent Management Review was conducted with the aim of identifying successors for critical roles within the organization, to determine the readiness of successors and provide them with an accurate actionable development plan to move into identified critical roles.
- The 'Accelerate' programme was launched to develop managerial capability, to increase team performance and drive higher employee engagement. All First-Line Managers (FLMs) i.e. 330 Area Business Managers (ABMs) underwent an external assessment, and on the basis of this assessment result, an individual development plan has been created for every manager.
- LEAP 2020 was a programme launched with the objective to assess and develop managerial capabilities within the organization and encourage talent mobility across businesses. A competency framework was designed to measure managerial behavioral competencies; 221 field employees (Territory Business Managers or TBMs) underwent the assessment and will have customized development plans to increase their readiness to take up FLM roles.
- 'Wo-mentoring' initiative was introduced, which provide a platform to accelerate development for women employees through 'Mentoring'. The programme aims at supporting women employees to 'Build their Career with Confidence'. The initiative includes an on-boarding process of Orientation Sessions to enable the mentoring conversations, identification of development goals coupled with enablers in the form of employee connects and related learning interventions. Mentors share their expertise and guide proteges in their identified development areas. The said programme was extended to the head office, plant and field employees.

Periodic meetings are held between HR Leadership and the Talent Strategy teams to closely monitor progress on the various aspects of talent strategy and take necessary action.

The Company believes in motivating and engaging employees through shared goals, capability-building initiatives, career growth opportunities and provide an environment of



transparency, accountability and positive reinforcement. The Company has 3,551 employees as on March 31, 2020.

Prevention of Sexual Harassment at Workplace

The Company has an Internal Complaints Committee (ICC) in place as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Appropriate training is imparted to employees regularly through the online learning portal. In 2019-20, all employees completed the mandatory online training programme on POSH (Prevention of Sexual Harassment). This training also forms a part of the new Employee Orientation programme.

During the year, one complaint was received by the Company/ICC under the aforesaid Act and the same was appropriately closed.

HEALTH, SAFETY AND ENVIRONMENT

Health and Safety :

At Abbott, employees' health and safety are the utmost priority and hence during the COVID-19 pandemic, the Company took key steps to protect and safeguard employees. A crisis action team was formed on Day 1 of the outbreak. Work from home transition for the pan-India sales workforce and HO employees was announced on March 19, 2020. For employees at the plant, local transport was provided, cleaning frequency was increased, and social distancing was ensured at the premises.

We are committed to keeping employees safe by preventing dangerous incidents in and around the workplace. In educating our employees, we also empower them to promote safer and healthier lives in their wider communities. We strive to maintain the highest standards of Environment, Health and Safety (EHS) practices.

The EHS Policy has been implemented through our Global EHS standards based on ISO 14001 and OHSAS 45001, supported by a well-defined EHS organizational structure, EHS Standard Operating Procedures and EHS specific programs that ensure that we meet all the local regulatory requirements.

The Safety Committee, comprising representatives from the workforce and Management, constantly work towards resolving issues impacting plant safety and employee health. Regular self-audits and third-party safety audits are conducted to verify compliance with the regulatory and internal safety requirements. The plant has a record of completing eight years without lost time injury.

Various training programs are conducted at the plant on health and safety issues to build technical capabilities. Employees are also encouraged to attend external training programs on various topics such as regulatory requirements, ergonomics, machine guarding, hot work safety, road safety, industrial hygiene and industrial safety. The employees also attend various training programs/seminars arranged by the Inspectorate of factories and Green Triangle Society.

A cross-functional team for emergency response and firefighting is in place. Mock drills for fire-fighting and rescue operations are conducted in association with the local fire brigade to keep the staff in a state of preparedness for any emergencies.

Special focus is maintained on critical safe work initiatives like contractor safety, hand safety and working on heights. Additionally, several employee engagement programs, such as celebration of National Safety Week, World Environment Day and Abbott EHS Month, were conducted to help build a sustainable EHS culture.

During the year, the following initiatives took place at the Goa plant –

- Installed a new diesel pump and automated sprinkler system to reduce risk of business interruption and meet recommendations provided by Factory Mutual.
- Safety retrieval system for confined space entry was installed for safe entry and retrieval of a person entering the liquid manufacturing tanks, thus minimizing the risk associated during confined space entry.
- 411 employees (including contractual employees) underwent the Global EHS induction module, and 117 employees were trained on various aspects and on the proper use of personal protective equipment, leading to improved PPE compliance. To further improve Behavior Based Safety programs, 20 new observers were trained through Abbott Global resources. Around 111 employees attended training on Lockout Tagout (LOTO) and Slip Trip Falls (STF). A few employees attended various programs, such as effective functioning of safety committee, OSHE legal requirements, sharing best practices on OSHE, beat air pollution, stress management etc.

Various Road Safety programs were conducted for field employees during the year. About 400 sales employees attended the one-day two-wheeler riding safety programme as part of the Behind the Bar training activity. This program was conducted by third-party consultants. 100% of the sales employees completed the online defensive driving refresher training module.

There is continuous improvement on the Behavior Based Safety (BBS) program and a visible improvement in safety culture has been observed. The Stop for Safety initiative is being practiced in order to support the BBS program.

Environment :

A responsibility towards the environment is part of Abbott's mandate. We continuously endeavour to minimize the use of renewable resources and cut down on carbon emission. In all our initiatives, we adopt a holistic approach and make efforts to curtail adverse environmental impact, if any. The Goa site continued to implement multiple water conservation and emission reduction projects.

The Company has a state-of-the-art effluent treatment plant with parameters of treated effluents well below the limit set by the local State Pollution Control Board. The plant is a zero discharge plant.

Over the period of the last five years, the plant has achieved more than 20% absolute water reduction in usage. The rainwater harvesting project was effectively continued at the plant this year. Total rainwater utilized during financial year 2019-20 was 1,379 kl, which reduced the intake of purchased water.

Major focus during the year was process optimization and yield improvement. Along with increasing productivity, this initiative has helped prevent the discharge of raw materials and solvents into the environment. We are continuously improving our product yields, thus reducing wastages.

Furthermore, gas emissions from the boiler and generator stacks as well as the ambient air quality are monitored regularly, and they are well below the limits set by the State Pollution Control Board. There is also a vermi-composting unit in place to convert canteen waste into organic manure, which is used in the lawns and in the plantation inside the factory premises.

The plant retains its Zero Waste to Landfill (ZWL) certification in matters of waste disposal. In financial year 2019-20, 60% of the waste was sent for recycling, 38% for co-processing and 2% for composting. The plant continued sending hazardous waste for co-processing. We ensure that energy from the waste is recovered, thus contributing to the reduction of CO₂ emission and global warming. 38% of plant waste was incinerated with energy recovery.

During the year, World Environment Day was celebrated with the participation of all plant employees. Environment awareness sessions were conducted, and tree plantation was undertaken by the employees on this day.

The details of energy conservation measures and water conservation initiatives are provided in Annexure III.

The Company is adhering to the requirements of Plastic Waste Management Rules as laid down by the Central Pollution Control Board. During the year, we have collected around 1400 MT of post-consumer waste through our Extended Producer Responsibility (EPR) partners. This waste is recycled or disposed of in a scientific way. The Company is also working towards several upstream eco-initiatives that will help in plastic waste minimization, which is fundamental to the concept of EPR.

We provide training to our EHS employees on applicable EHS regulations and internal technical standards through both internal and external trainings and conferences. We promote EHS awareness and share best practices across Abbott through a dedicated month highlighting EHS topics, as well as a monthly webinar series by subject matter experts.

DIRECTORS

Mr Krishna Mohan Sahni (DIN : 02103128) retired as Independent Director from the Board effective close of business hours on October 28, 2019 upon completion of his term. Mr Jawed Zia (DIN : 00191276) and Mr Mark Murphy II (DIN : 08385393) resigned as the Non-Executive Directors effective February 29, 2020 and June 30, 2020. The Board places on record its sincere appreciation for the guidance and support received from Mr Sahni, Mr Zia and Mr Murphy II over these years.

Ms Shalini Kamath (DIN : 06993314) has been appointed as Additional and Independent Director of the Company for a period of 3 (three) years effective October 29, 2019. Ms Kamath holds a varied experience and expertise in the area of Human Resources, Business Development and Social & Community Development. In the opinion of the Board, skills, integrity and experience possessed by Ms Kamath will be beneficial to the Company.

Mr Ambati Venu (DIN : 07614849) was elevated to a new role within the Abbott Group and, therefore, resigned as the Managing Director of the Company effective February 29, 2020. The Board places on record its sincere appreciation for the accelerated growth of the Company during his tenure. Upon recommendation of the Nomination and Remuneration Committee, he was appointed as Non-Executive Director, eligible to retire by rotation, effective March 1, 2020.

The Board at its Meeting held on June 8, 2020, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Anil Joseph (DIN : 08753233) as an Additional and Managing Director of the Company for a



period of 5 (five) years with effect from July 1, 2020, subject to approval by the Central Government and Members at the ensuing Annual General Meeting.

In compliance with Section 152 of the Companies Act, 2013, Mr Kaiyomarz Marfatia (DIN : 03449627) and Mr Munir Shaikh (DIN : 00096273) retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of Members is sought through Special Resolution for the re-appointment of Mr Munir Shaikh, who has attained the age of seventy-five years.

Declaration of Independence

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. All the Independent Directors have registered themselves in the Independent Director's Database as managed by Indian Institute of Corporate Affairs.

Number of Board Meetings

Five Board Meetings were held during the year on May 27, 2019; August 8, 2019, August 22, 2019, November 12, 2019 and February 7, 2020. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, Rules framed thereunder read with the Secretarial Standards on Meetings of the Board of Directors.

Policy on Nomination and Appointment of Directors/ Criteria for appointment of Senior Management and Remuneration Policy

The Company has adopted the Policy on Nomination and Appointment of Directors/Criteria for appointment of Senior Management and Remuneration Policy as per the provisions of Section 178(3) of the Companies Act, 2013 and the Rules framed thereunder. The said Policies are available on the Company's website at <https://www.abbott.co.in/investor-relations/policies.html>

Nomination Policy acts as a guideline for determining qualifications, positive attributes and independence of Directors and matters related to the appointment and removal of Directors and Senior Management. The Policy lays down –

- i) criteria and terms and conditions with regard to identifying suitable candidates who are qualified to become Directors and Senior Management;

- ii) appointment mechanism for Managing Director/ Executive and Non-Executive Directors/Independent Directors/Key Managerial Personnel and Senior Management;
- iii) tenure of Managing Director/Executive Directors/ Independent Directors;
- iv) their removal process and succession planning.

Remuneration Policy lays down the Company's philosophy and criteria as well as manner of determining the remuneration of Managing Directors, Executive/Non-Executive Directors, Independent Directors, Senior Management, Key Managerial Personnel and other employees.

Performance Evaluation of the Board, Board Committees and Directors

The Company has adopted the Board Evaluation Framework and Policy, which sets a mechanism and criteria for the evaluation of the Board, Board Committees and Directors, including Independent Directors. The same is available at <https://www.abbott.co.in/investor-relations/policies.html>

As per the aforesaid Framework, Board and Board Committees are evaluated by the Board through self-assessment and group discussions. Parameters for evaluation include structure and composition, frequency of meetings, devotion of time for important business, adequate access to information, discussion with management and cohesiveness in the overall working which facilitates open discussion.

Evaluation of the Directors is done by the Board (excluding the director who is being evaluated) basis the suggested set of questions/parameters set out in the aforesaid framework by the Nomination and Remuneration Committee. These criteria comprise Directors' attendance, effective participation at Board/Committee Meetings, their contribution at the Meetings, leveraging on his/her experience to provide the necessary insights/guidance on Board discussions and display of candor in expressing views even when they are in divergence with the rest of the Board, etc. Independent Directors at their separate meeting evaluate the performance of the Board, Non-Independent Directors and the Chairman.

During the year 2019-20, questionnaire along with feedback forms were circulated to the Directors for evaluation of the Board, Committees and Directors. The Board discussed the responses received from each of the Directors on the same. The Board also confirmed that the Independent Directors continue to fulfil criteria prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

and remain independent from the Management. Independent Directors, at their separate meeting, reviewed the performance of Non-Independent Directors, Board and the Chairman, considering the views of the other Executive and Non-Executive Directors.

KEY MANAGERIAL PERSONNEL

Mr Rajiv Sonalker, Chief Financial Officer and Ms Krupa Anandpara, Company Secretary, are the Key Managerial Personnel of the Company as on March 31, 2020. Mr Ambati Venu ceased to be the Key Managerial Personnel effective February 29, 2020. Mr Anil Joseph, Managing Director is appointed as the Key Managerial Personnel effective July 1, 2020.

AUDIT COMMITTEE

The Audit Committee comprises Ms Anisha Motwani (Chairperson), Mr Munir Shaikh, Mr Sudarshan Jain and Ms Shalini Kamath. Role of the Committee is provided in detail in the Corporate Governance Report, forming part of this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited – Procedure for Internal Investigations". It lays down a mechanism for reporting and investigation of all unethical behavior, alleged or potential violations of laws, regulations or Abbott Code of Business Conduct, policies, procedures or other standards.

The said Policy is available on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.html>

Employees have numerous ways to voice their concerns and are encouraged to report the same internally for resolution. The said Policy provides for adequate safeguards against retaliation and access to the Chairperson of the Audit Committee.

Any concerns/grievances can be communicated through various sources as provided under the said Policy or via toll free number 0008001001058 or online at <https://speakup.abbott.com>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors state that :

- a) in the preparation of the Annual Accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profits of the Company for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts of the Company on a going concern basis;
- e) they have laid down adequate Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

RELATED PARTY TRANSACTIONS

Policy on dealing with Related Party Transactions and Materiality

The Company has in place the Policy on dealing with Related Party Transactions and Materiality in terms of requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is available on the Company's website at <https://www.abbott.co.in/investor-relations/policies.html>

As per the said Policy, all Related Party Transactions are pre-approved by the Audit Committee and Board, as and when required. The details of such transactions are also reviewed by the Audit Committee on a quarterly/annual basis. Material transactions (transactions exceeding 10% of the annual turnover as per the last audited financial statements), if any, with any Related Party are pre-approved by the Shareholders.

Details of Related Party Transactions

The Company enters into the business transactions with various Abbott affiliate companies ("Related Parties") in the normal course of business and on arm's length basis. All the transactions with the Related Parties during the financial year 2019-20 were pre-approved by the Audit Committee. Prior approvals of the shareholders are in place for the Material Related Party transactions. Actual transactions were reviewed by the Audit Committee on a quarterly basis. The details of the same are provided in Note 40 to the Financial Statements.



Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has filed half yearly reports on Related Party Transactions with the BSE Limited.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year, the unpaid dividend and shares were transferred in line with the above, the details of which have been given in the Corporate Government Report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Policy

The CSR Policy is available on the Company's website at <https://www.abbott.co.in/investor-relations/policies.html>

CSR initiatives undertaken during the financial year 2019-20

The Company incurred an amount of ₹ 11,64 Lakhs on various CSR programs during the financial year 2019-20. The Annual Report of the CSR activities undertaken by the Company is annexed as "Annexure I" and forms part of this Report.

RISK MANAGEMENT FRAMEWORK

The Company recognises Risk Management as an integrated, forward-looking and process-oriented approach. It has developed a Risk Framework which is directed to enable the Management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. It enables to avoid pitfalls and surprises along the way.

- Aligning risk appetite and strategy – The Company considers its risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.
- Enhancing risk response decisions – Risk Management provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing and acceptance.

- Reducing operational surprises and losses – The Company strives to gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.
- Identifying and managing multiple and cross-enterprise risks – The Company faces a variety of risks affecting different parts of the organization, and risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- Seizing opportunities – By considering a full range of potential events, the Company is positioned to identify and proactively realise opportunities.
- Improving deployment of capital – Obtaining robust risk information allows management to effectively assess overall capital needs and enhance capital allocation.

These capabilities, inherent in this Framework, enable the Company to achieve the performance and profitability targets and guard against loss of resources. It is also directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's reputation and associated consequences. The Company's operations and its business divisions are included in the scope of the Risk Management Framework.

A comprehensive exercise is done by the Risk Management Core Team comprising of representatives of relevant functional experts on an annual basis who help to identify additional mitigating actions that may be required to ensure risk management keeps pace with the business strategy. The Company's Chief Financial Officer presents an overall Risk Management update to the Risk Management Committee, Audit Committee and Board once a year.

STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/E300003), were appointed as the Statutory Auditors at the Seventy-fifth Annual General Meeting of the Company held on August 22, 2019 for a period of five years i.e. from financial year 2019-20 to financial year 2023-24, to hold office till the conclusion of the Eightieth Annual General Meeting of the Company.

In terms of Section 40 of the Companies (Amendment) Act, 2017 notified on May 7, 2018, the requirement for ratification of appointment of Statutory Auditors by Members at every Annual General Meeting has been omitted and accordingly, Members' approval is not required for ratification of their appointment annually.

AUDITORS' REPORT

The Auditors' Report for the financial year 2019-20 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanations/comments by the Board.

COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), are appointed as the Cost Auditors of the Company for the financial year 2020-21 at a remuneration of ₹ 7.50 Lakhs plus taxes as applicable and reimbursement of out-of-pocket expenses.

The said remuneration to the Cost Auditors shall be subject to ratification by the Members at the ensuing Annual General Meeting.

COST AUDIT REPORT

As per the provisions of the Section 148(1) of the Companies Act, 2013, the Company has maintained the cost records, as specified by the Central Government.

Cost Audit Report along with the Compliance Report for the financial year 2018-19, issued by M/s Kishore Bhatia & Associates, Cost Auditors, was filed with the Ministry of Corporate Affairs on August 27, 2019 (due date of filing was September 27, 2019).

INTERNAL AUDITORS

M/s KPMG, Chartered Accountants, (ICAI Firm Registration No. BA62445) are the Internal Auditors of the Company. Internal Audit Report, their significant observations and follow up actions taken by the Management is reviewed by the Audit Committee on a quarterly basis.

SECRETARIAL AUDITOR

Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) is the Secretarial Auditor of the Company for the financial year 2019-20.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) for the financial year ended March 31, 2020 does not contain any adverse remark, qualifications, reservations or disclaimer except the

observation that the name of the Company is appearing in the breach list displayed at the BSE Limited website for having foreign investment in excess of prescribed sectoral cap. The Company has a view that there is no breach; however, is in the process of taking appropriate action to regularize the same.

The said Report is annexed as "Annexure II" and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The required information under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc. are annexed as "Annexure III" and forms part of this Report.

ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company at <https://www.abbott.co.in/investor-relations/financials.html>

Extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 and Rules framed thereunder is annexed as "Annexure IV" and forms part of this Report.

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosures required in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure V" and forms part of this Report. Statement containing Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement containing Particulars of Employees, which is available for inspection by the Members up to the date of ensuing Annual General



Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at investorrelations.india@abbott.com

CORPORATE GOVERNANCE REPORT

Corporate Governance Report and Certificate from the Statutory Auditors of the Company on compliance of the conditions of Corporate Governance pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of this Report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report, as required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of Board and its Committees and General Meetings.

DISCLOSURES OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

FIXED DEPOSITS

No fixed deposits were accepted during the year.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

The Company has not granted any loan or provided any guarantees to or invested in securities of any other body corporate during the year.

GENERAL

No disclosure or reporting is required in respect of the following items as there were no transactions relating to these items during the year under review :

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
3. The Company does not have any joint venture or subsidiaries.

AWARDS AND RECOGNITIONS

The Company was awarded with Most Innovative MNC of the Year 2019-12th Pharma Leaders Award. The Company also received various other awards and recognitions for its brands, campaigns, patient awareness programs and digital initiatives.

ACKNOWLEDGEMENT

Your Board expresses gratitude towards all our employees, business partners, institutions, banks and, the Members, for their steadfast trust and support to the Company.

For and on behalf of the Board

Munir Shaikh	Rajiv Sonalker
Mumbai	Chairman CFO and Whole-time Director
August 7, 2020	DIN : 00096273
	DIN : 07900178

ANNEXURE I

Annual Report of CSR Activities for the financial year 2019-20

[In compliance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the Company's CSR Policy

Policy Statement :

At Abbott, we believe that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. The CSR policy of the Company is focused on fostering economic, environmental and social well-being. Through our CSR initiatives, we strive to enhance people's health and well-being and provide sustainable and scalable solutions to development challenges.

Core CSR areas identified by the Company :

In accordance with the statutory requirements and keeping the Company philosophy high on priority, the CSR Committee identified the following thrust areas in line with our CSR goals :

- Enhancing access to healthcare across the country for a healthy society; conducting wellness camps for improving lives of the underprivileged community;