



Abbott

ABBOTT INDIA LIMITED  
ANNUAL REPORT 2014-15



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Munir Shaikh, Chairman  
Rehan A. Khan, Managing Director  
Rajendra Shah, Independent Director  
Ranjan Kapur, Independent Director  
Krishna Mohan Sahni, Independent Director  
Bhasker Iyer, Non-Executive Director  
Kaiyomarz Marfatia, Whole-time Director  
Sachin Dharap, Non-Executive Director  
Nancy Berce, Non-Executive Director

## AUDIT COMMITTEE

Ranjan Kapur, Chairman  
Rajendra Shah, Member  
Krishna Mohan Sahni, Member  
Munir Shaikh, Member

## CORPORATE MANAGEMENT TEAM

Rehan A. Khan, Managing Director  
Rajiv Sonalker, Group Finance Director  
Purnajit Gupta, Director - Human Resources  
Sandeep Khandelwal, Commercial Director  
Ramanathan V, Commercial Director  
Ashok Nair, Commercial Director  
Rumy Kanga, Commercial Director  
Vishwanath Swarup, Director - Commercial, Sales Excellence and Operations  
Mahadeo Karnik, Director - Financial Planning and Analysis  
Dr Rashmi Hegde, Director - Medical  
Nagesh Voleti, Director - QA/QC  
Kaiyomarz Marfatia, Director - Legal & Secretarial

## COMPANY SECRETARY

Krupa Anandpara

## BANKERS

Standard Chartered Bank  
BNP Paribas  
HSBC Bank  
HDFC Bank  
ICICI Bank

## STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants

## INTERNAL AUDITORS

M/s KPMG, Chartered Accountants

## COST AUDITORS

M/s N I Mehta & Co., Cost Accountants

## REGISTERED OFFICE

3-4, Corporate Park  
Sion - Trombay Road  
Mumbai - 400 071

## FACTORY

L-18/19, Verna Industrial Estate, Goa

## REGISTRARS & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited  
13 AB, 2<sup>nd</sup> Floor, Samhita Warehousing Complex,  
Sakinaka Telephone Exchange lane,  
Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400 072

## SEVENTY-FIRST ANNUAL GENERAL MEETING

Wednesday, July 29, 2015 at 3.30 p.m.

Venue: Rama and Sundri Watumull Auditorium, K C College, 123, Dinshaw Vacha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020

## KEY SECTIONS



### LEADERSHIP MESSAGE



### BOARD OF DIRECTORS AND LEADERSHIP TEAM



### ABOUT ABBOTT INDIA AND OUR BUSINESS



### FINANCIAL RATIOS AND HIGHLIGHTS



### ABBOTT INDIA: ACCELERATING FORWARD



### CORPORATE SOCIAL RESPONSIBILITY

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## FORWARD LOOKING STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', 'promises' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



MUNIR SHAIKH | CHAIRMAN

**“Our success, in large measure, has resulted from our focus and effective implementation of a three-pronged strategy - innovation in brand building; strong talent acquisition and people development; and flawless execution”**

## DEAR SHAREHOLDERS,

I am happy to share with you another exceptional year - a year that saw your Company continue its relentless pursuit and enduring promise to deliver better healthcare, and enable people to live healthy lives. We have once again outperformed the Indian Pharmaceutical Market (IPM), with our core business growing at 26.5%\* when the market grew by 12.1%# over the previous year.

2014-15 was a positive year with the economy growing at 7.4% with a stable government determined to bring in key structural reforms. However, it was challenging for the Indian

Pharmaceutical industry with the Drugs Prices Control Order (DPCO) 2013 and the National Pharmaceutical Pricing Authority (NPPA) continuing to bring more drugs under price control.

Despite these challenges, your Company continued its upward trajectory in both Sales and Profits. In light of this achievement, your Board has recommended a dividend of ₹ 31 per share.

During the year, the Company launched 9 new products, of which Arachitol Nano and Duphalac Fiber performed well at the market place in their

\*Annualised #Source: IMS

respective therapy segments, namely, vitamin D3 deficiency and constipation.

Our success, in large measure, has resulted from our focus and effective implementation of a three-pronged strategy - innovation in brand building; strong talent acquisition and people development; and flawless execution.

Amongst various differentiated marketing initiatives, your Company set up a centralised marketing team which supported our brand teams in revamping in-clinic brand communication, launching digital and social media initiatives and adopting best practices from other sectors. These initiatives helped further strengthen our key brands and maintain our leadership in the IPM with 11 of our brands appearing among the top 300 brands in the IPM and 7 brands registering monthly revenues of more than ₹ 5 Crores each. Driving patient awareness in all therapy areas we are present in remains a key priority for your Company.

In the areas of talent acquisition and development, we have designed and begun implementation of our India Talent Strategy. This Strategy includes setting up and communicating a structured, transparent career path for all our employees and hiring both freshers and experienced candidates from leading institutes in India and abroad.

Our continuous endeavor remains on streamlining processes and increasing its

effectiveness. All reporting, both for field and head office employees, are automated. Also, new technology-enabled dashboards have been introduced. These, coupled with other analytical tools, helped our sales force improve their productivity.

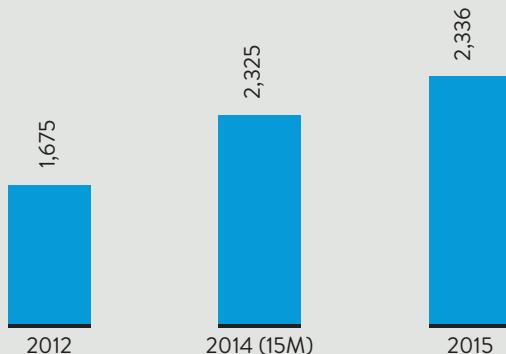
At a macro level, we expect both the IPM and the broader Indian economy to maintain their strong growth. Also, the new Government is taking efforts to provide an enabling environment and improving the ease of doing business in India, which will have cascading benefits for all sectors of the economy. We believe that these positive undertones and our continuous efforts will enable us to strengthen our leadership position and drive strong growth year after year.

I would like to thank all our customers for their confidence in our products and our employees who make us proud with their commitment, determination and dedication. I also express my gratitude to all our shareholders for their trust in the Company, and to the Board of Directors for their invaluable guidance.

Thank you and looking forward to another exciting and successful year!

Munir Shaikh  
Chairman

### TOTAL REVENUE (₹ in Crores)



Total Revenue  
₹ 2,336  
Crores

PAT  
₹ 229  
Crores

EPS  
₹ 107.75  
/ Share

Dividend  
₹ 31.0  
/ Share



REHAN A. KHAN | MANAGING DIRECTOR

**“We have once again outperformed the Indian Pharmaceutical Market, with our core business growing at 26.5%\* when the market grew by 12.1%# over the prior year.”**

## DEAR SHAREHOLDERS,

It gives me tremendous pleasure to share with you the highlights of our strong performance in the year 2014-15 and our outlook and strategy going forward.

At Abbott India, we had another year of strong performance. During the year, we built on our strengths from the previous year and continued to grow faster than the market. We firmly believe that while the operating environment will have its set of challenges, successful companies are capable of overcoming these challenges and enjoying strong growth.

Success is always a team effort and, at Abbott India, our teams have worked tirelessly to deliver this performance. Our Commercial Marketing

teams work closely with the Field Force, and other support functions such as R&D, Medical, Finance and Manufacturing have also made a substantial difference to the business.

Abbott India's market beating performance is a result of many initiatives across the organization. Specifically, in the last year we developed innovative marketing campaigns and sales execution strategies. We have actively partnered with leading healthcare professionals to develop cutting-edge patient solutions. We have continued to launch new products and focussed on operational efficiencies in our systems and processes. Our transparent culture has allowed us to grow and retain the best talent in the industry.

\*Annualised #Source: IMS

Some of the key achievements in our 4 business divisions are as follows:

## 1. Women's Health, Gastroenterology and Hepatic Care:

- This is the biggest division of the Company and grew by 22.0%\* during the year
- Duphalac Fibre, an innovative product, was launched in the Women's Health division
- Cremaffin continues to drive the Gastroenterology division with a growth of 26.1%\*
- Heptral grew at 15.2%\* and continues to drive growth of Hepatic Care

## 2. Specialty Care

- Thyronorm, the market leader with 52.6%# market share, continued its strong growth, growing at 41.2%\* during the year
- In the Central Nervous System (CNS) division, Zolfresh remained at the No.1 position in the Extended Sleep Market.
- Vertin remains the No.1 brand for Vertigo treatment, while Prothiaden is a leader in the anti-depression therapy area

## 3. General Care

- General Care continued its remarkable turnaround since 2012. During the past year, this division grew by 19.7%\*
- Brufen, Digecaine and Surbex - the key brands in the division - all registered strong growth during the year

- Arachitol Nano, launched during the year, achieved sales of ₹ 2.8 crores within 11 months of launch

## 4. Consumer Care

- Consumer Care division is a new focus area for the Company. This division grew by 19.4%\* during the year.
- Digene, the flagship brand of the division, was repositioned during the year as a more consumer focused brand.

While we have enjoyed remarkable achievement in the last one year, our focus remains on maintaining and accelerating this impressive growth. We aim to continue our market beating growth going forward and to streamline processes to make us more agile, more innovative and more efficient. We remain committed to building the capability of our talent to enable the best possible engagement with all our stakeholders.

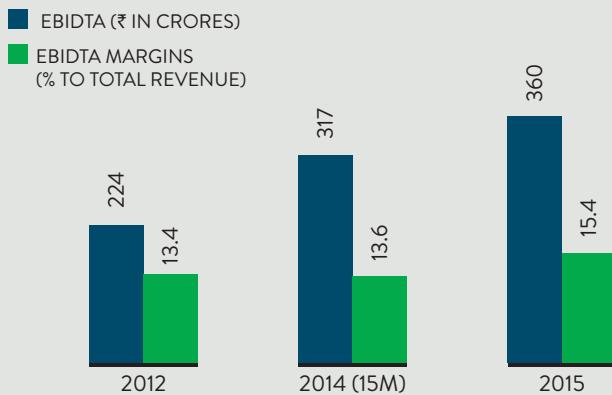
At Abbott India, enabling people to live fuller lives through better health remains a key focus and driver of all our efforts and activities. As we embark on another financial year, we reaffirm our commitment to deliver exceptional value to both, our shareholders and our consumers.

With warm regards,

Rehan A. Khan  
Managing Director

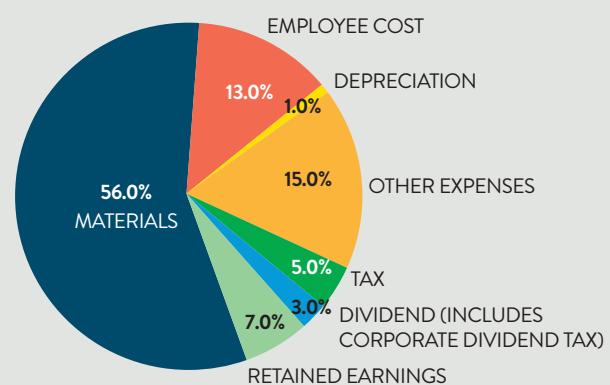
\*Annualised #Source: IMS

## EBITDA



## REVENUE DISTRIBUTION

Total Revenue: ₹ 2,336 Crores



# BOARD OF DIRECTORS



**MUNIR SHAIKH**

Chairman



**REHAN A. KHAN**

Managing Director



**RAJENDRA SHAH**

Independent Director



**RANJAN KAPUR**

Independent Director



**KRISHNA MOHAN SAHNI**

Independent Director



**BHASKER IYER**

Non-Executive Director



**KAIYOMARZ MARFATIA**

Whole-Time Director



**SACHIN DHARAP**

Non-Executive Director



**NANCY BERCE**

Non-Executive Director

# LEADERSHIP TEAM

## REHAN A. KHAN

Managing Director



Rehan joined Abbott India in May 2012 as Managing Director. Prior to the current role, he was General Manager and Country Head of Abbott Nutrition's business in India. Rehan has 19 years of commercial experience in India, US, UK and Continental Europe (Switzerland, Germany, Holland, Sweden) in general management, marketing & sales, strategic planning and private equity/operations. Prior to joining Abbott Nutrition India, Rehan was with AstraZeneca India as VP Sales & Marketing, Specialty Care.

Rehan is an alumnus of the Harvard Business School, he has an MSc in Biomedical Sciences from Harvard/MIT (Harvard MIT Division of Health Sciences), an MBA from Drexel University and a BS from the University of Wisconsin - Madison.

## RAJIV SONALKER

Group Finance Director



Rajiv joined Abbott India as Director - Finance in November 2006 and has 28 years of experience in the Pharmaceutical, FMCG and Engineering sectors. Prior to joining Abbott India, he worked with Bristol-Myers Squibb as Director - Finance. Rajiv has also worked with Voltas Ltd, Johnson & Johnson, Sanofi - Aventis in India and Germany. Rajiv has a Bachelor's Degree in Science from the University of Bombay and is a Fellow of the Institute of Chartered Accountants of India.



## PURNAJIT GUPTA

Director - Human Resources

Purnajit joined Abbott India as Director - HR in November 2014 with 15 years of experience in human resources roles across organisations such as ICICI, Diageo and Piramal Healthcare Limited. Prior to joining Abbott India, Purnajit was Director- HR of Abbott True Care business. Purnajit has a Bachelor's degree in Commerce from Mumbai University and a Masters degree in Human Resources from Viswa Bharati University.



## SANDEEP KHANDELWAL

Commercial Director - Women's Health, Gastroenterology and Hepatic Care

Sandeep joined Abbott India in February 2013 as Director - Commercial Excellence with 13 years of experience in the consumer products industry. Subsequently, he was appointed as the Commercial Director - Women's Health, Gastroenterology and Hepatic Care in January 2015. Prior to joining Abbott, Sandeep was with Marico as Head Sales for Nature & Personal Care. Sandeep has a Bachelor's degree in Engineering, Electronics from Mumbai University and a Master's degree in Management Studies from Narsee Monjee Institute of Management Studies.



## RAMANATHAN V

Commercial Director - Specialty Care

Ramanathan joined Abbott India in February 2012 as Associate Director - Metabolics division and was subsequently appointed as Commercial Director - Specialty Care in April 2015. Ram has over 20 years of experience in sales and marketing in companies such as Dr. Reddy's Laboratories, Ranbaxy and Zydus Cadila. Prior to joining Abbott, Ram was with Zydus Cadila as Vice President - Sales and Marketing of the Cardiva division. Ram has a Bachelor's degree in Pharmacy from Mangalore University and a Post Graduate degree in Management from T.A. Pai Management Institute, Manipal.



## ASHOK NAIR

Commercial Director - General Care and Vaccines



Ashok Nair joined Abbott India in January 2012 as Business Unit head for the General Care division and was subsequently appointed as Commercial Director in January 2013. Prior to joining Abbott India, Ashok was Vice President - Sales and Marketing at Torrent Pharmaceuticals and has over 27 years of experience in pharmaceutical marketing and sales. Ashok has a Bachelor's in Science from Bhopal University and an MBA from the National Institute of Business Management.

## RUMY KANGA

Commercial Director - Group Marketing & Consumer Care



Rumy Kanga joined Abbott India as Group Marketing Director in November 2013 and was subsequently appointed as Commercial Director- Group Marketing and Consumer Care in February 2015. Rumy has over 20 years of experience in marketing strategy and operations across Asia Pacific including China, spanning the Healthcare & FMCG sectors with companies such as CibaVision and Johnson and Johnson. Rumy has a Bachelor's degree in Commerce from Sydenham College of Commerce & Economics, Mumbai and a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore.

## VISHWANATH SWARUP

Director - Commercial, Sales Excellence and Operations



Vishwanath joined Abbott India in March 2015 as Director - Commercial, Sales Excellence and Operations with 15 years of diverse experience across management consulting, operations, sales strategy and product innovation. Prior to joining Abbott India, he held leadership positions at McKinsey & Company, Unilever, Pfizer and Max Bupa. Vishwanath has a Bachelor's degree in Mechanical Engineering from Bangalore University, a Master's degree in Industrial Engineering from The Ohio State University and an MBA from Northwestern University's Kellogg School of Management.

## MAHADEO KARNIK

Director - Financial Planning and Analysis



Mahadeo joined Abbott India in June 2011 as Controller- Finance and was subsequently appointed as Director - Financial Planning and Analysis in September 2014. Mahadeo has 19 years of experience, having previously worked in Roche Diagnostics, Unilever and United Phosphorus. Mahadeo has a Bachelor's Degree in Commerce from the University of Bombay, is a Fellow of the Institute of Chartered Accountants of India and a Cost Accountant from the Institute of Costs and Management Accountants of India.

## DR. RASHMI HEGDE, MD

Director - Medical

Dr Rashmi joined Abbott India (erstwhile Solvay Pharmaceuticals India Limited) in January 2001 as General Manager, Medical and subsequently assumed responsibility as Medical Director for South East Asia in 2002 and as Pharmacovigilance Director for Asia, Middle East, Australia and Canada in 2007. She was appointed as Medical Director for Abbott India in August 2012. Dr Rashmi has an MBBS and Master's degree in Paediatrics from Mumbai University and has practiced as a paediatrician for 3 years.



## NAGESH VOLETI

Director - QA/QC

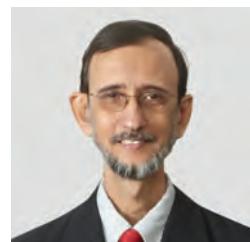
Nagesh joined Abbott India in September 2008 as Head of Quality and was subsequently appointed as Director - QA/QC in December 2012. Prior to joining Abbott India, Nagesh worked with Dr. Reddy's Laboratories for 6 years and with GlaxoSmithKline Pharmaceuticals Limited for 13 years in various Quality related roles. Nagesh has a Master's degree in Organic Chemistry from Mumbai University and a Master's degree in Business Management from Narsee Monjee Institute of Management Studies.



## KAIYOMARZ MARFATIA

Director - Legal & Secretarial

Kaiyomarz joined Abbott India as Manager - Legal in June 1996 and was subsequently appointed as Vice President - Legal & Secretarial in July 2002. Kaiyomarz, who has 35 years of diverse experience in the Legal and Secretarial field, was appointed on the Board of Abbott India in March 2011. Prior to joining Abbott India, he worked with Siemens Limited for 16 years in various Legal and Secretarial roles. Kaiyomarz has a Bachelor's degree in Commerce from Mumbai University and a Law degree from Government Law College Mumbai.



## KRUPA ANANDPARA

Head - Secretarial & Company Secretary

Krupa joined Abbott India as Company Secretary in 2006 and was subsequently appointed as Head - Secretarial & Company Secretary in July 2014. She has over 13 years of experience in handling secretarial compliance with companies such as Borosil Glass Works Limited and Wimco Limited. Krupa is a Member of the Institute of Company Secretaries of India and has a Law degree from Mumbai University. Krupa obtained Post Graduate Diploma in Securities Laws from Government Law College, Mumbai.



# ABOUT ABBOTT INDIA

HEADQUARTERED IN MUMBAI, ABBOTT INDIA LIMITED,  
IS A PUBLICLY LISTED COMPANY AND A SUBSIDIARY OF  
ABBOTT LABORATORIES, USA.



# Abbott India enjoys strong brand equity in multiple therapeutic categories including Women's Health, Gastroenterology, Neurology, Thyroid, Diabetes, Pain Management and Vitamins.

Abbott India is one of India's fastest growing pharmaceutical companies. Its success is driven by a combination of a highly competent and motivated team, R&D backed products, strong alliances and partnerships with our suppliers and customers. The Company employs over 2,800 people and reaches customers through a network of 25 distribution points, which cater to over 5,200 stockists and 150,000 retail outlets.

Abbott India has 130 employees working at a state-of-the-art formulation plant at Verna,

Goa. The manufacturing plant produces high volume and high quality formulations using cost efficient processes and has well equipped laboratories and trained personnel to ensure compliance with international quality standards. The Company also has an in-house Research & Development team which works with medical teams to undertake product development that cater to the needs of the Indian market. Abbott India provides a mix of global and local products of high quality that impact the lives of people in India.



# OUR BUSINESS

Abbott India's business is divided into 4 key categories. Each division focuses on a set of relevant therapies and is organized to deliver the best patient care in the most efficient manner.

## WOMEN'S HEALTH, GASTROENTEROLOGY AND HEPATIC CARE



The Women's Health, Gastroenterology and Hepatic Care division has a mix of global and local brands present in the pregnancy, constipation and liver diseases segments. Several of the Company's largest brands including Duphaston, Duphalac, Udiliv, Cremaffin and Creon are part of this division.

The division focuses on building a strong connect with doctors through scientific promotion of all its products and sharing new insights and scientific data.

Highlights of the marketing initiatives taken during the year 2014-15 include:

- Improving awareness and diagnosis of liver diseases, in particular alcoholic liver disease, non-alcoholic fatty liver disease and hepatitis among Healthcare Professionals
- Enabling comprehensive treatment of bowel diseases such as constipation through our wide range of products as well as spreading awareness on the importance of sitting posture
- Equipping Gynaecologists to deal with serious conditions like recurrent pregnancy loss and threatened miscarriages by sharing medical insights and data

## SPECIALTY CARE

The Specialty Care division is present in hypothyroidism, epilepsy, sleep disorders, depression, vertigo, migraine and diabetes. Key brands include Vertin, Thyronorm, Prothiaden and Zolfresh. The division focuses on a science-based, patient-centric approach to shape and grow the market by driving awareness and diagnosis in key therapy areas.

Highlights of the marketing initiatives taken during the year 2014-15 include:

- Increasing the awareness of hypothyroidism and improving diagnosis by Endocrinologists and other specialties
- Equipping Neurologists and Consulting Physicians to better diagnose and treat vertigo by sharing scientific insights
- Launch of a 'Purple Challenge' initiative to spread awareness on epilepsy and the importance of timely diagnosis and treatment by Neurologists



## GENERAL CARE

The General Care division is present in several segments including pain management, vitamins and pregnancy. Key brands include Brufen, Surbex and Duvadilan. This division focuses on building on the brand equity of its legacy brands as well as scientific promotion to build its newer brands.

Highlights of the marketing initiatives taken during the year 2014-15 include:

- Successful launch of Arachitol Nano to further strengthen presence in the Vitamin D3 segment
- Sharing insights with Orthopaedics on pain management through targeted campaigns
- Protein gap assessment camps to increase awareness of protein deficiency in Indian diet



## CONSUMER CARE

Consumer Care division is present in the Over The Counter (OTC) antacid segment. This division promotes all variants of the Digene brand - tablets, liquids and powders. It focuses on building a connect with patients through positioning of its products through several channels including mass media, social media and point of sale promotion.

Highlights of the marketing initiatives taken during the year 2014-15 include:

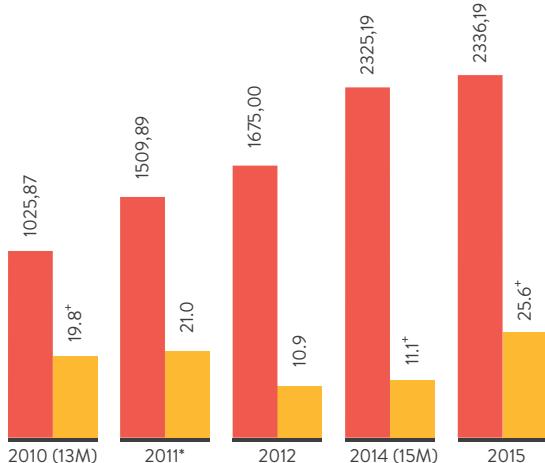
- New advertisements and communicating refined brand identity through all channels of communication
- Increasing coverage of retail stores beyond pharmacies to include grocers and general merchants



# FINANCIAL RATIOS

## TOTAL REVENUE

**25.6%**



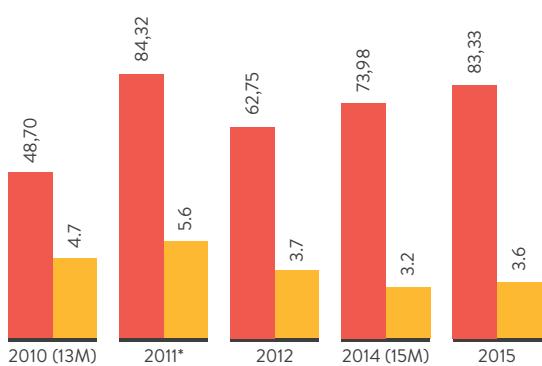
■ TOTAL REVENUE (₹ IN LAKHS) ■ YOY GROWTH (%)

\* Annualised percentage

## PROMOTIONAL EXPENSE

% to Total Revenue

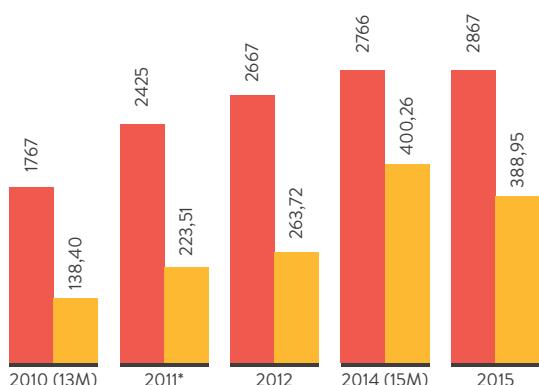
**3.6%**



■ PROMOTIONAL EXPENSES (₹ IN LAKHS) ■ % OF REVENUE

## HEADCOUNT

Employee and Travel Cost



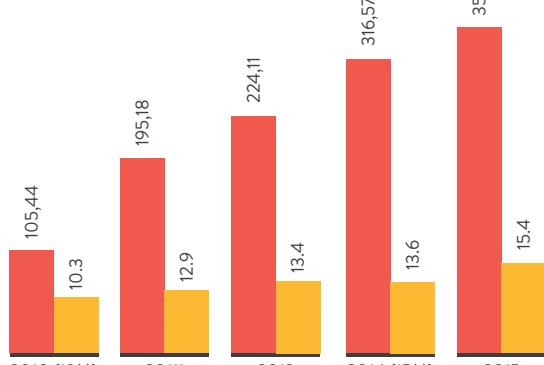
■ HEADCOUNT (NOS.)

■ EMPLOYEE AND TRAVEL COST (₹ IN LAKHS)

## EBIDTA MARGINS

% to Total Revenue

**15.4%**

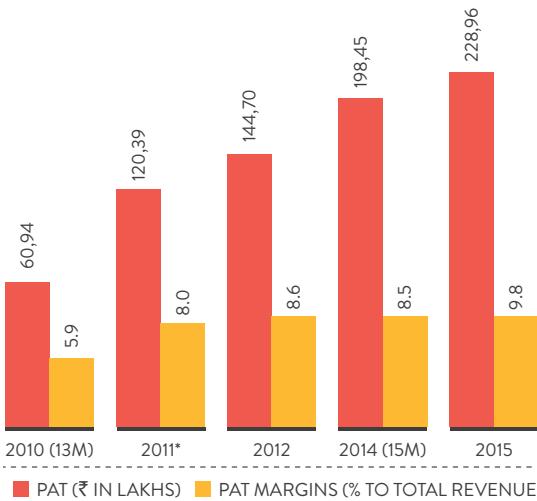


■ EBIDTA (₹ IN LAKHS)

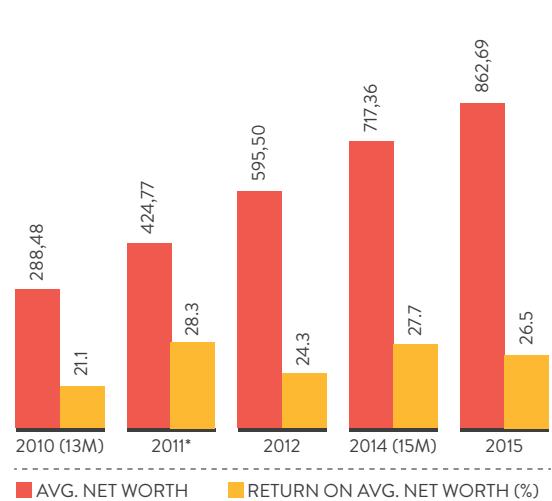
■ EBIDTA MARGINS (% TO TOTAL REVENUE)

**PAT MARGINS**

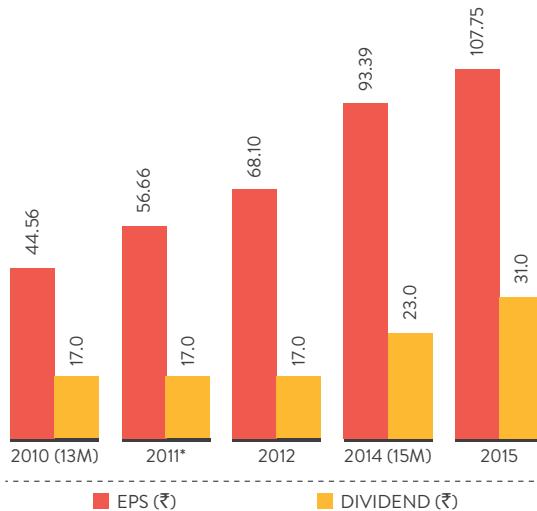
% to Total Revenue

**9.8%****NET WORTH**

Return on Avg. Net Worth

**26.5%****DIVIDEND**

Per Share

**₹ 31.0**

\* Post merger with Solvay Pharma India Limited

# 10 YEAR FINANCIAL HIGHLIGHTS

	2005	2006	2007
<b>OPERATING RESULTS</b>			
TOTAL REVENUE	459,53	530,78	620,29
MATERIALS	295,75	353,33	408,46
EMPLOYEE BENEFITS EXPENSES	25,02	28,19	35,35
OTHER EXPENSES	47,65	57,27	68,93
DEPRECIATION/ AMORTISATION	3,98	4,44	5,66
FINANCE COST	2	12	2
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	87,11	87,43	101,87
EXCEPTIONAL ITEMS	-	-	-
PROVISION FOR TAXATION	27,95	27,57	33,44
PROFIT AFTER TAX AND EXCEPTIONAL ITEM	59,16	59,86	68,43
RETAINED EARNINGS	28,16	29,37	39,66
EARNINGS PER SHARE - BASIC & DILUTED (₹)	38.72	39.18	46.01
DIVIDEND PER SHARE (₹)	17.50	17.50	17.50
<b>FINANCIAL SUMMARY</b>			
<b>ASSETS EMPLOYED</b>			
FIXED ASSETS (Net)	31,17	31,53	36,31
CURRENT ASSETS (Net)	187,08	215,69	195,74
TOTAL ASSETS	218,25	247,22	232,05
<b>FINANCED BY</b>			
SHARE CAPITAL	15,28	15,28	14,47
RESERVES AND SURPLUS	201,16	230,53	216,55
TOTAL SHAREHOLDERS' FUNDS	216,44	245,81	231,02
BORROWINGS	1,81	1,41	1,03
<b>NUMBER OF SHAREHOLDERS</b>	14,029	14,905	14,152
<b>HEADCOUNT</b>	858	894	1042

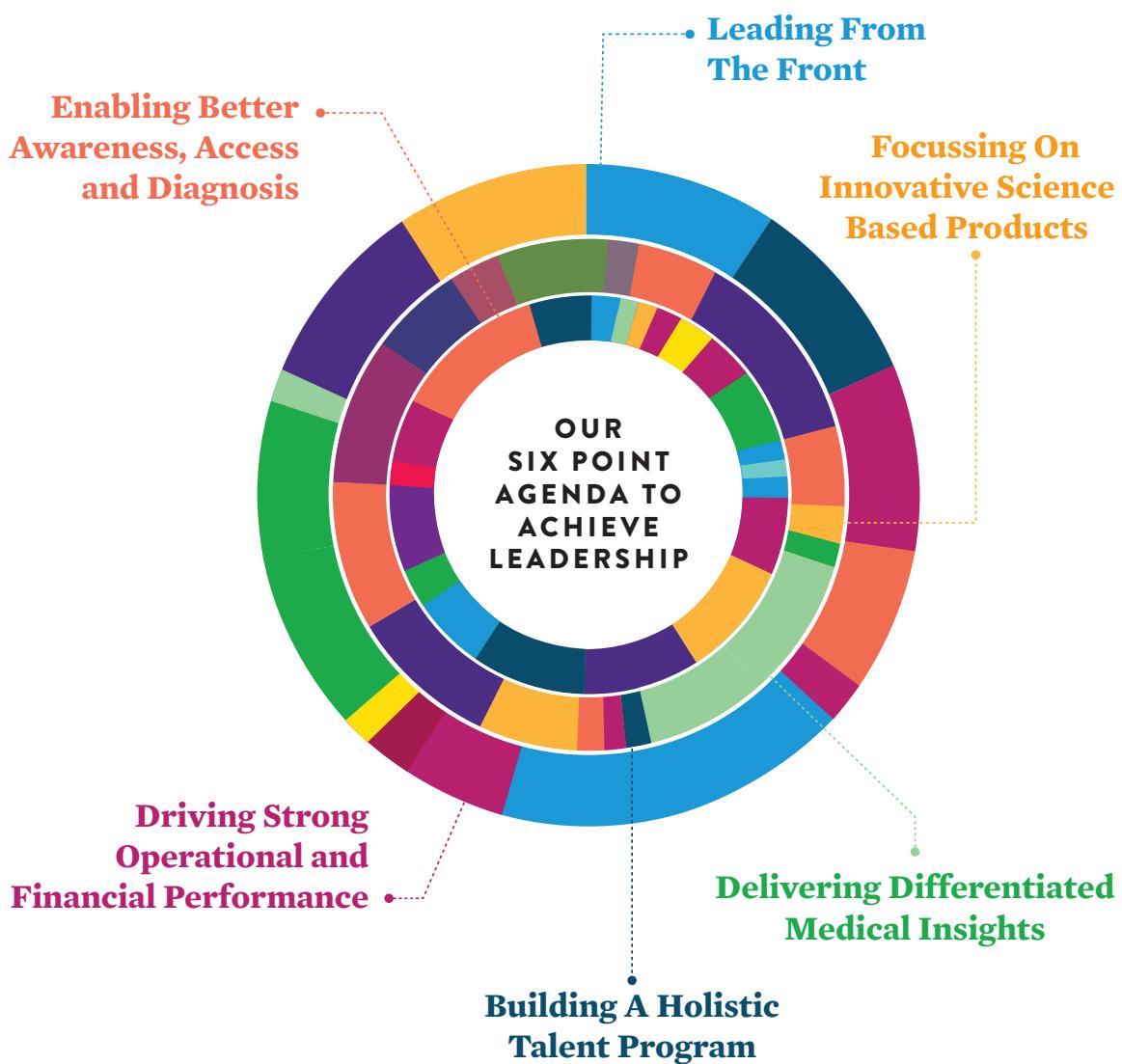


₹ in Lakhs

	2008	2009	2010 (13m)	2011*	2012	2014 (15m)	2015
	691,43	790,21	1025,87	1509,89	1675,00	2325,19	2336,19
	454,62	504,17	647,30	861,21	971,65	1297,41	1311,97
	48,92	62,37	111,20	167,35	206,20	299,74	305,40
	86,54	97,08	161,93	286,14	273,04	411,48	359,02
	6,98	9,01	11,25	15,00	19,49	21,93	14,94
	2	20	4	3	2	8	50
	94,35	117,38	94,15	180,16	204,60	294,55	344,36
	-	-	-	-	10,39	-	-
	31,49	39,87	33,21	59,77	70,29	96,10	115,40
	62,86	77,51	60,94	120,39	144,70	198,45	228,96
	40,47	50,31	33,83	78,55	102,72	140,99	149,68
	43,62	56,68	44,56	56,66	68,10	93,39	107,75
	14,00	17,00	17,00	17,00	17,00	23,00	31,00
	50,63	49,15	50,57	80,02	109,18	99,52	99,95
	171,38	222,41	254,82	464,12	537,68	688,33	837,58
	222,01	271,56	305,39	544,14	646,86	787,85	937,53
	13,68	13,68	13,68	21,25	21,25	21,25	21,25
	207,57	257,88	291,71	522,89	625,61	766,60	916,28
	221,25	271,56	305,39	544,14	646,86	787,85	937,53
	76	-	-	-	-	-	-
	13,689	13,422	14,461	19,354	20,826	18,270	19,407
	1150	1308	1767	2425	2667	2766	2867

\* Post merger with Solvay Pharma India Limited

# ABBOTT INDIA: ACCELERATING FORWARD





# LEADING FROM THE FRONT

**AT ABBOTT INDIA, OUR INTENT AND AIM IS CLEAR  
AND UNAMBIGUOUS - TO BECOME INDIA'S LEADING  
PHARMACEUTICAL COMPANY.**

Leadership at Abbott India is multi-layered and multi-faceted: from brands to products, from research to innovation, from patient engagement to social responsibility and from environment to employees. This year, your Company took several actions to further cement its leadership position, expanding its presence in the existing therapy areas, strengthening its product portfolio, and increasing its focus on talent and operations. With a leadership mindset across our business, the Company is well positioned not just to respond to external change but also to better serve our customers and patients.

- Presence in 9 key therapeutic areas
- A comprehensive portfolio of over 480 products
- Strong portfolio of over 60 brands
- 2 brands are among the top 50 brands; 11 brands are among the top 300 brands, in the Indian Pharmaceutical industry<sup>#</sup>
- Committed workforce of over 2,800 people
- Wide reach and spread touching customers in all corners of the country through a network of over 5,200 stockists and 150,000 retail outlets
- Manufacturing in Verna, Goa and over 25 Third Party Manufacturers

# FOCUSSING ON INNOVATIVE SCIENCE BASED PRODUCTS



# THERE ARE OVER 39,000 BRANDS AVAILABLE TO CONSUMERS IN INDIA. OUR BRANDS GIVE US IDENTITY, DISTINGUISHING OUR PRODUCTS FROM A PLETHORA OF ME-TOO OFFERINGS.

The key differentiators that Abbott India provides through its brands are innovation and quality built over the years. Our brands span all stages of life and encapsulate most therapeutic areas. Today many of our brands have become household names and easily recognized by the medical community.



**At Abbott India, we have a broad portfolio of over 60 brands that connect strongly with both doctors and healthcare professionals, as well as connect directly with patients and their care givers.**

Some of our brands are many decades old and have consistently endured their top rankings over these years, in spite of innumerable new entrants. Digene is over seven decades old, tracing its launch to the 1940s. It has been the #1 doctor prescribed antacid in India with over 49.91 Lakh prescriptions annually. Over 27,500 doctors prescribe Digene to their patients every month. Another example is Brufen launched over 40 years ago. Today, it is the market leader with a market share of 98.7%#, while Thyronorm leads the thyroid disorder/treatment area with over 52.6%# share of the market.

#Source: IMS



## TOP BRAND PERFORMANCE

BRAND NAME	MARKET SHARE	RANK in PM <sup>+</sup>
THYRONORM	52.6%	1
DUPHASTON	19.7%	1
DIGENE	15.5%	2
UDILIV	10.7%	2
VERTIN	33.2%	1
DUPHALAC	13.9%	1
CREMAFFIN	11.8%	2
ZOLFRESH	21.2%	1

BRAND NAME	MARKET SHARE	RANK in PM <sup>+</sup>
CREMAFFIN PLUS	7.6%	3
CREON	37.4%	1
BRUFEN	98.7%	1
PROTHIADEN	7.0%	1
HEPTRAL	8.0%	4
EPILEX	7.5%	4
BETONIN AST	14.0%	3
DUVADILAN	50.2%	1

+ Participated Market Source: IMS

## NEW PRODUCT INTRODUCTIONS IN THE YEAR 2014-15



Elemental Calcium 500 mg with Vitamin D3 500 I.U.



Inactivated Influenza Vaccine (Surface Antigen)

*The power to protect*



Zolpidem Tartrate Extended Release Tablets USP 6.25 mg/12.5 mg



**9 new product launches over the last year: Abocal 500, Architol Nano, Duphalac Fiber, Femoston, Femoston Conti, Influvac SH, Solfe AZ, Zolfresh CR and Zoxaflam.**



# DELIVERING DIFFERENTIATED MEDICAL INSIGHTS

**DOCTORS AND KEY OPINION LEADERS ARE THE CRITICAL LINK BETWEEN US AND PATIENTS. WE ENRICH OUR ENGAGEMENT WITH THEM BY PROVIDING CUTTING EDGE MEDICAL INSIGHTS WHICH ARE AT THE FOREFRONT OF SCIENCE.**

The pharmaceutical market is one of the fastest innovators in today's world. Day in and day out, new research, new information and new ideas are radically changing the world of healthcare.

At Abbott India, we partner with Healthcare Professionals by sharing new developments in the medical world. We share critical insights with over 200,000 doctors across India, enabling them to treat their patients with the most suitable products and therapies.

Some of our initiatives include:

## **WOMEN'S HEALTH**

- Duphalac Enema was gradually launched to approximately 2,000 Gastroenterologists in India; helped them understand the ease of administration of Lactulose Enema
- 150 training programs were conducted for Paramedics on Lactulose Enema

## **METABOLICS**

- Educational discussions conducted with Consulting Physicians (CPs) and Gynaecologists to enhance awareness for universal screening in co-morbid conditions and pregnancy. Over 300 meetings and over 50 third party conferences were conducted during the year 2014-15
- A Train-The-Trainer Program was conducted with over 120 doctors on thyroid disorder management, treatment and the therapy options available

## **NEUROLOGY**

- Neurosphere was organised with 5 international and 8 national speakers who delivered 14 scientific sessions to approximately 100 doctors. This event was followed by 180 Continuous Medical Education sessions involving approximately 2,000 doctors
- 'First to Inform', a unique initiative of bringing latest updates from international conferences on the very next day to approximately 3,000 Neurologists across India was launched
- Neuroinfoline, an exclusive and customized medical information service to Neurologists and Psychiatrists servicing over 400 Healthcare Professionals with their personalized requests of medical information

## **GASTROENTEROLOGY**

- More than 3,600 Healthcare Professionals were engaged on World Digestion Day to communicate the role of Digestive Enzymes in indigestion
- 9 Regional Advisory Boards for Diabetic Gastroparesis were held during the year. These discussions centred on new treatment options for patients
- Gastro Insights, a scientific compilation of latest articles in Luminal Gastroenterology, was presented to approximately 70,000 Healthcare Professionals





# BUILDING A HOLISTIC TALENT PROGRAM

WE WORK IN A DYNAMIC ENVIRONMENT, AND OUR PEOPLE ADDRESS SOME OF THE BIGGEST ISSUES IN HEALTH. TALENT MANAGEMENT IS INTEGRAL TO OUR STRATEGY. WE AIM TO GROOM THE BEST TALENT AVAILABLE.

Today, the Abbott India team has over 2,800 members, comprising of people from diverse cultures, languages, traditions and skill-sets. With the rapid pace of innovation and change in the healthcare industry, building a talented workforce and equipping them with new advances has become critical for stakeholder engagement and operational execution. Talent management is fundamental to our success, and the HR function leads this strategic initiative through various employee engagement initiatives.

Some of the key initiatives include:

### **TALENT STRATEGY:**

- As a part of our talent strategy program we aim to hire fresh graduates from premier schools as first line sales representatives. The first batch of 50 graduates will start in 2015



### **TALENT DEVELOPMENT:**

- Abbott India's career development program - TRACKS was launched in the year 2014-15. The program defines a clear career path for all employees in the organization. 90% of field managerial positions were filled through internal promotions as an outcome of the TRACKS program
- A benchmarking study to measure the perceived ranking of our field force vs. competition was conducted. Abbott India field force was ranked among the top 3 in India



### **PEOPLE PROCESS ENABLERS:**

- 'Pinnacle', our best in class incentive program, continues to improve and motivate our sales force to perform at the optimum level
- 'AbbwORLD', our online sales force excellence tool, continues to be at the center of our Customer Relationship Management practices. This tool has become a critical enabler for measuring field efficiency and effectiveness of field execution



### **TRAINING:**

- A robust three tier 'Certification Program', (Prima, Magna and Maxima) measures skills and knowledge of field employees. This program has now certified 1,116 Prima, 528 Magna and 32 Maxima employees
- An online e-learning module was launched in February 2015. More than 1,800 employees have accessed the e-learning module in the first month of launch itself



### **NATIONAL GOAL SETTING:**

- 'Lakshya', the annual national goal-setting meet, was organised and attended by all employees. The meet celebrates and rewards outstanding achievers and also reveals the strategy for the coming year





# DRIVING STRONG OPERATIONAL & FINANCIAL PERFORMANCE

THE FINANCIAL PERFORMANCE DELIVERED BY YOUR COMPANY STANDS APART FROM THE INDUSTRY: WE HAVE OUTPACED THE INDIAN PHARMACEUTICAL MARKET GROWTH CONSISTENTLY. IN THE YEAR 2014-2015 THE INDIAN PHARMACEUTICAL MARKET GREW AT 12.1%<sup>#</sup> WHILE ABBOTT INDIA'S CORE BUSINESS GREW AT 26.5%\*.

\*Annualised   #Source: IMS

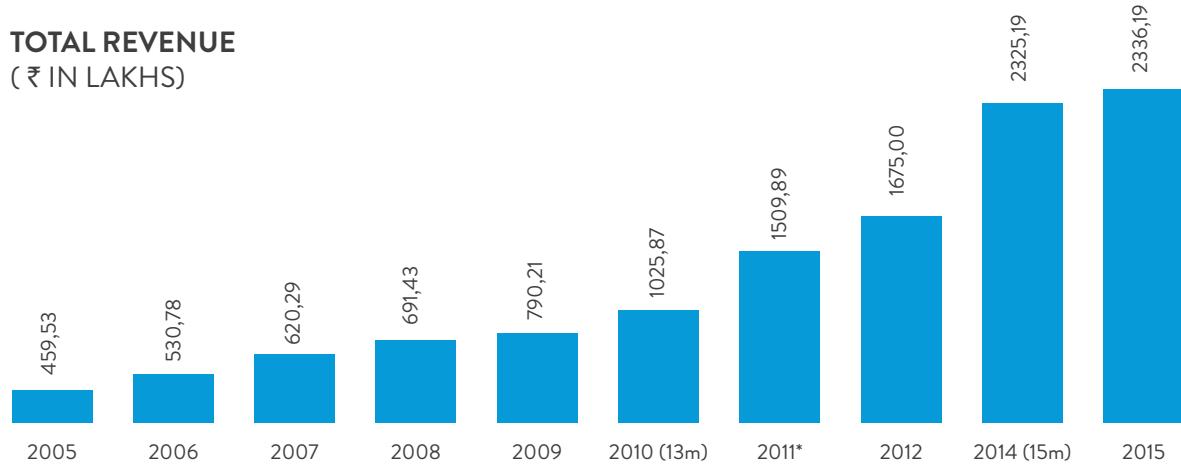
Our commitment and dedication over the last decade has seen us perform better than the market. We have developed a unique combination of skills and capabilities in our business model which allows us to move fast, execute with precision and stay ahead of our competitors. Abbott India's strong financial and operational performance is testimony to the fact that the strategy we are adopting and the initiatives we are undertaking are in the right direction.

Total revenue in the year 2014-15 grew by 25.6%\* over the previous period. Our sustained efforts at lower operational costs helped us deliver excellent margins. Our margins grew by 44.2%\*. We are confident of maintaining this growth momentum in the current year as well as in the years to come.

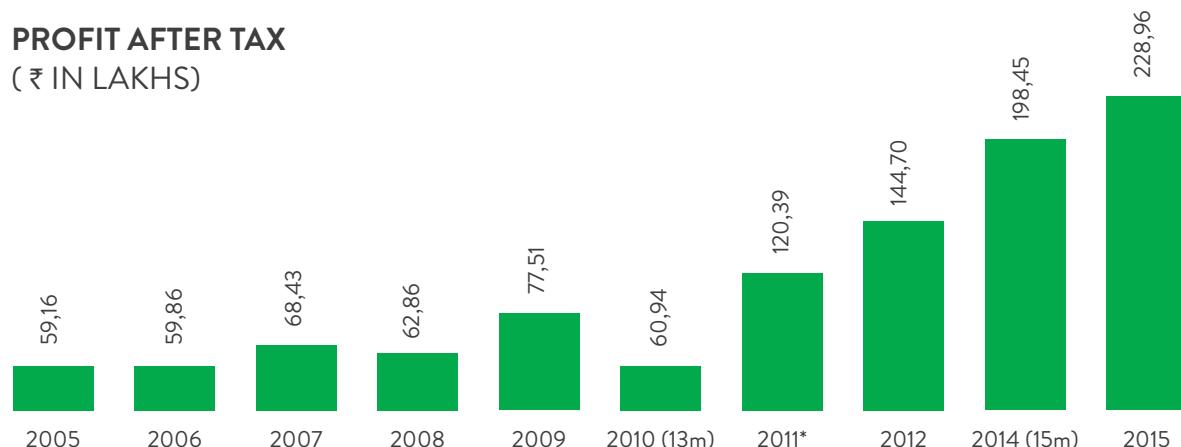
\*Annualised

## CONSISTENCY OF PERFORMANCE

**TOTAL REVENUE**  
(₹ IN LAKHS)



**PROFIT AFTER TAX**  
(₹ IN LAKHS)





# ENABLING BETTER AWARENESS, ACCESS AND DIAGNOSIS

**INDIA'S KEY HEALTHCARE CHALLENGE STILL REMAINS  
CREATING PATIENT AWARENESS AND DIAGNOSIS.**

Awareness, regular health-checks, accurate diagnosis, early detection and timely treatment are as important to health as medical products. Building better awareness through patient engagement activities and initiatives has been a key focus area for us. Over the years, we have done this in every therapeutic area that we are present in, to improve, enhance and augment awareness through a range of patient engagement and education initiatives. At the forefront of these are our campaigns around thyroid, constipation, liver health and women's health.

## "MAKE INDIA THYROID AWARE"

- 1 in 10 urban Indians suffers from thyroid disorders and women are 3 times more affected by hypothyroidism than men. Despite high prevalence there is low awareness as the symptoms of thyroid disorder are vague and often ignored by patients
- 'Make India Thyroid Aware' was a critical initiative under which Abbott India's Metabolics team conducted multiple thyroid camps and clinics across India. In the last year itself 2,800 thyroid clinics and 5,600 thyroid camps were conducted. These activities screened more than 1 million people. A new initiative - 'Thyroid on Wheels' was launched in Uttar Pradesh, Tamil Nadu, Costal Andhra Pradesh and Himachal Pradesh to sensitize the general public, especially women about the nature of thyroid disorders

## AIDING PATIENTS SUFFERING FROM CONSTIPATION

- Launched an innovative campaign - 'Constipasana', which highlights the significance of the right posture with the right treatment for constipation
- The campaign covered approximately 10% of the total adult population suffering from constipation

## SCREENING FOR LIVER RELATED DISEASES

- The Fibroscan initiative (conducted in partnership with Echosens - makers of Fibroscan technology) screened over 21,000 patients through over 1,600 camps leveraging a non-invasive method for liver disease diagnosis
- HepConnect - A viral hepatitis Patient Support Program with free counselling and discounted diagnostics was initiated; more than 4,000 patients were screened

## IMPROVING WOMEN'S HEALTH

- A new 'Life Care Kit' for Duphaston was launched in October 2014. The kit had 4 tablets of Duphaston and targeted women with potential for threatened miscarriages. With Duphaston's new life kits, approximately 84,000 women with complicated pregnancies and having a high risk of miscarriage have been reached





# CORPORATE SOCIAL RESPONSIBILITY

## SANITATION PROJECT

The goal of Abbott India's sanitation project is to solve rural sanitation issues through infrastructure development (building toilets) and capacity building (awareness building).

This project is in alignment with the Government of India's Swachh Bharat Mission and has been structured around its objectives.

Effects of inadequate sanitation in India go beyond lack of access to toilets and subsequent health impacts caused by a prevalence of communicable diseases. Secondary impacts

of poor sanitation can extend to poorer attendance of girls in schools and threaten the safety of women. As a commitment to enable India's progress in the areas of sanitation, hygiene and education, the Company has spent ₹ 3 Crores for this campaign.



The goal of Abbott India's sanitation project is to solve issues of rural sanitation through

infrastructure development (building toilets) and capacity building (awareness building). This project, for raising awareness and enabling the community to maintain a healthy and hygienic environment, is being carried out in collaboration with a non-profit foundation with a focus on sanitation, women and youth empowerment.



The ultimate objective is to ensure sustainability of this initiative and its usefulness to the community. This can be achieved by:

- Empowering the local community to handle maintenance and upkeep of sanitation facilities
- Enhancing personal and household hygiene awareness, highlighting the importance of sanitation and its effect on health
- Continuous monitoring to evaluate the effectiveness of these interventions

At the end of the project implementation as well as awareness building, it is expected that the entire population of 2 villages from the state of Gujarat adopted for this project, will be aware about the need for sanitation and various health and hygiene habits. It is also expected that at least 80% of the said population shall be mobilized to use the toilets that will be constructed as a part of Abbott India's sanitation project.

# 2014 AWARDS

1. Abbott in India won Frost and Sullivan's Best Pharma Multinational Company of 2014.
2. Fortune magazine and Hay Group ranked Abbott in India as the No. 1 most admired Pharma Company in the year 2014.
3. Business Today magazine ranked Abbott in India as the No. 1 Pharma and Healthcare Company in its annual 'Best Companies to Work For' ranking; for two years in a row.
4. Abbott India Limited won multiple Pharmaleaders awards:
  - India's Most Valuable & Admired Pharmaceutical Group 2014.
  - India's Most Powerful, Most Valuable Corporate Brand 2014.
  - India's Most Valuable Pharma Company in Ethical Practice & Corporate Governance 2014.
5. Abbott India Limited won the Asian Health Leadership Award for Best Marketing Campaign for 'Constipasana' by Team Gastroenterology and Brand Leadership Award to V Ramanathan, Commercial Director.
6. Abbott India Limited won the Mint-Institute for Competitiveness (Porter Prize) in Healthcare for 2014.
7. Brand Thyronorm won the DPCO Brand of the Year Award at AWACS.
8. Abbott India Limited's two women employees - Smiriti Raju, from Influvac team and Benita Laishram, from Hepatic Care team won the prestigious 'Women in Sales Awards, India 2015'.



# NOTICE

Notice is hereby given that the Seventy-first Annual General Meeting of Abbott India Limited will be held at RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 123, Dinshaw Vacha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020 on Wednesday, July 29, 2015 at 3.30 p.m. to transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 together with the Reports of Directors and Auditors thereon.
2. To declare a final dividend.
3. To appoint a Director in place of Mr Bhasker Iyer (DIN : 00480341), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Sachin Dharap (DIN : 00785700), who retires by rotation and being eligible, offers himself for re-appointment.
5. **Ratification of appointment of S R B C & CO LLP, as Statutory Auditors and to fix their remuneration**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**“RESOLVED That** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, appointment of S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E), as the Statutory Auditors of the Company to hold office till the conclusion of the Seventy-second Annual General Meeting, be and is hereby ratified at a remuneration as agreed upon between the Audit Committee / Board of Directors and the Auditors.”

## SPECIAL BUSINESS

6. **Ratification of remuneration payable to M/s N I Mehta & Co., Cost Auditors for the financial year 2015-16**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**“RESOLVED That** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of ₹ 6.05 Lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, payable to M/s N I Mehta & Co., Cost Accountants (Registration No.: 000023) for conducting the Cost Audit of the Company for the financial year 2015-16, be and is hereby ratified.”

7. **Appointment of Mr Krishna Mohan Sahni (DIN : 02103128) as Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**“RESOLVED That** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr Krishna Mohan Sahni (DIN : 02103128), who was appointed by the Board of Directors as Additional Director effective October 29, 2014 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company for a term upto October 28, 2019, not liable to retire by rotation.”

8. **Appointment of Ms Nancy Berce (DIN : 07190005) as Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**“RESOLVED That** Ms Nancy Berce (DIN : 07190005), who was appointed as Additional Director of the Company by the Board of Directors effective May 27, 2015, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

## 9. Approval of Transactions with Abbott Products Operations AG, Switzerland

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

**"RESOLVED That** pursuant to the provisions of Clause 49 of the Listing Agreement and other applicable statutory provisions if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the Board of Directors to enter into agreements or transactions or arrangements with Abbott Products Operations AG., Switzerland, a 'Related Party' as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, for purchase, sale, import, transfer of products, goods, raw materials, active pharmaceutical ingredients, stock-in-trade, services and / or reimbursement / recovery of cost or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Abbott Products Operations AG., Switzerland for an amount not exceeding ₹ 350 Crores (Rupees Three Hundred and Fifty Crores Only) in each financial year."

**"RESOLVED Further That** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to finalize the terms and conditions and execute such agreements, documents and writings and to make such filings as may be necessary or expedient to give effect to this Resolution."

By Order of the Board

Mumbai  
May 27, 2015

**Krupa Anandpara**  
Company Secretary  
Membership No.: ACS 16536

**Registered Office :**  
Abbott India Limited  
CIN : L24239MH1944PLC007330  
3-4, Corporate Park, Sion-Trombay Road,  
Mumbai 400 071  
Telephone No. : +91-22-6797 8888 / +91-22-2871 7500  
Fax : +91-22-6797 8727 / +91-22-2871 7499  
Email : [investor.relations@abbott.co.in](mailto:investor.relations@abbott.co.in) /  
[webmaster@abbott.co.in](mailto:webmaster@abbott.co.in)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

## NOTES :

- i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, should be duly signed and completed and must be deposited at the Registered Office of the Company not less than Forty-eight hours before commencement of the Meeting.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.

- ii. Corporate Members intending to send their representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- iii. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- iv. The additional details of Directors in respect of Item Nos. 3, 4, 7 and 8, pursuant to Clause 49 of the Listing Agreement with the BSE Limited are annexed hereto.
- v. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 24, 2015 to Wednesday, July 29, 2015 (both days inclusive).
- vi. Final Dividend of ₹ 31/- per Equity Share of ₹ 10/- each, as recommended by the Board of Directors, if approved by the Members at this Annual General Meeting, will be paid on and from August 7, 2015, to Members whose names appear on the Register of Members as on July 29, 2015 and to the Beneficial Owners of the shares as on July 23, 2015, as per the details furnished by the Depositories for this purpose.
- vii. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are therefore requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN details to the Company or the Registrar & Share Transfer Agents.
- viii. Members holding shares in electronic form may note that bank particulars registered against their respective depository account will be used by the Company for payment of dividend.
- ix. Members holding shares in electronic form are requested to intimate immediately any change in their registered address along with pin code or bank mandates to their Depository Participants with whom they have their demat accounts. The Company or

Registrar & Share Transfer Agents cannot act on any request received directly from the Members holding shares in electronic form in this regard.

Members holding shares in physical form are requested to intimate immediately any change in their registered address along with pin code or bank mandates to the Company / Registrar & Share Transfer Agents.

- x. The Company has transferred the amount lying in the following unpaid / unclaimed dividend accounts to Investor Education and Protection Fund since April 1, 2014 till the date of this Notice :

Sr. No.	Particulars	Year	Details
1	49th Unpaid Dividend	2006	Abbott India Limited
2	50th Unpaid Dividend	2007	Abbott India Limited
3	Unpaid Final Dividend	2006	Erstwhile Solvay Pharma India Limited
4	Unpaid Interim Dividend	2007	Erstwhile Solvay Pharma India Limited
5	Unpaid Final Dividend	2007	Erstwhile Solvay Pharma India Limited

Members who have not encashed their dividend warrants from the year 2008 onwards, are requested to write to the Company / Registrars & Share Transfer Agents for issue of demand drafts for the same.

In terms of the Investor Education and Protection Fund (IEPF) (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, notified by the Ministry of Corporate Affairs (MCA) on May 10, 2012, the Company has uploaded the required information in respect of dividend remaining unclaimed / unpaid for last seven years (as on the date of the last Annual General Meeting held on August 1, 2014) on the Company's website under the Investor Section.

- xi. The Company, in compliance of Clause 5A of the Listing Agreement with the BSE Limited has sent two reminder letters in respect of the shares returned and lying unclaimed in the custody of the Company. The same shall be transferred to Unclaimed Suspense Account after sending third and final reminder to the Members.
- xii. Members seeking any information or clarifications on the Annual Report are requested to send written queries to the Company at least one week before the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- xiii. In case of joint holders attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote.

xiv. Members are requested to bring their copy of the Annual Report to the Meeting, as the same will not be distributed at the Meeting.

xv. Annual Report for the financial year 2014-15 along with the Notice of Seventy-first Annual General Meeting, remote e-voting form, proxy form and attendance slip will be sent through electronic mode to the Members whose email ids are registered with the Company / Depositories for communication purpose unless any Member has requested for a physical copy of the same.

Physical copy of the Annual Report alongwith the aforesaid documents will be sent by the permitted mode to those Members whose email ids are not registered with the Company / Depositories.

Members who have not availed the e-communication facility can do so by registering their email address with the Company/Depository Participants to support the "Green Initiative in Corporate Governance."

Members may also note that the aforesaid documents can also be downloaded from the Company's website at <http://www.abbott.co.in/investor-relations-annual-report.html>.

The relevant documents referred to in the accompanying Notice and the Explanatory Statement will be kept open for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays) upto the date of the Annual General Meeting.

#### xvi. Voting through electronic means

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide to its Members, the facility to exercise their vote through electronic means i.e 'remote e-voting' on resolutions proposed to be passed at this Annual General Meeting.

The facility for voting through ballot papers will also be provided at the Annual General Meeting. The Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at the Meeting. A Member can participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

The cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is July 22, 2015.

The remote e-voting facility will be available during the following voting period :

Commencement of e-voting	:	From 10 a.m. (IST) on July 26, 2015
End of e-voting	:	Upto 5 p.m. (IST) on July 28, 2015

Complete instructions for remote e-voting including details of login ID, process and manner for generating or receiving the password and for casting vote in a secure manner is given in the remote e-voting Form annexed to this Report and forms an integral part of this Notice.

Ms Neena Bhatia, Practising Company Secretary (CP No. 2661) (Membership No. ACS 11950) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The Results shall be declared by the Chairman or any other persons authorised by him in writing on or within a period of 3 days from the conclusion of the Annual General Meeting. The results declared alongwith the consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company i.e. [www.abbot.co.in](http://www.abbot.co.in) and on the website of NSDL. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.

## STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

### **Item No. 6**

The Board, based on recommendation of the Audit Committee, approved the appointment of M/s N I Mehta & Co., Cost Accountants (Registration No.: 000023) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year 2015-16 at a remuneration of ₹ 6.05 Lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses.

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, remuneration payable to M/s N I Mehta & Co., Cost Auditors, as stated above, requires ratification by the Members.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. The Board recommends the resolution set forth in Item No. 6 for the approval of Members as an Ordinary Resolution.

### **Item No. 7**

The Board, based on the recommendation of Nomination and Remuneration Committee, appointed Mr Krishna Mohan Sahni (DIN : 02103128) as Additional Director under Section 161 of the Companies Act, 2013 and Article 113 of the Articles of Association of the Company and as Independent Director of the Company for a period of five years, not liable to retire by rotation under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, with effect from October 29, 2014. His appointment is subject to the approval of the Members.

The Company has received a notice in writing from a Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr Sahni for the office of Director of the Company.

Mr Sahni is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration from Mr Sahni that he meets with the criteria of Independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr Sahni is a former Indian Administrative Services Officer from the 1969 batch of the Union Territories cadre. He is also currently a non-official Independent Director of Omnibus Industrial Development Corporation, Union Territories and National Multi Commodity Exchange of India Ltd. (NMCE), Ahmedabad. He previously held the position of non- official Independent Director of the Power Finance Corporation, New Delhi.

He served as Secretary to Government of India, Ministry of Labour & Employment and has held senior positions in the Government such as Principal Secretary (Power), Government of Delhi and CMD, Delhi Transmission Company (Transco); Principal Secretary, GAD & Tourism, Government of Delhi; Additional Secretary to Government of India, Ministry of Agriculture and Sales Tax Commissioner, Government of Delhi.

He has also held several leadership positions in Government agencies such as Director General, Bureau of Indian Standards (in the rank of Additional Secretary to Government of India), Ministry of Consumer Affairs; Chairman and Managing Director, Delhi Financial Corporation and Chairman & Managing Director, Delhi Transport Corporation. He has served as India's delegate for WTO negotiations on Agriculture at Geneva, at ISO and on the Governing Body of the ILO, Geneva.

Mr Sahni holds a B.A. (Hons.) in English Literature, an M.A. (History) from St. Stephen's College, Delhi University and M.Sc. (Economics) from the London School of Economics.

In the opinion of the Board, Mr Sahni is independent of the Management.

The details of Mr Sahni as required under Clause 49 of the Listing Agreement with the BSE Limited are set out in the Annexure forming part of this Notice. Mr Sahni does not hold any shares in the Company.

The letter of his appointment will be kept open for inspection by Members at the Registered Office of the Company during business hours on all working days (except Saturdays) upto the date of the Annual General Meeting.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Mr Krishna Mohan Sahni, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

The Board recommends the resolution set forth in Item No. 7 for the approval of Members as an Ordinary Resolution.

#### **Item No. 8**

Ms Nancy Berce was appointed as Additional Director by the Board with effect from May 27, 2015, in terms of Section 161 of the Companies Act, 2013 read with Article 113 of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee. She holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms Berce for the office of Director of the Company, liable to retire by rotation.

Ms Berce is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director.

Ms Berce is currently designated as Vice President, Business and Technology Services in Abbott Laboratories, USA. She joined Abbott Laboratories in 1996 as an IT Manager and throughout her Abbott career has worked in progressively more responsible roles across multiple divisions. In 2008, she assumed the role of Divisional Vice President, Applications Engineering in Global IS. She is an accomplished Executive with domestic and international experience in implementing and operating large scale, enterprise-wide business information systems and services.

Her professional experience includes process innovation of nuclear weapons manufacturing through statistical process control and automation; medical research analysis and computing for psychosocial clinical studies and decisions support systems for market research; and new product introductions of agriculture products.

Ms Berce graduated from Regis University with a double major in Mathematics and Computer Information Systems and earned her Master's degree in Mathematics from the Colorado School of Mines.

The details of Ms Berce as required under Clause 49 of the Listing Agreement with the BSE Limited are set out in the Annexure forming part of this Notice. Ms Berce does not hold any shares in the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, except Ms Nancy Berce, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board recommends the resolution set forth in Item No. 8 for the approval of Members as an Ordinary Resolution.

#### **Item No. 9**

The Company, in the ordinary course of its business, imports various products and active pharmaceutical ingredients from Abbott Products Operations AG., Switzerland. The Company also has some service transactions with the said company.

Abbott Products Operations AG., Switzerland is a 'Related Party' as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Considering the future business projections, there is likelihood that the transactions with Abbott Products Operations AG., Switzerland during the year may exceed the materiality threshold of 10% of the annual turnover of the Company. Thus, in terms of explanation (ii) to Clause 49 VII (E) of the Listing Agreement, these transactions require the approval of the Members by way of a Special Resolution.

The particulars of the contracts / arrangements / transactions are as under :

Name of the Related Party	Abbott Products Operations AG., Switzerland
Name of Director(s) or Key Managerial Personnel who is related	NA
Nature of Relationship	Abbott Products Operations AG., Switzerland and the Company both are indirect subsidiaries of Abbott Laboratories, USA
Material terms of the Contracts / arrangements / transactions	Purchase, sale, import, transfer of products, goods, raw materials, active pharmaceutical ingredients, stock-in-trade, services and / or reimbursement / recovery of cost or other obligations, if any on arm's length terms
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing Consultants	Yes
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes
Any other information relevant or important for the Members to make a decision on the proposed transactions	To procure high quality and critical Material from Abbott affiliate
Aggregate amount of transactions to be entered with related party	₹ 350 Crores in each financial year

The Board is of the opinion that the above transactions are in the best interests of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives, is concerned or interested, financially or otherwise, in resolution set out at Item No. 9.

The Board recommends the resolution set forth in Item No. 9 for the approval of Members as a Special Resolution.

By Order of the Board

**Krupa Anandpara**  
Company Secretary  
Membership No. : ACS 16536

Mumbai  
May 27, 2015

**Registered Office :**

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3-4, Corporate Park, Sion-Trombay Road,  
Mumbai 400 071  
Tel : +91-22-6797 8888 / +91-22-2871 7500  
Fax : +91-22-6797 8727 / +91-22-2871 7499  
Email : [investor.relations@abbott.co.in](mailto:investor.relations@abbott.co.in) /  
[webmaster@abbott.co.in](mailto:webmaster@abbott.co.in)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

## ANNEXURE

### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE SEVENTY-FIRST ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 VIII (E) OF THE LISTING AGREEMENT

Name of Director	Mr Bhasker Iyer	Mr Sachin Dharap	Mr Krishna Mohan Sahni	Ms Nancy Berce
Date of Birth	March 7, 1956	April 8, 1976	December 19, 1946	June 23, 1966
Date of Appointment	February 20, 2013	February 20, 2013	October 29, 2014	May 27, 2015
Expertise in Specific Functional Area	Over 30 years of experience in Pharmaceutical Industry with expertise in sales and marketing	Expertise in area of financial planning and controlling	Government Affairs and Public Administration	Domestic and international experience in implementing and operating large scale, enterprise-wide business information systems and services
Qualifications	BSC, MMS from Mumbai University.	Fellow of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India	B.A. (Hons.) in English Literature, M.A. (History) from St. Stephen's College, Delhi University and M.Sc. (Economics) from the London School of Economics	Graduation from Regis University with a double major in Mathematics and Computer Information Systems and Master's degree in Mathematics from the Colorado School of Mines
No. of Shares held in the Company	Nil	Nil	Nil	Nil
Other Directorships in Indian Companies	None	None	OIDC, Daman NMCE, Ahmedabad	None
Membership of other Board Committees	None	None	None	None

# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## TO THE MEMBERS

Your Directors have pleasure in presenting the Seventy-first Annual Report and the Audited Financial Statements of the Company for the financial year 2014-15.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

	For the year ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014*
Sales	2237,60.25	2231,28.59
Profit Before Tax	344,36.08	294,55.35
Profit After Tax	228,95.93	198,45.07
Balance brought forward	539,34.96	418,20.25
Profit available for appropriation	768,30.89	616,65.32
Appropriations :		
Dividend (Proposed)	65,87.28	48,87.34
Corporate Dividend Tax	13,41.02	8,58.51@
Transfer to Reserves	22,89.59	19,84.51
Balance carried forward	666,13.00	539,34.96

@ Includes Corporate Dividend Tax of ₹ 27.91 Lakhs for the year ended December 31, 2012.

\* With effect from previous financial year, the Company has changed its accounting year from year ended December 31 to year ended March 31.

## DIVIDEND

Your Directors have pleasure in recommending a dividend of ₹ 31/- per share on 2,12,49,302 fully paid-up Equity Shares of ₹ 10/- each of the Company for the year ended March 31, 2015. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 65,87.28 Lakhs (Previous year : ₹ 48,87.34 Lakhs) and Corporate Dividend Tax of ₹ 13,41.02 Lakhs (Previous year : ₹ 8,30.60 Lakhs). The Corporate Dividend Tax is provided at the rate applicable on the day on which the Financial Statements were approved by the Board of Directors.

## RESERVES

During the year, ₹ 22,89.59 Lakhs was transferred to General Reserve. The total Reserves as on March 31, 2015 amounted to ₹ 916,27.83 Lakhs comprising of Amalgamation Reserve ₹ 37.82 Lakhs, Capital Reserve ₹ 5,22.62 Lakhs, Capital Redemption Reserve ₹ 2,52.48 Lakhs, General Reserve ₹ 242,01.91 Lakhs and Surplus as per the Statement of Profit & Loss amounting to ₹ 666,13.00 Lakhs.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC OVERVIEW

According to the World Economic Outlook published by the International Monetary Fund (IMF), the global economy expanded at 3.3% in 2014, reflecting a moderate growth over the previous year in spite of challenging economic conditions and heightened geo-political tensions during the year. While developing countries and emerging economies continued to witness slowdown, there was a steady recovery in advanced economies, particularly the US, which benefitted from low oil prices and steady improvements in job creation and consumer confidence. In China, growth slowed down to its lowest in the last 24 years at 7.4%, short of the government's target of 7.5%. (Source: IMF)

In India, economic activity saw a marked revival as a result of positive structural reforms by the new government. The core sectors of banking, insurance, defence and infrastructure saw bold steps being taken after a gap of many years. Another step taken during the year was a change in the GDP calculation methodology - the Central Statistics Organisation (CSO) changed the base year for GDP calculation from 2004-05 to 2011-12. In addition, in line with international practices, GDP will now be measured at market prices compared to GDP at factor cost. Post this revision, the Indian GDP growth rate at constant prices for financial year 2014-15 was 7.4% compared to 6.9% in the previous fiscal year. The new method will also increase the size of the Indian economy to around ₹ 126.5 Lakhs Crores at current prices (estimate as of February 2015). Low oil prices, particularly in the second half of the year, eased inflation. This prompted the Reserve Bank of India (RBI) to ease monetary policy and lower interest rates in January 2015.

The all-round India growth story continues to remain strong and attractive. Both IMF and World Bank have predicted that the Indian economy will grow at 7.5% in 2015-16 and 2016-17. This is positive for the Indian Pharmaceutical Market.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Pharmaceuticals Market (IPM) is estimated to have grown from ₹ 72,000 Crores in 2013 to ₹ 79,000 Crores in 2014. IMS Health (IMS), a leading healthcare global information and technology services company, estimates the Compounded Annual Growth Rate (CAGR) for IPM to be in the range of 10%-11% till 2018.

Some of the key features of the IPM are :

- IPM occupies an important position in the global pharmaceuticals industry. In terms of volumes, it was the 3rd largest market in the world in 2014, a position it has retained since 2013.
- IPM has consistently grown at a CAGR of 10%-11% over the last few years and has shown resilience in spite of a global economic slowdown and local regulatory challenges.
- The market continues to remain fragmented, with over 24,000 players; however, there are only approximately 330 players in the organized sector.
- The market continues to be dominated by branded-generics and more recently generic-generic products. Generic drugs form 72% of the total market and OTC drugs contribute approximately 19%.
- As far as therapeutic segments are concerned, Anti-Infectives form the largest sub-segment of IPM with 16% followed by Cardiovascular at 13% (in value terms).
- The top 10 companies account for around 40% of total sales and top 30 companies together account for nearly 75% of total sales. Among the top 10 companies in IPM space, 7 Indian companies account for almost 70% of the market with the 3 MNCs making up the balance 30%. Price levels continue to remain low driven by intense competition.

The overall improvement in the Indian economy will continue to remain one of the key growth drivers of IPM in the short term and will be characterized by :

- **Healthcare as a Priority Sector** - In 2014-15 Union Budget, healthcare has been declared as a priority sector by the government. Key recommendations that

are likely to impact IPM in the medium term include raising the limit in Foreign Direct Investment (FDI) in medical insurance to 49%.

- **Increased Focus on IPM** - The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing. It has reduced approval times for new facilities to boost investments. The industry is also expecting friendly policies and incentives to give a major thrust to the growth.
- **Improving Rural Market** - 70% of India's population is in rural markets. Over the last few years, there has been a significant increase in healthcare awareness as well as healthcare spend in rural India. As income levels rise in rural India, the rural markets present a big opportunity for growth.
- **Increasing Digital Penetration** - With the growth in digital media (including social media) and mobile, new patient engagement tools and technologies are being aggressively tested by various players. We expect this trend to continue and gain in importance in aspects such as patient awareness and diagnosis.

According to McKinsey & Company, the rise in the prevalence and treatment of diseases, increased affordability due to greater health insurance coverage and rising incomes, increase in medical infrastructure, launch of patented products and new market creation in newer therapies will drive growth of the Indian Pharmaceutical Market.

(Source : IMS, India Brand Equity Foundation)

## OPPORTUNITIES AND THREATS

The following factors are likely to impact the IPM in the next few years :

- The mix of therapies will continue to gradually move in favour of specialty and super-specialty therapies. According to McKinsey & Company, mass therapies will constitute about half the market by 2020.
- Metro and Tier-I markets will make significant contributions to growth, driven by rapid urbanisation and greater economic development. Rural markets will grow the fastest, driven by step-up from current poor levels of penetration.
- The affordability of drugs will rise due to sustained growth in incomes and increase in insurance coverage. With real GDP growing at nearly 8% over the next decade, income levels will rise steadily.

- In addition to income growth, health insurance coverage will augment affordability. By 2020, McKinsey & Company expects nearly 650 million people to be covered by health insurance.
- The acceptability of modern medicine and newer therapies will increase due to aggressive market creation by players, an increased acceptance of biologics and preventive medicine, and a greater propensity to self-medicate. Players will shape the patient funnel, especially for chronic therapies such as cardiovascular and neuropsychiatry.
- The hospital segment will increase its share and influence, growing to 25% of the market in 2020, from the current 13%.

## REVIEW OF OPERATIONS

### Financial Performance

#### Sales :

Net Sales for the year ended March 31, 2015 amounting to ₹ 2237,60.25 Lakhs grew at 25.4%\* over the prior period which is significantly higher than the 10.7%\* growth achieved last year. Each of the businesses achieved double digit growth, as highlighted in the Division-wise Performance.

#### Material Cost and Manufacturing :

Due to various inflationary pressures, Material Cost increased to 58.6% of Net Sales as compared to 58.1% that was achieved in the prior period.

#### Employee Benefit Expenses :

During the year under review, the Company augmented its people strength by 3.7% to 2,867. The increase of 27.4%\* in Employee Cost is mainly due to merit increase and sales incentives.

#### Other Expenses :

The Company continued to keep a tight control on all discretionary spending like Advertising & Promotional Spend and, therefore, has managed to bring down the Other Expenses from 19.4% of Net Sales last year to 16.7% of Net Sales this year.

#### Other Income :

Other Income for the year under review includes Profit on Sale of Residential Properties amounting to ₹ 1,87 Lakhs this year against ₹ 12,22 Lakhs last year.

Further, the investment strategy of the Company is reviewed periodically by the Audit Committee. The Company continued to invest in Bank Deposits, with a view

to safeguarding the principal and maintaining liquidity. The Company has an investment portfolio as at March 31, 2015 of approximately ₹ 603,67.36 Lakhs generated out of operating surplus.

### Profit Before Tax :

Profit Before Tax for the year ended March 31, 2015 stood at ₹ 344,36.08 Lakhs, which was significantly higher at 15.4% of Net Sales as compared to 13.2% of Net Sales in the prior period. This was largely due to higher Sales, and other cost control measures and initiatives as mentioned above.

The Board of Directors has recommended a dividend of ₹ 31/- per equity share.

### Division-wise Performance

The Company operates in single reportable business segment i.e. pharmaceuticals.

The Company's business operations are divided into four divisions. The key performance highlights of each business division for the year 2014-15 are as follows :

#### **Women's Health, Gastroenterology and Hepatic Care Division**

##### **Women's Health :**

This segment grew by 20.3%\* in 2014-15. Duphaston, one of the flagship brands, dominates the market with approximately 19.7%# market share.

##### **Gastroenterology :**

This segment posted a strong growth of 22.2%\* in 2014-15. This growth was majorly driven by Cremaffin, which grew at 26.1%\* vs. 18.7%\* in the prior period.

##### **Hepatic Care :**

This segment grew by 42.2%\* in 2014-15 Heptral growing at 15.2%\* continued to drive the growth of this segment.

#### **Specialty Care Division**

##### **Metabolics :**

This segment continued with its strong performance, growing at 34.8%\* in 2014-15. Thyronorm is the undisputed market leader with a market share of 52.6%# and registered a growth of 41.2%\* in 2014-15.

##### **Central Nervous System :**

This segment grew by 30.2%\* in 2014-15. The Company has a portfolio of strong brands in this segment like Zolfresh, Vertin and Prothiaden. A strong commitment to emphasize the importance of sleep and its relationship with chronic disorders, has made Zolfresh the No. 1 brand\* in the extended

\*annualised, #Source : IMS

sleep market. In the vertigo treatment sub-segment, the Company's brand VERTIN continues its leadership position as the No.1 brand.<sup>#</sup> In the anti-depression sub-segment, Prothiaden continues to maintain its leadership position.<sup>#</sup>

### **General Care Division**

This division comprises multi-specialty drugs and applications, and is primarily aimed at general physicians. This division turned the corner in the last year with a 13.5%\* growth from negative 4.6% in 2012-13. In the current year, the division continued the momentum with a growth of 19.7%\*. All the major brands in the segment like Brufen, Digecaine and Surbex registered strong performance. Arachitol Nano, a new product launched during the year, achieved Sales of ₹ 2,83.27 Lakhs within 11 months of launch.

### **Consumer Care Division**

This division is one of the new focus areas of growth for the Company. Its products fall within the OTC category and are targeted directly at patients through TV advertising and engagement programs. This segment grew at 19.4%\* in 2014-15. Digene, the flagship brand in this segment, has shown impressive growth of 17.7%\* in 2014-15. Digene Fizz has also performed well and registered a Sales of ₹ 9,08.07 Lakhs during this year.

### **CLINICAL RESEARCH**

In 2014, we built further on our long-standing commitment to clinical trial transparency. To facilitate further research that can help advance medical science or improve patient care, we conducted nine trials of which three are on-going, one study on recurrent miscarriage has been published in The Journal of Obstetrics and Gynaecology, two studies have been submitted to the journal for publication, while the remaining three are in report writing phase.

A brief snapshot of studies conducted in 2014 is as follows :

- An observational study was conducted to profile Chronic Cholestatic Liver diseases in several centres across India. The study is complete and has moved to the report writing phase.
- A nationwide epidemiology study was conducted to study Minimal Hepatic Encephalopathy among patients of Cirrhosis which is also in the report writing phase.
- The third surveillance study on physicians' prescribing patterns in Acid Peptic Disease in India has been completed.
- Constipation and its prevalence and its clinical subtypes in Indian patients is the subject of an ongoing study for which we are currently recruiting patients.

- A study on the prevalence of Insomnia in Indian corporate employees has been completed and the report has been submitted to the journals for publication.
- Miscarriage and Menstrual Cycle regularisation have formed the subject of two clinical trials that have been completed in the last year, one of which has been published and the other currently being reviewed for publication in prestigious scientific journals.
- In addition, we have an ongoing thyroid registry to determine disease and treatment profile in newly diagnosed hypothyroidism patients.

All the studies have been conducted after receiving appropriate regulatory approvals and stringently adhere to international and national guidelines on conduct of clinical trials.

### **OUTLOOK**

An analysis by IMS shows that the Indian Pharmaceuticals Market will likely grow between 10% and 11% year on year to more than 1 lakh crore by 2018. This growth will be driven by increasing affordability, increasing access particularly as private providers expand to lower tier towns and cities and favourable demographic factors – an overall increase in Indian population as well as increased prevalence of chronic, non-communicable diseases such as cardiovascular diseases, diabetes and cancer.

For the near future, the Company has identified specific opportunities to leverage this growth, capitalise on its strengths and position itself as a leading science driven pharmaceutical company. Some of the identified initiatives include :

- The Company is a market leader in 5 out of the 9 therapy areas that it is present in.<sup>#</sup> The Company will continue to build on its leadership position by entering adjacent therapy areas and launching new molecules which complement its suite of products.
- Driving diagnosis and creating patient awareness is another focus area especially through partnerships with other organizations in the healthcare value chain. A successful example of this has been in the area of thyroid through patient screening camps.
- To accelerate growth even further, the Company will be entering the Vaccines market with launch of 4 new vaccine brands in 2015. This will continue to be a high focus and high growth area for the Company.
- Another expansion area is OTC, with the launch of Consumer Care products. This expansion will be

\*annualised, <sup>#</sup>Source : IMS

- two-pronged – 1) Continue to build on the franchise and value of existing brands such as Digene; and 2) Enter new OTC segments which the Company is not present in.
- The Company also anticipates a strong adoption of technologies which complement our products and KOL engagement strategy. The Company will continue to drive patient diagnosis and treatment using cutting edge tools and new innovations. The use of innovative technology is also being aggressively adopted as part of our regular marketing programs.
  - During the year, the Company launched 9 new products and will continue launching new products and molecules.

## RISKS AND CONCERNs

### Regulatory Challenges :

The pharmaceutical regulatory environment across the world is becoming more stringent including the Indian Pharmaceutical Industry. The Industry witnessed many important changes and challenges which included the New Pharmaceutical Pricing Policy, additional oversight mechanisms for clinical trials, Fixed Dose Combinations (FDCs) and new rules being notified for new drugs as well as clinical trials.

Various Regulatory Committees were formed by the Government to streamline the current processes which resulted in delays of clinical trials and new drug approvals. These processes form an inherent part of the drug development process. The mandatory generic generics drive by the State Governments will also pose challenges for pharma companies in the near future.

### Drug Price Control Order, 2013 :

The Drug Price Control Order, 2013 (DPCO) changed the pricing mechanism of drug price control from ‘cost-based’ to ‘market-based’ for 348 drug molecules. In July 2014, the National Pharmaceutical Pricing Authority (NPPA) brought another 50 cardio-vascular and anti-diabetic drugs under price control. A revision in the National List of Essential Medicine list is in progress which, if expanded, may pose a risk to your Company’s future profitability.

## INTERNAL CONTROL AND ITS ADEQUACY

The Internal Controls of the Company are adequate and commensurate with the size and scale of the operations. These controls operate through well documented standard operating procedures, policies and process guidelines that are designed to provide reasonable assurance to management of the reliability of financial information,

compliance to operating and adherence to Statutory / regulatory requirements. The Internal Controls are routinely tested and certified by the Internal as well as the Statutory Auditors. Significant audit observations and the management actions thereon are reported to the Audit Committee on a quarterly basis. The Audit committee reviews the observations and assesses the adequacy of the actions proposed as well as monitors their implementation.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

At Abbott India Limited, our people have always been our most critical and valuable resource. The HR division of the Company plays a strategic role in engaging with employees at all levels, keeping them motivated and driven to the Performance Excellence and Leadership Engagement culture of the Company.

### Talent Development :

We continued to attract high quality talent throughout the year. The Global Summer Internship and Leadership Development Programs attract talent from some of the world's best universities including the Harvard Business School, MIT Sloan and Wellesley College. The Management Trainee Program attracts talent from leading Indian business schools such as ISB, IIMs and NMIMS.

For our frontline salesforce, we have adopted a differentiated hiring approach. As a result, 30% of our Therapy Business Managers come with differentiated backgrounds such as Commerce Graduates, MBA, FMCG and from other leading Indian and MNC pharmaceutical companies.

### India Talent Strategy :

- With a view to support future business growth and the Company’s strategic direction, the India Talent Strategy program was launched. As part of a consolidated talent strategy, we initiated recruitment of freshers from premium graduate colleges.
- During the year, a benchmarking study on the perceived ranking of our field force vis-a-vis competition was also undertaken. Our field force was ranked among the top 3 in India.
- AMCAT, an external talent assessment tool, has been implemented to make our lateral hiring process for field force more robust.
- 100% of our field managers (260 first line managers and 50 second line managers) underwent coaching workshops during the year.
- We strengthened our goal setting process by standardizing goal templates and conducted a cross functional goal alignment workshop.

### **Training and Certification :**

- The HR team partnered with the Commercial Excellence team to establish a robust three tier 'Field Certification Program' (Prima, Magna and Maxima) aligned to career paths of our employees.
- The Field Force Certification Program has now seen 1,113 Prima, 576 Magna and 32 Maxima certified employees.
- To enhance the capability of our field force, the Commercial Excellence team launched an online e-learning module in February 2015.
- More than 1,800 employees have accessed the e-learning module in the first month of launch.

### **Career Management Framework :**

As part of the overall talent development program, the Company also launched a proprietary program called 'Tracks' which has created a structured framework for career development for employees and enables cross-functional, cross-geographical movement. This program outlines career progression in the organisation in a transparent manner so that all employees can plan their career advancement. The program has helped retain our key talent and positively impacted the Company's retention rate. Under this program :

- We conducted over 20 internal assessments and processed 800 applications for roles in different functions and divisions
- 14 second-line managers have been placed through internal assessments and 95% of managerial positions were backfilled by internal talent promotions

### **Online Performance Reviews :**

During the year, we launched an online tool for conducting performance reviews across the organization. Given the size of the field force this was a critical initiative in bringing efficiency to how the Company does performance reviews. For the first time majority of the field force including first line managers was appraised through an online tool and represents a pioneering initiative in the industry.

### **Other Initiatives :**

- As part of the launch of the new Vaccines Division, 40 employees were recruited to ensure that this division is ready to go to market in 2015.
- In Nepal, we increased our field force from 25 in November 2014 to 45 in April 2015.
- We established a Zonal HR Model in 2014 to create a decentralised structure and improve connect and access with the field force.

### **Prevention of Sexual Harassment at Work Place :**

The Company has constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, two complaints were received by the Company and disposed off by ICC in terms of the provisions of the said Act

### **Total Number of Employees :**

Total number of employees as on March 31, 2015 is 2,867.

## **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, 2015, 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, 2015 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 operating effectively;
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS**

### **Policy on dealing with Related Party Transactions and Materiality :**

Policy on dealing with Related Party Transactions and Materiality, as approved by the Board, is available on the Company's website at <http://www.abbott.co.in/investor-relations.html>.

As per the said Policy, all Related Party Transactions are pre-approved by the Audit Committee and Board as and when required. The same are also reviewed by the Audit Committee and Board on a quarterly / annual basis.

### **Details of Related Party Transactions :**

All contracts / arrangements / transactions entered into by the Company during the financial year 2014-15 with Related Parties were in the ordinary course of business and on arm's length basis. Also, there was no contract / arrangement / transaction with any of the Related Parties which could be considered material in accordance with the Companies Act, 2013, Rules framed thereunder and Clause 49 of the Listing Agreement.

Details of Related Party Transactions entered into by the Company during the financial year 2014-15 are provided in Note 40 to the Financial Statements.

### **CORPORATE SOCIAL RESPONSIBILITY**

#### **Corporate Social Responsibility (CSR) Policy :**

The Board has, on recommendation of the Corporate Social Responsibility Committee, adopted a CSR Policy. The said Policy is available on the Company's website at <http://www.abbott.co.in/investor-relations.html>.

#### **CSR initiatives undertaken during the financial year 2014-15 :**

During the year, the Company spent ₹ 4,63.19 Lakhs on CSR activities.

The Annual Report of CSR Activities undertaken by the Company during the financial year 2014-15, 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-orientated approach. It has developed a Risk Framework that broadly encompasses : aligning risk appetite & strategy; enhancing risk response; reducing operational surprises. During the year, a Risk Management Core Team was formed with representatives of different businesses and functions, who would identify risks and propose mitigation plans. The Company has set up a Risk Management Committee, in accordance with the requirements of Clause 49 of the Listing Agreement, which would periodically monitor the major risks & assess the adequacy of their mitigation plans. Key risks and their mitigation plans are reported to the Audit Committee and Board of Directors.

### **DIRECTORS**

Mr Ashok Dayal (DIN : 00065907), retired by rotation at the last Annual General Meeting held on August 1, 2014.

Ms Valentine Yien (DIN : 05180794) resigned as Director effective February 28, 2015. The Board places on record its sincere appreciation for their valuable contributions during their tenure.

Mr Krishna Mohan Sahni (DIN : 02103128), was appointed by the Board as Additional Director under Section 161 of the Companies Act, 2013 and Article 113 of the Articles of Association of the Company and as Independent Director Company for a period of five years, not liable to retire by rotation under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with effect from October 29, 2014. His appointment is subject to the approval of the Members .

Ms Nancy Berce (DIN : 07190005), was appointed as Additional Director by the Board effective May 27, 2015. In terms of provisions of Section 161 (1) of the Companies Act, 2013, she holds office upto the date of the ensuing Annual General Meeting.

In compliance with provisions of Section 152 of the Companies Act, 2013, Mr Bhasker Iyer (DIN : 00480341) and Mr Sachin Dharap (DIN : 00785700) retire by rotation, at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Based on the recommendation of Nomination and Remuneration Committee, your Directors recommend the appointment / re-appointment of Mr Sahni, Ms Berce, Mr Iyer and Mr Dharap on the Board of the Company.

#### **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 Clause 49 of the Listing Agreement.

#### **Number of Meetings of the Board :**

Five Board Meetings were held during the year on May 28, 2014; August 1, 2014; August 14, 2014; November 11, 2014 and February 10, 2015.

#### **Policy on Nomination and Appointment of Directors / Criteria for appointment of Senior Management :**

Policy on Nomination and Appointment of Directors / Criteria for Appointment of Senior Management as formulated under Section 178 (3) of the Companies Act, 2013 and Clause 49 (IV) (B) (2) of the Listing Agreement is annexed as "Annexure II" and forms part of this Report.

The Remuneration Policy is annexed to the Corporate Governance Report which forms part of this Report.

### **Performance Evaluation of the Board, Board Committees and Directors :**

The Company has devised Performance Evaluation Framework and Policy, which sets a mechanism for the evaluation of the Board, Board Committees and Directors.

Performance Evaluation of the Board, Board Committees and Directors was carried out through self-assessment and group discussions in terms of the aforesaid Framework and Policy.

### **Familiarisation Programs for Independent Directors :**

In terms of the Company's Policy on Induction and Continuing Education Program for Independent Directors, various programs are conducted from time to time to familiarize the Independent Directors with the Company, its operations, its management and the industry in which it operates. It seeks to enable the Independent Directors to understand the business and strategy, and leverage their expertise and experience to the maximum benefit of the Company.

Details of such programs conducted by the Company for the financial year 2014-15 are available on the website of the Company at <http://www.abbott.co.in/investor-relations.html>.

### **KEY MANAGERIAL PERSONNEL**

Mr Rehan A. Khan, Managing Director; Mr Kaiyomarz Marfatia, Whole-time Director; Mr Rajiv Sonalkar, Chief Financial Officer; and Ms Krupa Anandpara, Company Secretary are the Key Managerial Personnel of the Company.

There was no change in Key Managerial Personnel of the Company during the financial year.

### **AUDIT COMMITTEE**

The Audit Committee comprises of Mr Ranjan Kapur (Chairman), Mr R.A.Shah, Mr Krishna Mohan Sahni and Mr Munir Shaikh. Role of the Committee is provided in the Corporate Governance Report annexed to this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Board, in terms of the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, has formulated the Whistle Blower Policy / Vigil Mechanism called "Abbott India Limited – Procedure for Internal Investigations". The said Policy lays down a mechanism for reporting and investigations of all unethical behavior,

alleged violations or potential violations of laws, regulations or Abbott's Code of Business Conduct, policies, procedures or other standards.

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

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

The genuine concerns can be communicated through any sources provided under the said Policy or e-mail at <http://speakup.abbott.com>.

### **STATUTORY AUDITORS**

S R B C & CO LLP, Chartered Accountants, (ICAI Firm Registration No : 324982E), were appointed as the Statutory Auditors for a term of 5 years at the last Annual General Meeting of the Company held on August 1, 2014.

In terms of provisions of Section 139(1) of the Companies Act, 2013, the continuation of the appointment of S R B C & CO LLP as Statutory Auditors shall be subject to ratification by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from S R B C & CO LLP regarding their eligibility and willingness to continue as the Statutory Auditors.

### **AUDITORS' REPORT**

The Auditors' Report for the financial year 2014-15 does not contain any adverse remarks, qualifications or reservation or disclaimer, which required explanation / comments by the Board.

### **COST AUDITORS**

M/s N I Mehta & Co., Cost Accountants (Registration No.: 000023), having its office at 11, Jolly Maker Chamber – II, Nariman Point, Mumbai – 400 021, are appointed as the Cost Auditors of the Company for the financial year 2015-16 at a remuneration of ₹ 6.05 Lakhs plus applicable taxes 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 alongwith the Compliance Report was filed on September 26, 2014 (Due date of filing was September 27, 2014).

## INTERNAL AUDITORS

M/s KPMG, Chartered Accountants, (Registration No.: BA62445) are the Internal Auditors of the Company.

## SECRETARIAL AUDITORS

Ms. Neena Bhatia, Practicing Company Secretary, (Membership No. : ACS 11950) (CP No. : 2661) was appointed as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2014-15.

## SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended March 31, 2015 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation / comments by the Board. The said Report is annexed as "Annexure III" and forms part of this Report.

## HEALTH, SAFETY AND ENVIRONMENT

Compliance with relevant regulations coupled with effective management of these issues is an integral part of the Company's operating philosophy and we stand committed to continually improve on these objectives. The Company, year on year, increases its focus on improving Health, Safety and Environment.

### Health and Safety :

The Company is committed to promoting health and safety of its employees. The Company has a dedicated Safety Officer and a Safety Committee, which includes representation from workmen and meets regularly to review issues impacting plant safety and employee health. The Company's EHS program includes the policy on safety, health and environment, well defined EHS organizational structure, EHS SOPs and EHS specific programs.

Various training programs are conducted at the Plant on health and safety issues including dealing with epidemics, ergonomics, machine guarding, work safety, road safety, etc. Regular health checkup (once a year) of the Plant employees is carried out. Mock drills for firefighting and rescue operations with the involvement of local fire services are also being conducted.

The plant has a well-equipped first-aid room with a full-time nurse and Occupational Health Physician catering to employee needs. The Plant also has a full-fledged ambulance van. A cross-functional team for Employee Health and Safety (EHS) and Emergency Action Plan (EAP) is in place.

The Plant celebrated National Safety Week from 4th to 10th of March, 2015. Various activities were planned during the week. Training program for e-waste disposal was conducted by an external agency during the week. Blood Donation Camp was organized in this week with the help of Goa Medical College and there was enthusiastic participation by plant personnel. Additionally, training program on women's health and related issues was also organised by a leading cardiologist during this period.

An elaborate audit for Environment, Health and Safety in accordance with Abbott's global standards and local regulations compliance was conducted by Abbott's global corporate team and external consultants

### Environment :

The Company continuously endeavors to improve on environmental management to minimize the adverse environmental impact and through all activities demonstrate commitment to protecting the environment.

The Goa plant is a "ZERO" discharge plant. The Company has in place a modern state of art effluent treatment plant at the Goa unit, treating and discharging waste water with parameters of treated effluent well below the limits set by the local Pollution Control Board. The treated water from waste water treatment plant is recycled for horticulture within the site.

Rain water harvesting project, initiated two years ago, continued at the Plant during this year also, which resulted in 650 KL of water saving during monsoons. The emissions from boiler and generator stacks are monitored regularly and are well below the limits set by the State Pollution Control Board. The ambient air quality is being monitored on a regular basis to conform to the compliance of ambient air quality standards. There is also a vermi-composting unit to convert canteen waste into organic manure, which is used in the lawns and plantation inside the factory premises.

The site retains its certification of Zero Waste to landfill in purview of waste disposal. 81% of our waste goes for recycling, 16% for incineration and 3% for composting.

Environmental Key Performance Indicators are shared and discussed with employees on regular basis in order to continuously minimise the impact on environment.

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

The particulars as required 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 IV" and forms part of this Report.

### EXTRACT OF ANNUAL RETURN

Extract of Annual Return as provided under sub-section (3) of Section 92 is annexed as "Annexure V" 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 VI 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 Section 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 at the Registered Office of the Company during business hours on all working days (except Saturdays), upto the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at the Registered Office of the Company.

### REPORT ON CORPORATE GOVERNANCE

A Report on Corporate Governance along with a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto and forms part of this Report.

### 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

Your Directors state that 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.

### EMPLOYEES

Your Board places on record its sincere appreciation for the significant contributions made by employees across the Company through their dedication and commitment.

### ACKNOWLEDGEMENT

Your Board sincerely thank all the business partners, institutions, banks and in particular, the shareholders for their continued support to and trust in the Company.

For and on behalf of the Board

**Munir Shaikh**  
Chairman  
DIN : 00096273

**Ranjan Kapur**  
Director  
DIN : 00035113

## ANNEXURE I

### Annual Report of CSR Activities for the financial year 2014-15

[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 are committed to building awareness and improving diagnosis. With relentless focus and efforts, we strive to improve healthcare and drive awareness building and diagnosis improvement through education and diagnostic camps, addressing the need for better healthcare, diagnostic and sanitation facilities.

Through CSR, we work continuously towards health education, reaching out to the public at large through various channels. These initiatives are part of our continued focus and unflinching dedication to reaching out to the millions of unaware and unsuspecting patients.

##### Core CSR areas identified by the Company for CSR (“CSR Areas”):

In accordance with the statutory requirements and keeping the Company philosophy at 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;
- Charitable donations and educational grants for serving the underserved sections of society;
- Reaching out to Government to advance sound public policy and expand patient access to healthcare;
- Disease awareness projects/activities that support for subsidised screening and treatment;
- Product donations through trusted partners in the context of Abbott's global policies and international standards;

- Extending support to various NGOs through monetary grants for education healthcare and livelihood of underprivileged children and women;
- Environment protection measures;
- Such other projects that fall within the purview of the activities included in Schedule VII of the Companies Act, 2013 and Rules made thereunder, as amended from time to time

The CSR policy is posted on the Company's website at <http://www.abbott.co.in/investor-relations.html>.

#### 2. Composition of CSR Committee :

The CSR Committee is comprised of following directors

Sr. No.	Name of Member	Category
1.	Mr Munir Shaikh (Chairman)	Non-executive Director
2.	Mr Ranjan Kapur	Independent Director
3.	Mr Sachin Dharap	Non-executive Director
4.	Mr Rehan A. Khan	Managing Director

#### 3. Average Net Profit of the Company for last three financial years\*

₹ 226,05.56 Lakhs

\*calculated basis the Net Profits for the financial years 2011, 2012 and 2013-14 (15 months)

#### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

₹ 4,52.11 Lakhs

#### 5. Details of CSR spent during the financial year

- a) Total amount to be spent for the financial year - ₹ 4,52.11 Lakhs
- b) Amount unspent, if any - Nil

(c) Manner in which the amount spent during the financial year is detailed below:

Sr No.	CSR Project or activity identified	Sector in which the Project is covered (Clause No. of Schedule VII of the Companies Act, 2013, as amended)	Amount outlay (budget) project or programs wise	Project or program (1) Local area or other (2) specify the State and District where projects or programs was undertaken	Amount spent on the projects or programs (i) Direct expenditure on project or programs. Overheads	Cumulative expenditure up to the reporting period	(₹ in Lakhs)	
							Amount spent: Direct or through implementing Agency	
1.	Rural Sanitation Project	Various clauses of Schedule VII - Providing sanitation, Promoting health care including Preventive health care and rural development	3,00.00	Talodhara and Dadheda villages in Bharuch, Gujarat.	3,00.00	3,00.00	Through implementing Agency - Federation of Indian Chambers of Commerce and Industry, Social and Economic Development Foundation. (FICCI SEDF)	
2.	Health Camps and Awareness Programs :							
i.	Programs were conducted by the Company for educating people with limited/ no access regarding liver disorders	Cl. (i) - Promoting health care including Preventive health care	1,09.96	Thane, Panvel, Mumbai, Pune, Nashik & Agraangabad, Nagpur, Ahmedabad, Baroda, Surat, Indore, Bhopal, Rajkot, Jaipur, Delhi, Rohtak, Hissar, Ghaziabad, Aligarh, Agra, Noida, Gurgaon & Delhi, Patiala, Srinagar, Jammu, Jallandhar, Chandigarh, Moga, Mohali, Tirupur, Pollachi, Gopichattipalayam, Trichangod, Dharmapuri, Namakkal, Karur, Pindakal, Pudukkottai, Patukotai, Kumbhkonam, Karaikudi, Ramnathpuram, Tutticurin, Marthandam, Thenkasi, Rajapalayam, Sivakasi, Virudhnagar, Theni, Mannaparai, Mannarkudi, Thirugarur, Cudalore, Neyveli, Baheraich, Allahabad, Azamgarh, Sitapur, Pilibhit, Bandau, Rampur, Amroha, Varanasi, Gorakhpur, Allahabad, Lucknow, Kanpur, Dehradun, Meerut, Kolkata, Patna, Guwahati, Burdwan, Siliguri, Ranchi, Chennai, Cochin, Madurai, Pondicherry & Cuddalore, Kottayam, Thanjavur, Tirunelveli, Trichy, Trichur, Ernakulam, Coimbatore, Salem & Erode, Coimbatore, Salem & Erode, Bangalore, Hubli, Belgaum, Hyderabad, Hyderabad & Secunderabad, Vishakapatnam, Vijaywada, Guntur	1,09.96	1,09.96	1,09.96	Direct

Sr No.	CSR Project or activity identified	Sector in which the Project is covered (Clause No. of Schedule VII of the Companies Act, 2013, as amended)	Amount outlay (budget) project or programs wise	Project or program (1) Local area or other (2) specify the State and District where projects or programs was undertaken	Amount spent on the projects or programs (i) Direct expenditure on project or programs. (ii) Overheads	Cumulative expenditure up to the reporting period	(₹ in Lakhs)
							Amount spent: Direct or through implementing Agency
ii.	Program was conducted at high prevalence (Costal & Hilly belts) areas having limited/no access for diagnosing thyroid disorders. Road shows were organised for creating awareness in such areas.	Cl. (i) - Promoting health care including Preventive health care	31.43	Hapur, Gaziabad, Modi Nagar, Meerut, Muzaffarnagar, Saharanpur, Roorkee, Dehradun, Rishikesh, Haridwar, Bijnore, Haldwani, Rudrapur, Kashipur	31.43	31.43	Direct
iii.	Camps were conducted at various remote areas to diagnose and address epilepsy and create awareness	Cl. (i) - Promoting health care including Preventive health care	3.05	Kanpur, Gorakhpur, Nagpur, Amravati, Solapur	3.05	3.05	Direct
3.	Spreading Flu education and awareness	Cl. (i) - Promoting health care including Preventive health care	15.00	pan India	15.00	15.00	Through Implementing Agency*
4.	Paediatric Neurology camps	Cl. (i) - Promoting health care including Preventive health care	3.75	Dhule, Nashik, Nanded and other remote areas of Maharashtra	3.75	3.75	Through Implementing Agency*
Total			463.19		463.19	463.19	

\* through Non-Governmental Organisations (NGOs) / Charitable Organisations

### Responsibility Statement

The Responsibility Statement of the CSR Committee of the Board of Directors -

“The implementation and monitoring of CSR Policy are in compliance with CSR Objectives and Policy of the Company.”

#### Munir Shaikh

Chairman

DIN : 00096273

#### Ranjan Kapur

Member

DIN : 00035113

## ANNEXURE II

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

[In compliance with the provisions of Section 178 (3) of the Companies Act, 2013 and Clause 49 (IV) (B) (2) of the Listing Agreement]

#### 1. Purpose :

- 1.1 In terms of Section 178 of the Companies Act, 2013, rules made thereunder and the Listing Agreement entered into by the Company with Stock Exchanges, the Nomination and Remuneration Committee is, inter alia, required to determine the appropriate size and composition of the Board, formulate criteria for identifying suitable candidates for the position of Directors and Senior Management and criteria for determining the qualifications, positive attributes and independence of director, devise succession plan and recommend to the Board appointment and removal of Board members and Senior Management personnel.
- 1.2 This Policy shall act as a guideline for determining qualifications, positive attributes, and independence of a Director and matters related to the appointment and removal of Directors and Senior Management.

#### 2. Objective :

- 2.1 This Policy would lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive, Non-executive and Independent) and Senior Management, including their qualifications, positive attributes and independence.

#### 3. Criteria for appointment of Directors :

- 3.1 The following characteristics shall be taken into consideration when selecting nominees for the Board of Directors. Individual nominees do not need to satisfy all the qualifications listed below and there is no requirement that all qualifications be represented on the board.
- 3.2 In addition to the specific characteristics set forth below, board members should, at a minimum, have backgrounds that, when combined, provide a portfolio of experience and knowledge that will serve Abbott's governance and strategic needs. Board candidates will be considered on the basis of a range of criteria including broad-based business knowledge and relationships, prominence and excellent reputations in their primary fields of endeavor, as well as a broad

business perspective and commitment to good corporate citizenship. Directors should have demonstrated experience and ability that is relevant to the Board of Directors' oversight role with respect to Abbott's business and affairs.

- 3.3 Strong management experience, ideally with major public companies with successful multinational operations, including, but not limited to :
  - 3.3.1 Active or recently retired Chairman and Chief Executive Officers.
  - 3.3.2 Presidents and Chief Operating Officers.
  - 3.3.3 Executive or Group Vice Presidents with short term potential for movement to item 3.3.1 or 3.3.2 above.
- 3.4 Other areas of experience which are desirable for representation on the Abbott board include, but are not limited to :
  - 3.4.1 Medicine
  - 3.4.2 Marketing
  - 3.4.3 Medical and Scientific Research and Development
  - 3.4.4 Finance
  - 3.4.5 International Business
- 3.5 Other qualifications that would be helpful in addition to the above include, but are not limited to :
  - 3.5.1 Senior level government experience
  - 3.5.2 Academic administration
- 3.6 The Board shall include a range of ages and a diversity of ethnicity, gender and geography.
- 3.7 Primary characteristics required in new board candidates :
  - 3.7.1 They must be first and foremost able and willing to represent the shareholders' short-term and long-term economic interests.
  - 3.7.2 They must be able to contribute to the evaluation of the existing management of the Company.
  - 3.7.3 They must also be cognizant of the responsibilities of the Company to :

- |  |  |
|--|--|
| <p>Its employees<br/>Its customers<br/>Social issues<br/>Regulatory authorities</p> <p>3.7.4 They must be willing to take the necessary time to properly prepare for board and committee meetings at a minimum based on a thorough review of the material supplied before each board meeting.</p> <p>3.8 Primary characteristics required for renomination of incumbent directors.</p> <p>3.8.1 Incumbent directors should continue to meet the general qualifications outlined above and, in addition, should abide by the following criteria :</p> <p>3.8.1.1 Adequate preparation for board and committee meetings, including a thorough review of and familiarity with the written materials supplied before each meeting.</p> <p>3.8.1.2 Participation in and contributions to board and committee discussions through useful and pertinent suggestions, questions and comments.</p> <p>3.8.1.3 Providing on-going advice and counsel to management on the director's own initiative and when requested by management.</p> <p>3.8.1.4 Regular attendance at board and committee meetings.</p> <p>3.8.1.5 Maintaining an independent familiarity with the external environments in which the Corporation operates and especially in the director's own particular fields of expertise.</p> | <p>4.1.4 Ability to participate constructively in deliberations at board meetings;</p> <p>4.1.5 Willingness to exercise authority in a collective manner;</p> <p>4.1.6 Inquisitive and objective perspective, practical wisdom and mature judgment;</p> <p>4.1.7 Self-confidence to contribute to board deliberations and stature such that other board members will respect his or her view;</p> <p>4.1.8 Capable of devoting sufficient time and attention to his/her professional obligations for informed and balanced decision making;</p> <p>4.1.9 Focused towards the Company and generous / open minded towards the team;</p> <p>4.1.10 Fit and proper person of impeccable integrity, reputation and character; absence of convictions and restraint orders; and competence including financial solvency and net worth.</p> |
|--|--|
- 5. Independence :**
- 5.1 In case of appointment of Independent Director, the candidate shall meet the criteria of Independence as set out in Annexure I.
- 6. Criteria for Appointment of Senior Management :**
- 6.1 Individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of all stakeholders. Candidates will be selected for their ability to exercise good judgment and to provide practical insights and diverse perspectives.
- 7. Appointment Mechanism :**
- 7.1 The Nomination and Remuneration Committee shall play a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for Directors, Key Managerial Personnel and Senior Management officials. It shall provide its advice and recommendations to the Board.
- 7.2 The Managing Director / Executive Directors / Non-Executive Directors / Key Managerial Personnel are appointed by the Board of Directors upon recommendation from the Nomination and Remuneration Committee.
- 7.3 Senior Management Personnel shall be appointed by the Company as per Company policies.

## 8. Term / Tenure :

- 8.1 Managing Director / Executive Directors :
  - 8.1.1 Managing Director / Executive Directors shall retire as per the applicable provisions of the Companies Act, 2013 or Rules made thereunder or the prevailing Abbott India Limited guidelines on retirement of Directors, whichever is earlier.
  - 8.1.2 The Board will have the discretion to retain the retiring Director in the same position even after attaining the retirement age, for the benefit of the Company.
  - 8.1.3 Special resolution needs to be passed for appointment / re-appointment of Director in the position of Managing Director / Executive Directors who have attained age of 70 years.

## 9. Independent Director :

- 9.1 An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term up to 5 consecutive years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- 9.2 No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

## 10. Non-Executive Director (other than Independent Director) :

- 10.1 Other non-executive Directors shall retire by rotation as per the applicable provisions of the Companies Act, 2013 or Rules made thereunder, as amended from time to time.

## 11. Key Managerial Personnel and Senior Management:

- 11.1 Key Managerial Personnel and Senior Management shall retire as per the Company policy or their employment terms.

## 12. Removal :

- 12.1 The Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director and Key Managerial Personnel subject to the provisions and

compliance of the Companies Act, 2013, Rules made thereunder and other applicable regulations and applicable policies of the Company.

- 12.2 The Senior Management Personnel shall be removed by the Company as per Company policies.

## 13. Succession Planning :

- 13.1 Succession planning for Abbott's senior management positions is critical to Abbott's long-term success. The Nomination and Remuneration Committee shall annually review and confer with the Managing Director and the HR Director regarding Abbott's succession plans and report and make recommendations on them to the Board of Directors.

## 14. Review of the Policy :

- 14.1 This Policy shall be subject to review by the Committee at such intervals as may be deemed necessary. Changes (if any) recommended by the Committee shall be placed before the Board for its approval.

## Annexure

### 1. Criteria for Independence :

- 1.1 A Director is considered Independent if the Board makes an affirmative determination after a review of all relevant information. In order for a Director to be considered Independent, the Director :
  - 1.1.1 Shall not be Managing Director or a Whole time Director or a Nominee Director.
  - 1.1.2 Shall be a person of integrity and shall possess relevant expertise and experience.
  - 1.1.3 Shall not be a promoter of the Company or its holding, subsidiary or associate Company.
  - 1.1.4 Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company.
  - 1.1.5 Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiary, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.
  - 1.1.6 Relatives should not have or had pecuniary relationships or transactions with the

Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.

- 1.1.7 Neither himself / herself nor any of his / her relatives shall hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- 1.1.8 Neither himself / herself nor any of his / her relatives is or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of :

  - 1.1.8.1 A firm of auditors (Internal / Statutory) or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;
  - 1.1.8.2 Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
  - 1.1.8.3 holds together with his relatives 2% or more of the total voting power of the Company;
  - 1.1.8.4 a Chief Executive or Director, by whatever name called, of any non profit organization that receives 25%, or more of its receipts from

the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company.

- 1.1.9 Has not held office for more than 2 consecutive terms on the Board of the Company.
- 1.1.10 Should not be a material supplier, service provider or customer or a lessor or lessee of the Company.
- 1.1.11 Shall not be less than 21 years of age.

## **2. Definition for the said purpose :**

- 2.1 “Nominee Director” implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests.
- 2.2 “Associate Company” implies a Company which is an “associate” as defined in Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements”, issued by the Institute of Chartered Accountants of India.
- 2.3 “Relative” implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son’s wife, Daughter, Daughter’s husband, Brother (includes step-brother), Sister (includes step-sister).

## ANNEXURE III

### Secretarial Audit Report for the Financial Year Ended March 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Abbott India Limited

I have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by Abbott India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.;
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not applicable to the Company during the audit period)
- (ii) The Listing Agreements entered into by the Company with the BSE Limited.

To best of my understanding I am of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines Standards etc. mentioned above.

#### I further report that :

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company

- a. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rule 1945;
- b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
- c. Drugs (Price Control) Order, 1995;

#### I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act .

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views, if any are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

This report is to be read with my letter of even date which is annexed as Annexure and forms integral part of this report.

Mumbai  
May 27, 2015

**Ms Neena Bhatia**  
Practicing Company Secretary  
Membership No. : ACS 11950  
Certificate of Practice No. : 2661

#### **Annexure to the Secretarial Audit Report of Abbott India Limited for financial year ended March 31, 2015**

To,  
The Members,

Abbott India Limited

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Mumbai  
May 27, 2015

**Ms Neena Bhatia**  
Practicing Company Secretary  
Membership No. : ACS 11950  
Certificate of Practice No. : 2661

## ANNEXURE IV

### Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo

[In compliance with the provision of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]

#### A. Conservation of Energy :

##### i. The Energy conservation measures taken :

- Installation of single energy efficient screw type air compressor of 500 cfm capacity in place of existing three reciprocating type air compressors of 200 cfm each;
- Variable Frequency Drive installed for all new Air Handling Units (AHUs) in the multiproduct facility;
- Condensate Recovery System installed for providing feed water to boilers. Condensate water through this system remains at a temperature of about 90 c, which is used for providing feed water to boilers thus saving bio fuel estimated at 24 Tons / year.
- Pressure Independent Balancing and Control Valves (PIBCV) installed, in place of regular 3 way actuating Valves to maintain desired chilled flow rates for the related AHUs, thereby saving on pumping energy and also providing uniform flow across the chilled water circuit.
- Energy Efficient class motors installed for all new AHUs.
- Passive infra - red motion sensors installed in change Rooms for illumination and fan controls thereby reducing energy consumption.

##### ii. The steps taken by the Company for utilizing alternate sources of energy :

Nil

##### iii. The Capital Investment on Energy Conservation Equipment :

₹ 37.74 Lakhs

#### B. Technology Absorption :

##### i. The efforts made towards Technology Absorption :

Various new projects were undertaken at the Goa factory. Cremaffin was commercialized in a new

450ml pack. Additionally, Digene Orange was also commercialized in a 400 ml pack. Digene primary packs were changed from Glass to PET bottles with a new pack of 200 ml. This resulted in reduced inventory of bottles and caps in addition to savings on waste, transportation and reduction of noise levels during manufacturing. Research is underway to have Duphalac in PET bottles. New flavors for Digene tablets were developed. Initiatives for various process simplifications and new vendor development for raw materials were undertaken during the year.

##### ii. The benefits derived like product improvement, cost reduction, product development or import substitution :

- Ganaton – Reduced cycle time of the process and coating man-hours on account of modification in the coating process.
- Brufen – Reduced sieving and granulation process times and man-hours on account of revised granulation process.
- Studies for new vendor development were undertaken for both Active Pharmaceutical Ingredients and Excipients as part of supply chain improvement, avoid product stock outs and reduce cost.
- Import substitutions for alternate vendors were undertaken to ensure supply security and generate savings of approximately ₹ 50 Lakhs.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :

- a. the details of technology imported : Nil
- b. the year of import : Nil
- c. whether the technology been fully absorbed : N.A.
- d. if not fully adsorbed, areas where adsorption has not taken place, and the reasons thereof : N.A.

**iv. Expenditure on Research & Development :**

Sr. No.	Particulars	₹ In Lakhs
(a)	Capital	6.69
(b)	Recurring	1,1741
(c)	Total	1,24.10
(d)	Total R&D expenditure as a Percentage of total turnover	0.06%

**C. Foreign Exchange earnings and outgo :**

Particulars	₹ in Lakhs
A. Total Foreign Exchange used	
a. On import of raw materials, finished goods, consumable stores and capital goods	226,42.07
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	8,19.62
c. On remittance during the period on account of dividend	36,64.83
B. Total Foreign Exchange earned	
a. From Exports	12,22.95
b. Earnings from affiliates	7,43.73
c. Recovery of expenses	65.53
d. Other earnings	1,12.62

**ANNEXURE V****Extract of Annual Return as on financial year ended March 31, 2015****FORM NO. MGT 9**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014

**i. REGISTRATION AND OTHER DETAILS :**

CIN	:	L24239MH1944PLC007330
Registration Date	:	August 22, 1944
Name of the Company	:	Abbott India Limited
Category / Sub-Category of the Company	:	Company Limited By Shares / Indian Non-Government Company
Address of the Registered office and contact details	:	3-4, Corporate Park, Sion-Trombay Road, Mumbai – 400071 Telephone No. : +91-22-6797 8888 / +91-22-2871 7462 Fax : +91-22-6797 8727 / +91-22-2871 7499
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any :	:	Name - Sharepro Services (India) Private Limited Address – 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Andheri-Kurla Road, Sakinaka, Mumbai – 400072 Telephone No. : +91-22 677 20300 / +91-22 677 20400 Fax : +91-22 2859 1568 / +91-22 2850 8927

**ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Pharmaceuticals	21002	100%

**iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
			N.A.		

**iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :****i Category-wise Share Holding :**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1) Indian	-	-	-	-	-	-	-	--	-
a) Individual / HUF	-	-	-	-	-	-	-	--	-
b) Central Govt	-	-	-	-	-	-	-	--	-
c) State Govt(s)	-	-	-	-	-	-	-	--	-
d) Bodies Corp.	-	-	-	-	-	-	-	--	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	--	-
f) Any other	-	-	-	-	-	-	-	--	-
<b>Sub-total (A)(1) :</b>	-	-	-	-	-	-	-	--	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
d) Banks / FI	-	-	-	-	-	-	-	--	-
e) Any other	-	-	-	-	-	-	-	--	-
<b>Sub-total (A)(2) :</b>	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	1586048	150	1586198	7.46	1518970	150	1519120	7.15	-0.31%
b) Banks / FI	5323	408	5731	0.03	7254	408	7662	0.04	+0.01%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	84838	-	84838	0.40	44838	-	44838	0.21	-0.19%
g) FIIs	10113	150	10263	0.05	137878	150	138028	0.65	+0.60%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)									
Foreign Portfolio – Corp					57050	-	57050	0.27	
<b>Sub-total (B)(1) :</b>	1686322	708	1687030	7.94	1765990	708	1766698	8.31	+0.37%
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	212575	4696	217271	1.02	180640	4646	185286	0.87	-0.15%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2449913	699673	3149586	14.82	2461031	639213	3100244	14.59	-0.23%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	142072	60752	202824	0.95	156503	44928	201431	0.95	-
c) Others (specify)									
Trust	150	-	150	-	150	-	150	-	-
NRI(Rep)	20719	1400	22119	0.10	18995	1400	20395	0.10	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
Clearing Member	-	-	-	-	-	-	-	-	-
NRI(Non Rep)	33448	2355	35803	0.17	35530	5049	40579	0.19	+0.02%
Foreign Corp Bodies	-	471	471	-	-	471	471	0.00	-
Foreign National / Bodies / OCB	-	-	-	-	-	-	-	-	-
NSDL in transit	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2) :</b>	2858877	769347	3628224	17.07	2852849	695707	3548556	16.70	-0.37%
Total Public Shareholding (B)=(B)(1)+(B)(2)	4545199	770055	5315254	25.01	4618839	696415	5315254	25.01	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	20479247	770055	21249302	100	20552887	696415	21249302	100	-

### ii. SHAREHOLDING OF PROMOTERS :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Abbott Capital India Limited	10719097	50.44	-	10719097	50.44	-	-
2.	Abbott Healthcare Products Limited	3744951	17.62	-	3744951	17.62	-	-
3.	British Colloids limited	1470000	6.92	-	1470000	6.92	-	-
	<b>Total</b>	15934048	74.99	-	15934048	74.99	-	-

### iii. No Change in the shareholding of the Promoters during the year.

### iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS) :

Sr. no	Name	Shareholding					Cumulative shareholding during the year (1/04/2014 to 31/03/2015)	
		No. of Shares at the beginng of the year (1/04/2014)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE EQUITY OPPORTUNITIES FUND	759725	3.58%	01.04.2014	-	-	759725	3.58%
				04.04.2014	725	Transfer	760450	3.58%
				18.04.2014	-29120	Transfer	731330	3.44%
				02.05.2014	3760	Transfer	735090	3.46%
				09.05.2014	100	Transfer	735190	3.46%
				16.05.2014	480	Transfer	735670	3.46%
				30.06.2014	12645	Transfer	748315	3.52%
				18.07.2014	1350	Transfer	749665	3.53%
				01.08.2014	46640	Transfer	796305	3.75%
				08.08.2014	3340	Transfer	799645	3.76%

Sr. no	Name	Shareholding					Cumulative shareholding during the year (1/04/2014 to 31/03/2015)	
		No.of Shares at the begning of the year (1/04/2014)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
				22.08.2014	2890	Transfer	802535	3.78%
				29.08.2014	1456	Transfer	803991	3.78%
				05.09.2014	1148	Transfer	805139	3.79%
				12.09.2014	1260	Transfer	806399	3.79%
				12.12.2014	-31000	Transfer	775399	3.65%
				31.12.2014	490	Transfer	775889	3.65%
				23.01.2015	2275	Transfer	778164	3.66%
				30.01.2015	4290	Transfer	782454	3.68%
				06.02.2015	11260	Transfer	793714	3.74%
				13.02.2015	5770	Transfer	799484	3.76%
				27.02.2015	850	Transfer	800334	3.77%
				06.03.2015	640	Transfer	800974	3.77%
				27.03.2015	6730	Transfer	807704	3.80%
				31.03.2015	-	-	807704	3.80%
2	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE PHARMA FUND	414400	2.00%	01.04.2014	-	-	414400	2.00%
				04.04.2014	1280	Transfer	415680	1.96%
				09.05.2014	825	Transfer	416505	1.96%
				16.05.2014	2450	Transfer	418955	1.97%
				23.05.2014	5890	Transfer	424845	2.00%
				14.11.2014	-2911	Transfer	421934	1.99%
				28.11.2014	-1184	Transfer	420750	1.98%
				05.12.2014	-21044	Transfer	399706	1.88%
				06.03.2015	-10841	Transfer	388865	1.83%
				31.03.2015	-	-	388865	1.83%
3	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED-RELIANCE LONGTERM EQUITY FUND	219155	1.03%	01.04.2014	-	-	219155	1.03%
				18.04.2014	-15000	Transfer	204155	0.96%
				14.11.2014	-5037	Transfer	199118	0.94%
				21.11.2014	-2314	Transfer	196804	0.93%
				05.12.2014	-15000	Transfer	181804	0.86%
				31.03.2015	-	-	181804	0.86%
4	M3 INVESTMENT PRIVATE LIMITED	118511	0.56%	01.04.2014	-	-	118511	0.56%
				30.09.2014	-1000	Transfer	117511	0.55%
				10.10.2014	-700	Transfer	116811	0.55%
				14.11.2014	-22366	Transfer	94445	0.44%
				21.11.2014	-50000	Transfer	44445	0.21%
				12.12.2014	-1670	Transfer	42775	0.20%
				31.12.2014	-1930	Transfer	40845	0.19%
				02.01.2015	-320	Transfer	40525	0.19%
				09.01.2015	-17715	Transfer	22810	0.11%
				06.02.2015	-10847	Transfer	11963	0.06%
				13.02.2015	-4900	Transfer	7063	0.03%
				20.02.2015	-300	Transfer	6763	0.03%
				31.03.2015	-	-	6763	0.03%

Sr. no	Name	Shareholding					Cumulative shareholding during the year (1/04/2014 to 31/03/2015)	
		No.of Shares at the beginng of the year (1/04/2014)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
5	NATIONAL INSURANCE COMPANY LIMITED	84838	0.40%	01.04.2014	-	-	84838	0.40%
				30.05.2014	-201	Transfer	84637	0.40%
				06.06.2014	-3175	Transfer	81462	0.38%
				13.06.2014	-7885	Transfer	73577	0.35%
				20.06.2014	-616	Transfer	72961	0.34%
				30.06.2014	-18123	Transfer	54838	0.26%
				22.08.2014	-5000	Transfer	49838	0.23%
				24.10.2014	-503	Transfer	49335	0.23%
				31.10.2014	-2000	Transfer	47335	0.22%
				07.11.2014	-2497	Transfer	44838	0.21%
				31.03.2015	-	-	44838	0.21%
6	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED - A/C RELIANCE TAX SAVER (ELSS) FUND	78610	0.37%	01.04.2014	-	-	78610	0.37%
				12.12.2014	-19000	Transfer	59610	0.28%
				06.03.2015	-59610	Transfer	-	-
				31.03.2015	-	-	-	-
7	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE CLOSE ENDED EQUITY FUND SERIES A	40505	0.19%	01.04.2014	-	-	40505	0.19%
				28.11.2014	-995	Transfer	39510	0.19%
				05.12.2014	-15000	Transfer	24510	0.12%
				09.01.2015	-5000	Transfer	19510	0.09%
				06.03.2015	-19510	Transfer	-	-
				31.03.2015	-	-	-	-
8	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C-RELIANCE REGULAR SAVINGS FUND-BALANCED OPTION	40000	0.19%	01.04.2014	-	-	40000	0.19%
				31.03.2015	-	-	40000	0.19%
9	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED-RELIANCE EQUITY LINKED SAVING FUND-SERIES-I	28003	0.13%	01.04.2014	-	-	28003	0.13%
				09.01.2015	-216	Transfer	27787	0.13%
				31.03.2015	-9000	Transfer	18787	0.09%
10	HEMRAJ CHATURBHUJ ASHER	21242	0.10%	01.04.2014	-	-	21242	0.10%
				31.03.2015	-	-	21242	0.10%
11	HOMAI JAMSHEDJEE KALWACHWALLA	16284	0.08%	01.04.2014	-	-	16284	0.08%
				31.03.2015	-	-	16284	0.08%
12	MAHESH PRABHAT DOSHI	15856	0.07%	01.04.2014	-	-	15856	0.07%
				22.08.2014	-15856	Transfer	-	-
				31.03.2015	-	-	-	-
13	V K BALACHANDRAN	15824	0.07%	01.04.2014	-	-	15824	0.07%
				20.03.2015	-15824	Transfer	-	-
				31.03.2015	-	-	-	-
14	RASHI FINCORP LIMITED	-	-	01.04.2014	-	-	-	-
				19.09.2014	-	-	4500	0.02%
				30.09.2014	500	Transfer	5000	0.02%
				21.11.2014	8000	Transfer	13000	0.06%
				12.12.2014	3800	Transfer	16800	0.08%
				31.03.2015	-	-	16800	0.08%

Sr. no	Name	Shareholding					Cumulative shareholding during the year (1/04/2014 to 31/03/2015)	
		No.of Shares at the begning of the year (1/04/2014)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
15	PAN EMAMI COSMED LIMITED	-	-	01.04.2014 15.08.2014 17.10.2014 31.10.2014 07.11.2014 14.11.2014 21.11.2014 28.11.2014 31.03.2015	- - -2732 -3169 -13777 -6500 -9600 -2000 -	- - Transfer Transfer Transfer Transfer Transfer Transfer -	- 37778 35046 31877 18100 11600 2000 -	- 0.18% 0.16% 0.15% 0.09% 0.05% 0.01% -
16	PRINCIPAL TRUSTEE COMPANY PRIVATE LIMITED A/C PRINCIPAL MUTUAL FUND - PRINCIPAL PERSONAL TAX SAVERFUND	-	-	01.04.2014 12.12.2014 31.12.2014 27.02.2015 31.03.2015	- - -59 -448 -	- - Transfer Transfer -	- 15471 15412 14964 14964	- 0.07% 0.07% 0.07% 0.07%
17	ANTIQUE STOCK BROKING LIMITED	-	-	01.04.2014 21.11.2014 28.11.2014 31.03.2015	- - -50000 -	- - Transfer -	- 50000 -	- 0.24%
18	THE MASTER TRUST BANK OF JAPAN, LIMITED AS TRUSTEE OF NISSAY INDIA EQUITY SELECTION MOTHER FUND	-	-	01.04.2014 24.10.2014 31.10.2014 07.11.2014 14.11.2014 21.11.2014 28.11.2014 05.12.2014 31.12.2014 02.01.2015 09.01.2015 31.03.2015	- - 1841 2610 15337 11479 -5008 2711 3703 1650 11011 658	- - Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	- 1576 3417 6027 21364 32843 37851 40568 44271 45921 56392 57050	- - 0.02% 0.03% 0.10% 0.15% 0.18% 0.19% 0.21% 0.22% 0.27% 0.27%
19	DEUTSCHE BANK A.G.	-	-	01.04.2014 25.07.2014 01.08.2014 14.11.2014 21.11.2014 28.11.2014 05.12.2014 19.12.2014 31.12.2014 16.01.2015 23.01.2015 30.01.2015 06.02.2015 31.03.2015	- - -23000 4424 -4424 732 -732 1044 -1044 1199 80 -765 -514 -	- - Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer -	- 23000 - 4424 - 732 - 1044 - 1199 1279 514 - -	- 0.11% - 0.02% - - - - 0.01% 0.01% - - -

Sr. no	Name	Shareholding					Cumulative shareholding during the year (1/04/2014 to 31/03/2015)	
		No.of Shares at the beginng of the year (1/04/2014)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
20	DEUTSCHE BANK A.G.	-	-	01.04.2014	-	-	-	-
				25.07.2014	-	-	23000	0.11%
				01.08.2014	-23000	Transfer	-	-
				14.11.2014	613	Transfer	613	-
				21.11.2014	-613	Transfer	-	-
				28.11.2014	452	Transfer	452	-
				05.12.2014	-452	Transfer	-	-
21	TATA AIG GENERAL INSURANCE COMPANY LIMITED	-	-	01.04.2014	-	-	-	-
				18.04.2014	-	-	50000	0.24%
				25.07.2014	-46000	Transfer	4000	0.02%
				22.08.2014	-4000	Transfer	-	-
				31.03.2015	-	-	-	-
22	RELIANCE LIFE INSURANCE COMPANY LIMITED	-	-	01.04.2014	-	-	-	-
				28.11.2014	-	-	42191	0.20%
				19.12.2014	-1020	Transfer	41147	0.19%
				16.01.2015	-1199	Transfer	39948	0.19%
				23.01.2015	-1279	Transfer	38669	0.18%
				30.01.2015	-912	Transfer	37757	0.18%
				06.02.2015	-1021	Transfer	36736	0.17%
				13.02.2015	-813	Transfer	35950	0.17%
				20.03.2015	-791	Transfer	35159	0.17%
				31.03.2015	-	-	35159	0.17%
23	MARYADA BARTER PRIVATE LIMITED	-	-	01.04.2014	-	-	-	-
				20.06.2014	-	-	2279	0.01%
				30.06.2014	21923	Transfer	24202	0.11%
				04.07.2014	5848	Transfer	30050	0.14%
				11.07.2014	-30050	Transfer	-	-
				31.03.2015	-	-	-	-
24	PAN EMAMI COSMED LIMITED	-	-	01.04.2014	-	-	-	-
				11.07.2014	-	-	30182	0.14%
				18.07.2014	7596	Transfer	37778	0.18%
				15.08.2014	-37778	Transfer	-	-
				31.03.2015	-	-	-	-
25	MAHESH PRABHAT DOSHI	-	-	01.04.2014	-	-	-	-
				22.08.2014	-	-	15856	0.07%
				17.10.2014	-410	Transfer	15446	0.07%
				24.10.2014	-375	Transfer	15071	0.07%
				31.10.2014	-10	Transfer	15061	0.07%
				07.11.2014	-925	Transfer	14136	0.07%
				14.11.2014	-300	Transfer	13836	0.07%
				31.03.2015	-	-	13836	0.07%
26	OCEAN DIAL GATEWAY TO INDIA MAURITIUS LIMITED	-	-	01.04.2014	-	-	-	-
				05.12.2014	-	-	50000	0.24%
				16.01.2015	-1298	Transfer	48702	0.23%
				23.01.2015	-373	Transfer	48329	0.23%

Sr. no	Name	Shareholding					Cumulative shareholding during the year (1/04/2014 to 31/03/2015)	
		No.of Shares at the begning of the year (1/04/2014)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
				30.01.2015 06.02.2015 20.02.2015 20.03.2015 27.03.2015 31.03.2015	-2373 -1713 -10138 -285 -3320 -1321	Transfer Transfer Transfer Transfer Transfer Transfer	45956 44243 34105 33820 30500 29179	0.22% 0.21% 0.16% 0.16% 0.14% 0.14%
27	V K BALACHANDRAN	-	-	01.04.2014 20.03.2015 31.03.2015	- - -	- - -	- 15824 15824	- 0.07% 0.07%
28	GOLDMAN SACHS INDIA FUND LIMITED	-	-	01.04.2014 06.03.2015 27.03.2015 31.03.2015	- - 1065 3304	- - Transfer Transfer	- 89117 90182 93486	- 0.42% 0.42% 0.44%

#### v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Sr. No.	For each of the Directors and KMP (along with relatives)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	6874	-	6874	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	6874	-	6874	-

#### vi. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition				
Reduction			NIL	
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :****A. Remuneration to Managing Director, Whole-time Directors and / or Manager :**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD		Total Amount
		Rehan A. Khan, Managing Director	Kaiyomarz Marfatia, Whole-time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,72.76	95.46	4,68.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	1,05.95	53.96	1,59.91
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others	-	-	-
	Contribution to Provident Fund	26.74	5.24	31.98
	Contribution to Superannuation Fund	-	1.00	1.00
	<b>Total (A)</b>	<b>5,05.45</b>	<b>1,55.66</b>	<b>6,61.11</b>
	Ceiling as per the Act	₹ 34,25.91 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

\*The Company does not have any Stock Option Plan for its employees. However, Managing Director and Whole time Director are entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program" and is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan", the perquisite value of which is included above.

**B. Remuneration to Other Directors :**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Munir Shaikh	R A Shah	Ranjan Kapur	Krishna Mohan Sahni	
1.	Independent Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	5.50	5.25	1.50	12.25
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>5.50</b>	<b>5.25</b>	<b>1.50</b>	<b>12.25</b>
2.	Other Non-Executive Directors					-
	Fee for attending board / committee meetings	4.75	-	-	-	4.75
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (2)</b>	<b>4.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.75</b>
	<b>Total (B)=(1+2)</b>	<b>4.75</b>	<b>5.50</b>	<b>5.25</b>	<b>1.50</b>	<b>17.00</b>
	Ceiling as per the Act	₹ 3,42.59 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

**C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD :**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Rajiv Sonalker, Chief Financial Officer	Krupa Anandpara, Company Secretary	Total
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,46.49	25.83	1,72.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	37.16	0.73	37.89
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others	-	-	-
	Contribution to Provident Fund	5.34	1.20	6.54
	<b>Total</b>	<b>1,88.99</b>	<b>27.76</b>	<b>2,16.75</b>

\*The Company does not have any Stock Option Plan for its employees. However, above KMP's is entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program" and is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan", the perquisite value of which is included above.

**Vii. Penalties / Punishment / Compounding of Offences :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

## ANNEXURE VI

### Disclosure under Section 197 (12) of the Companies Act, 2013 and other disclosures as per Rule 5 of the Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014 :

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary of the Company and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15 :**

Name of the Director	% Increase in the remuneration	Ratio of remuneration of each Director / to median remuneration of employees
Mr Munir Shaikh ** (Non-Executive Chairman)	-	0.9
Mr R A Shah ** (Non-Executive Director)	-	1
Mr Ranjan Kapur ** (Non- Executive Director)	-	1
Mr Krishna Mohan Sahni@** (Non-Executive Director)	-	0.3
Mr Rehan Khan (Managing Director)	15.8	92
Mr Kaiyomarz Marfatia (Whole-time Director)	9.8	29
Mr Rajiv Sonalker (Chief Financial Officer)	23.6	NA
Ms Krupa Anandpara (Company Secretary)	14.9	NA

® appointed effective October 29, 2014.

\*\*Entitled for Sitting fees. Pursuant to Companies Act, 2013 and Rules made thereunder, sitting fees payable to Directors increased from ₹ 20,000 to ₹ 50,000 for attending each Board and Audit Committee meeting and from ₹ 10,000 to ₹ 25,000 for attending each other Committee meeting during the year.

- ii. The percentage increase in the median remuneration of employees in the financial year :**

23.6%

- iii. Number of permanent employees on the rolls of the Company :**

2,867

- iv. The explanation on the relationship between average increase in remuneration and Company's performance :**

The Net sales for the year ended on March 31, 2015 increased by 22.6%. Average increase in the remuneration of employees is 21.0%, which is in line with the Company performance.

- v. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :**

The Net sales for the year ended on March 31, 2015 increased by 22.6%. Increase in the remuneration of

Key Managerial Personnel is 16.2%.

- vi. Variations in the Market Capitalisation of the Company :**

The Market Capitalisation as on March 31, 2015 was ₹8390,07 Lakhs (₹3724,47 Lakhs as on March 31, 2014)

- vii. Price Earnings Ratio :**

Price Earning Ratio of the Company was 36.64 as on March 31, 2015 and was 23.46\* as at March 31, 2014.

- viii. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :**

The Company had come out with initial public offer (IPO) in the year 1966. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 6.95 Lakhs as on March 31, 2015 indicating a Compounded Annual Growth Rate of 14.3%. This is excluding the dividend and other benefits accrued thereon.

- ix. Average percentile increase made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof :**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 19.0%, whereas the increase in the managerial remuneration for the same financial year was 16.2%.

- x. The key parameters for any variable component of remuneration availed by the Directors :**

The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources division, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year : NA**

- xii. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company.**

\*on annualised EPS

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, creditors and employees. The Company operates in compliance with all regulatory and policy requirements as well as industry ethical guidelines. The Company also has strict guiding principles laid out and communicated through its Code of Business Conduct, which is subject to regular audits to ensure controls and compliances are maintained at a high standard. The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their actions.

## BOARD OF DIRECTORS

- a. The Board comprises 9 Directors including 2 Executive and 7 Non-Executive Directors, of which 3 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.
- b. The composition of the Board of Directors, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting along with the number of directorships and memberships held in various committees in other companies as on the date of this Report, are given in the table below :

Name of Director	Category of Directorship	Attendance at		Number of Directorships in other companies <sup>1</sup>	Number of Committee positions held in other companies <sup>2</sup>
		Board Meetings	Annual General Meeting (August 1, 2014)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	5 (2 meetings attended via Tele-conference)	Yes	2	NA
Mr Rehan A Khan Managing Director	Executive Director	5 (1 meeting attended via Tele-conference)	Yes	NA	NA
Mr R.A. Shah	Non-Executive, Independent Director	5	No	13 <sup>3</sup> (includes Chairmanship of 3 companies and Vice Chairmanship of 1 company) <sup>1</sup>	6 (includes Chairmanship of 3 committees)
Mr Ranjan Kapur	Non-Executive, Independent Director	5	Yes	11 <sup>4</sup>	1
Mr Kaiyomarz Marfatia Whole-time Director	Executive Director	5	Yes	NA	NA
Mr Bhasker Iyer	Non-Executive Director	5	Yes	NA	NA
Mr Sachin Dharap	Non-Executive Director	4	Yes	NA	NA
Mr Krishna Mohan Sahni (appointed with effect from October 29, 2014)	Non-Executive, Independent Director	1	NA	2	NA
Ms Nancy Berce (appointed with effect from May 27, 2015)	Non-Executive Director	NA	NA	NA	NA
Mr Ashok Dayal (retired at the Annual General Meeting held on August 1, 2014)	Non-Executive, Independent Director	None	No	NA	NA
Ms Valentine Yien (resigned with effect from February 28, 2015)	Non-Executive Director	2	Yes	NA	NA

1. The directorships held by the Directors include directorships in private companies, alternate directorships and directorships in foreign companies. However, it does not include the directorships in companies registered under Section 8 of the Companies Act, 2013.
  2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only Audit Committees and Stakeholders Relationship Committees in public limited companies (excluding Abbott India Limited) have been considered.
  3. Mr R. A. Shah holds directorships in 9 public companies, 3 private companies (including 1 alternate directorship) and 1 foreign company.
  4. Mr Ranjan Kapur holds directorships in 3 public companies and 8 private companies.
- c. During the year under review, 5 Board Meetings were held on the following dates :
- May 28, 2014; August 1, 2014; August 14, 2014; November 11, 2014 and February 10, 2015.
- d. Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting as required under Clause 49 VIII E (1) of the Listing Agreement are annexed to the Notice convening the Annual General Meeting which forms part of the Annual Report.
  - e. In case of appointment / resignation of Directors, the Company has notified the BSE Limited, as required under the Listing Agreement.

## MEETING OF INDEPENDENT DIRECTORS

In terms of requirements of the Companies Act 2013, Rules framed thereunder and Clause 49 II B (6) of the Listing Agreement, a separate meeting of Independent Directors was held on February 10, 2015.

## AUDIT COMMITTEE

The composition, role, terms of reference as well as powers of Audit Committee of the Company meet the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Composition :

The Committee comprises of 3 Independent Directors and 1 Non-Executive Director.

The composition of the Audit Committee, category of its Members, their attendance at the Committee Meetings held during the year under review is given in the table below :

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Ranjan Kapur (Chairman)	Independent Director	4	4
2.	Mr R. A. Shah	Independent Director	4	4
3.	Mr Krishna Mohan Sahni*	Independent Director	4	1
4.	Mr Munir Shaikh	Non-Executive Director	4	(2 meetings attended via Tele-conference)

\* appointed as Member effective November 11, 2014.

Ms Krupa Anandpara, Company Secretary is the Secretary of the Committee.

### Role :

The role of the Committee includes :

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - b. changes, if any, in accounting policies and practices and reasons for the same
  - c. major accounting entries involving estimates based on the exercise of judgment by management
  - d. significant adjustments made in the financial statements arising out of audit findings
  - e. compliance with listing and other legal requirements relating to the financial statements
  - f. disclosure of any related party transactions
  - g. qualifications in the draft audit report

- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- review the functioning of the Whistle Blower Mechanism (Vigil Mechanism);
- carry out any other functions as prescribed under the Companies Act, 2013, Rules made thereunder and Clause 49 of the Listing Agreement or as may be delegated by the Board, from time to time.

The Committee also reviews various information prescribed under Clause 49(III)(E) of the Listing Agreement with the BSE Limited.

### **Meetings :**

During the year under review, the Committee met 4 times on the following dates :

May 27, 2014; August 14, 2014; November 11, 2014 and February 10, 2015.

The Chief Financial Officer remains present at the meetings. The Statutory, Internal and Cost Auditors are also invited to the meetings, as and when required.

Mr Ranjan Kapur, the Chairman of the Audit Committee attended the Annual General Meeting held on August 1, 2014 in compliance with the requirements of Clause 49 (III) (A) (4) of the Listing Agreement.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition, role, terms of reference as well as powers of the Stakeholders Relationship Committee of the Company meet the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **Composition :**

The Committee comprises of 1 Independent Director, 1 Non-Executive Director and 2 Executive Directors.

The composition of the Stakeholders Relationship Committee, category of its Members and their attendance at the Committee meetings held during the year under review is given in the table below :

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Category</b>	<b>Number of Meetings</b>	
			<b>Held</b>	<b>Attended</b>
1.	Mr Bhasker Iyer (Chairman)	Non-Executive Director	4	3
2.	Mr R. A. Shah	Independent Director	4	3
3.	Mr Rehan A. Khan	Managing Director	4	4
4.	Mr Kaiyomarz Marfatia	Whole-time Director	4	4

Ms Krupa Anandpara, Company Secretary is the Secretary of the Committee. She also acts as the Compliance Officer of the Company.

### **Role :**

The role of the Committee includes :

- respond to the grievances in general and relating to transfer, transmission and transposition of shares, non-receipt of declared dividends, interest, non-receipt of Balance Sheet, duplicate, split, consolidation and rematerialisation of share certificate, etc. of all shareholders in a time bound manner;

- monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels for shareholders and other security holders;
- ensure quick redressal of the complaints of all shareholders and other security holders;
- maintain cordial relations with the shareholders and other security holders;
- address such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee;
- monitor the number of grievances received, resolved or pending at the end of the quarter.

#### **Meetings :**

During the year under review, the Committee met 4 times on the following dates :

May 27, 2014; August 14, 2014; November 11, 2014 and February 10, 2015

#### **Summary of Grievances :**

A summary of complaints received and resolved by the Company to the satisfaction of the shareholders / investors during the year 2014-15, is given below :

Particulars	Number
Pending at the beginning of the year under review	-
Received during the year under review	11
Resolved during the year under review	11
Pending at the end of the year under review	-

Out of the above,

- 3 letters were received from the BSE Limited;
- 3 letters were received from the Securities and Exchange Board of India (SCORES); and
- 2 letters were received from Ministry of Corporate Affairs.

relating to investor grievances and the same were duly replied.

As on March 31, 2015, there were no pending share transfers. Barring certain cases pending over a long period of time in Courts / Consumer Forums relating to disputes over the title of the shares in which the Company has been made a party, no investor complaint is pending for a period exceeding one month.

## **NOMINATION AND REMUNERATION COMMITTEE**

The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee of the Company meet the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Composition :**

The Committee comprises of 2 Independent Directors and 2 Non-Executive Directors.

The composition of the Nomination and Remuneration Committee, category of its Members and their attendance at the Committee Meetings held during the year under review is given in the table below :

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Ranjan Kapur (Chairman)	Independent Director	2	2
2.	Mr R. A. Shah	Independent Director	2	2
3.	Mr Munir Shaikh	Non-Executive Director	2	2
4.	Mr Bhasker Iyer	Non-Executive Director	2	1

Ms Krupa Anandpara, Company Secretary is the Secretary of the Committee.

The Board at its Meeting held on May 27, 2015, revised the terms of reference of the Committee.

#### **Role :**

The role of the Committee in relation to Nomination matters include :

- formulating criteria for identifying suitable candidates for directors and senior management;
- identify persons who are qualified to become directors and appointed as the senior management in accordance with criteria laid down and recommend to the Board their appointment and removal;
- formulating the criteria for determining the qualifications, positive attributes and independence of a director;
- devising policy on the diversity of the Board;
- formulating the criteria for evaluation of directors and the Board and evaluating the performance of the directors and Board;

- ensuring that there is an appropriate induction program in place for new directors and reviewing its effectiveness;
- to delegate any of its powers to one or more of its Members or any other person as it may deem fit;
- to consider any other matters as may be delegated by the Board; and

The Role of the Committee in relation to Remuneration matters include :

- recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The Committee shall, while formulating the policy ensure that
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- to delegate any of its powers to one or more of its Members or any other person as it may deem fit;
- review annually its terms of reference and recommend necessary changes to the Board;
- to consider any other matters as may be delegated by the Board.

#### **Meetings :**

During the year under review, the Committee met twice on the following dates :

May 27, 2014 and February 10, 2015

#### **Remuneration Policy :**

The Remuneration Policy formulated in terms of requirements under Section 178 (3) of the Companies Act, 2013 and Clause 49 (IV) (B) (1) of the Listing Agreement is annexed herewith as Annexure I and forms part of this Report.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The composition, role, terms of reference as well as powers of the Corporate Social Responsibility (CSR) Committee of the Company meet the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder.

#### **Composition :**

CSR Committee comprises of 1 Independent Director, 2 Non-Executive Directors and 1 Executive Director.

The composition of the Corporate Social Responsibility Committee, category of its Members and their attendance at the Committee meetings held during the year under review is given in the table below :

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Category</b>	<b>Number of Meetings</b>	
			<b>Held</b>	<b>Attended</b>
1.	Mr Munir Shaikh (Chairman)	Non-Executive Director	2	2
2.	Mr Ranjan Kapur	Independent Director	2	2
3.	Mr Sachin Dharap	Non-Executive Director	2	2
4.	Mr Rehan A. Khan	Managing Director	2	2

Ms Krupa Anandpara, Company Secretary is the Secretary of the Committee.

#### **Role :**

The role of the Committee includes :

- formulate and recommend for the acceptance of the Board, the Corporate Social Responsibility Policy (“CSR Policy”) interalia, to include the CSR activities, specify the modalities of execution, implementation schedules and recommend the same to the Board of Directors;
- identify the Corporate Social Responsibility projects / activities / programs to be undertaken by the Company (“CSR activities”), in alignment with Company’s CSR Policy and Schedule VII of the Companies Act, 2013;
- review best practices in key CSR areas by appropriate internal / external analysis;
- recommend the amount of expenditure to be incurred on the CSR activities, for each financial year of the Company;
- devise suitable transparent Monitoring Mechanism for monitoring progress / status of implementation of the CSR activities;
- receive reports and review activities from executive and specialist groups managing CSR activities;
- monitor CSR Policy from time to time and revise the same as and when needed; and
- carry out such other functions, as may be prescribed by the Companies Act, 2013 or CSR Rules or as may be delegated by the Board, from time to time.

#### **Meetings :**

During the year under review, the Committee met twice on the following dates :

November 11, 2014 and February 10, 2015

## RISK MANAGEMENT COMMITTEE

Risk Management Committee was constituted effective November 11, 2014. The composition, role, terms of reference as well as powers of the Risk Management Committee meet the requirements of Clause 49 of the Listing Agreement.

### Composition :

The Committee comprises of 2 Executive Directors, 1 Independent Director and 1 Member of Senior Management.

The composition of the Risk Management Committee and category of its Members is given in the table below :

Sr. No.	Name of the Member	Category
1.	Mr Rehan A. Khan (Chairman)	Managing Director
2.	Mr Kaiyomarz Marfatia	Whole-time Director
3.	Mr Ranjan Kapur	Independent Director
4.	Mr Rajiv Sonalker	Chief Financial Officer

## REMUNERATION OF DIRECTORS

### Executive Directors

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Companies Act, 2013 and Remuneration Policy of the Company. The approvals of the Board of Directors, Shareholders and Central Government are obtained, as and when necessary.

Details of remuneration paid to the Executive Directors during the year April 1, 2014 to March 31, 2015 are as follows :

(₹ in Lakhs)

Terms of Agreement	Mr Rehan A. Khan Managing Director	Mr Kaiyomarz Marfatia Whole time Director
Period of appointment	5 years	5 years
Date of appointment	May 15, 2012	March 1, 2011
Salary & Other Allowances	3,46.61	82.07
Perquisites*	1,05.95	53.96
Contribution to Provident Fund / Superannuation Fund	26.74	6.24
Performance Linked Incentive	26.15	13.39
Notice Period	Three months	Three months
Severance Fees	There is no separate provision for payment of severance fees.	There is no separate provision for payment of severance fees.
Stock Option*	The Company does not have any Stock Option Plan for its employees. However, Managing Director is entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program" and is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan", the perquisite value of which is included above.	The Company does not have any Stock Option Plan for its employees. However, Whole time Director is entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program" and is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan", the perquisite value of which is included above.

### Non-Executive Directors

Mr Munir Shaikh, Mr R. A. Shah, Mr Ranjan Kapur and Mr Krishna Mohan Sahni were paid sitting fees amounting to ₹ 4.75 Lakhs, ₹ 5.50 Lakhs, ₹ 5.25 Lakhs and ₹ 1.50 Lakhs respectively, for attending Board Meetings and various Committee meetings held during the year under review.

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company other than the sitting fees received by

them. Mr R. A. Shah is a partner of M/s Crawford Bayley & Co., which renders professional services to the Company. The quantum of professional fees received by M/s Crawford Bayley & Co., from the Company forms a very small portion of the total revenues of M/s Crawford Bayley & Co., and also a marginal portion of total revenue of the Company.

None of the Non-Executive Directors hold any shares of the Company except for Mr R. A. Shah and his relatives who hold 6,874 shares as on March 31, 2015.

### GENERAL BODY MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2013-14	August 1, 2014	3.00 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 123, Dinshaw Vacha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020	1 (Appointment of S R B C & CO LLP as Statutory Auditors in place of Deloitte Haskins & Sells LLP, retiring Auditors)
2012	April 25, 2013	10.30 a.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021	-
2011	May 14, 2012	10.30 a.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021	-

There was no special resolution passed last year through postal ballot.

As on date, there is no special resolution proposed to be conducted through postal ballot.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board, in terms of the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, has formulated the Whistle Blower Policy / Vigil Mechanism called "Abbott India Limited – Procedure for Internal Investigations."

No Employee has been denied access to the Audit Committee.

### DISCLOSURES

- a. There were no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large.
- b. The Policy on dealing with Related Party Transactions and Materiality is disclosed on the website of the Company at <http://www.abbott.co.in/investor-relations.html>.
- c. In the preparation of Financial Statements, no differential treatment from that prescribed in the Accounting Standards has been followed.
- d. Pursuant to the disclosures made by the Senior Management to the Board, there were no material, financial and commercial transactions entered into by them where they have personal interest and which could have potential conflict with the interest of the Company at large.
- e. There were no instances of non-compliance by the Company, no penalties / strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the last three years.
- f. In terms of requirement of Clause 49 IX of the Listing Agreement, the Managing Director (CEO) and Chief Financial Officer (CFO) have made a certification to the Board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board.

- g. The Board of Directors of the Company has a Code of Business Conduct, which lays down various principles of ethics and compliance. The Code has been posted on the Company's website at <http://www.abbot.co.in/investor-relations.html>.

- h. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

**Compliance with Non Mandatory requirements :**

- There is no audit qualification in the Company's Financial Statements for the year ended March 31, 2015. The Company continues to adopt best practices to ensure the regime of unqualified Financial Statements.
- Reporting of Internal Auditors is directly to the Audit Committee.

## MEANS OF COMMUNICATION

- The quarterly, half yearly and annual results were published in one English daily newspaper (Free Press Journal) and one Marathi newspaper (Navshakti) published from Mumbai. The quarterly results / shareholding patterns are made available on the website of the Company at [www.abbot.co.in](http://www.abbot.co.in). There is no official news release displayed on the website.
- During the year under review, the Company has not made any presentation to the institutional investors or analysts.
- Management Discussion and Analysis Report forms part of the Directors' Report.

## GENERAL SHAREHOLDERS' INFORMATION

**i. Annual General Meeting**

Wednesday, July 29, 2015 at 3.30 p.m.

RAMA AND SUNDRI WATUMULL AUDITORIUM,  
K C College, 123, Dinshaw Vacha Road, Vidyasagar  
Prin. K. M. Kundnani Chowk, Churchgate, Mumbai -  
400 020, Maharashtra

**ii. Financial year**

April 1, 2014 to March 31, 2015

**iii. Book Closure**

July 24, 2015, Friday, to July 29, 2015, Wednesday (both days inclusive)

**iv. E-Voting Period**

From 10.00 a.m. (IST) on July 26, 2015 (Sunday) Upto 5.00 p.m. (IST) on July 28, 2015 (Tuesday)

**v. Dividend Payment Date**

On and from August 7, 2015.

**vi. Listing on Stock Exchange**

BSE Limited (BSE)

**vii. Corporate Identification Number (CIN)**

L24239MH1944PLC007330

**viii. International Securities Identification Number (ISIN)**

INE358A01014

**ix. Stock Code (BSE)**

500488

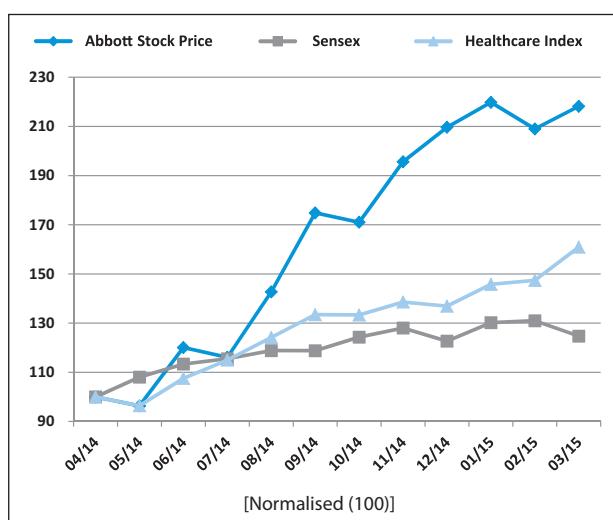
**x. Market Price Data (High / Low during each month) on BSE**

(₹)

Month	High	Low
April, 2014	1,870.00	1,737.50
May, 2014	1,833.75	1,705.00
June, 2014	2,200.00	1,731.00
July, 2014	2,245.00	2,031.05
August, 2014	2,672.00	2,050.00
September, 2014	3,462.60	2,564.00
October, 2014	3,380.00	3,000.00
November, 2014	3,627.75	3,100.00
December, 2014	3,865.00	3,335.00
January, 2015	4,444.05	3,742.00
February, 2015	4,071.25	3,740.00
March, 2015	4,111.90	3,700.15

**xi. Performance in comparison to broad based indices**

April 1, 2014 to March 31, 2015



## xii. Registrars and Share Transfer Agents

### Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane, Off  
Andheri Kurla Road, Sakinaka, Andheri (East),  
Mumbai - 400 072.

Telephone No. : +91-22-6772 0400 / 0300

Fax : +91-22-2859 1568

Email : [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

### Investors Relation Centre

Sharepro Services (India) Private Limited

912, Raheja Centre, Free Press Journal Road,  
Nariman Point, Mumbai - 400 021.

Telephone No. : +91-22-6613 4700

Fax : +91-22-2282 5484

## xiii. Share Transfer System

In order to expedite the process of share transfers, the said powers are delegated to a Share Transfer Committee comprising of the officers of the Secretarial Department, who attend to the share transfer formalities at least once in a fortnight. The Share Transfer Committee also considers requests received for transmission of shares, issue of duplicate certificates and split / consolidation of certificates.

Share transfer requests received at the Registrars & Share Transfer Agents are normally processed and delivered within 15 days from the date of lodgement, if the documents are complete in all respects. Requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days from the date of receipt.

## xiv. Distribution of shareholding as on March 31, 2015

Distribution	No. of Share holders	% to Total	No. of Shares held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto to 500	17,998	92.74	14,33,793	6.75
501 to 1000	781	4.02	5,64,934	2.66
1001 to 2000	365	1.88	5,17,907	2.44
2001 to 3000	117	0.60	2,89,364	1.36
3001 to 4000	49	0.25	1,73,219	0.81
4001 to 5000	34	0.18	1,52,064	0.72
5001 to 10000	30	0.16	2,15,573	1.01
ABOVE 10000	33	0.17	1,79,02,448	84.25
<b>TOTAL</b>	<b>19,407</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

## xv. Shareholding Pattern as on March 31, 2015

Category of Shareholders	No. of Shares	% to Total
Promoters / Foreign Collaborators	1,59,34,048	74.99
Banks	7,662	0.04
FII	1,38,028	0.65
Foreign Portfolio - Corp.	57,050	0.27
Insurance Companies	44,838	0.21
Mutual Funds	15,19,120	7.15
Domestic Companies	1,85,286	0.87
Non-Domestic Companies	471	0.00
Non-Resident Indians	60,974	0.29
Directors & Relatives	6,874	0.03
Others	32,94,951	15.50
<b>TOTAL</b>	<b>2,12,49,302</b>	<b>100.00</b>

## xvi. Dematerialisation of Shares as on March 31, 2015

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2015, 2,05,52,887 shares representing 96.72% of the Company's total paid-up share capital were held in dematerialised mode.

## xvii. The Company has not issued any GDR / ADR Warrants or any other convertible instruments.

## xviii. Plant Location

L-18 / 19, Verna Industrial Estate, Goa

## xix. Address for correspondence

Abbott India Limited  
CIN : L24239MH1944PLC007330

### Registered office

3-4, Corporate Park, Sion-Trombay Road,  
Mumbai - 400 071, Maharashtra, India  
Telephone No. : +91-22-6797 8888  
Fax : +91-22-6797 8727  
Email : [webmaster@abbott.co.in](mailto:webmaster@abbott.co.in)  
[investor.relations@abbott.co.in](mailto:investor.relations@abbott.co.in)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

### Corporate Office

271, Business Park,  
Model Industrial Colony, Off Aarey Road,  
Goregaon (E), Mumbai - 400 063  
Maharashtra, India  
Telephone : +91-22-2871 7400  
Fax : +91-22-2871 7499

**Sharepro Services (India) Private Limited**

13AB, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri Kurla Road,  
Sakinaka, Andheri (East),  
Mumbai - 400 072.  
Telephone No. : +91-22-6772 0400 / 0300  
Fax : +91-22-2859 1568  
Email : [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

**Investors Relation Centre**

912, Raheja Centre, Free Press Journal Road,  
Nariman Point, Mumbai - 400 021.  
Telephone No. : +91-22-6613 4700  
Fax : +91-22-2282 5484

For and on behalf of the Board

Mumbai	<b>Munir Shaikh</b>	<b>Ranjan Kapur</b>
May 27, 2015	Chairman	Director
	DIN : 00096273	DIN : 00035113

**DECLARATION UNDER CLAUSE 49 II (E) OF THE LISTING AGREEMENT**

As required under Clause 49 II (E) of the Listing Agreement with BSE Limited, I hereby affirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Abbott India Code of Business Conduct, as applicable to them, for the year ended March 31, 2015

Mumbai  
May 27, 2015

**Rehan A. Khan**  
Managing Director  
DIN : 02616924

**AUDITORS' CERTIFICATE**

To

The Members of Abbott India Limited

We have examined the compliance of conditions of Corporate Governance by Abbott India Limited (the 'Company'), for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 324982E

**per Ravi Bansal**  
Partner  
Membership No.: 49365  
Mumbai  
May 27, 2015

## Annexure I

### Remuneration Policy

#### 1. Purpose :

- 1.1 Section 178 (3) of the Companies Act, 2013 and Clause 49 (IV) (B) (1) of the Listing Agreement requires every Nomination and Remuneration Committee (N&RC) to devise a Policy on remuneration of Directors, Key Managerial Personnel (KMP) and other employees.
- 1.2 The N&RC is responsible for recommending to the Board a Policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

#### 2. Overview :

- 2.1 N&RC has laid down this Policy to ensure compliance with Section 178 (4) of the Companies Act, 2013, which states that :
  - 2.1.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - 2.1.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - 2.1.3 remuneration to Whole-time Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### 3. Company Philosophy :

- 3.1 The Company's compensation philosophy is based on three primary factors :
  - 3.1.1 Being competitive with peer-group companies both within and outside of healthcare with financial performance similar to the company;
  - 3.1.2 Making individual performance the primary driver of total pay;
  - 3.1.3 Linking pay to achievement of the Company's business goals.
- 3.2 Simply stated, the Company's compensation is intended to compare favorably with the pay programs of other leading healthcare companies as well as other high-performing companies outside of the healthcare arena that have a similar size, scope and financial performance to

the Company and operate in markets where we compete for talent.

- 3.3 While employees are paid based on their skills and levels of performance, employee pay at the company is on an average targeted to be competitive at the median pay of other leading companies.
- 3.4 The Company is dedicated to providing a solid foundation of employee benefits that will allow employees to meet their personal and family needs. We recognize the importance of financial security for things that matter most to the employee and their families. Our benefits philosophy is based on three primary core values :
  - 3.4.1 The Company cares and is concerned for the health, welfare and financial well-being of its employees worldwide;
  - 3.4.2 The Company has established competitive benefits as part of the Total Rewards offered to its employees;
  - 3.4.3 The Company has developed standards for effective management of employee benefit programs.
- 3.5 The Company is committed to offering comprehensive and competitive benefit packages designed to meet the changing needs of our employees and our diverse businesses.

#### 4. Definitions :

- 4.1 "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 4.2 "Key Managerial Personnel" means
  - Chief Executive Officer or the Managing Director or the Manager;
  - Company Secretary;
  - Whole-time Director;
  - Chief Financial Officer; and
  - Such other officer as may be prescribed under the Act.
- 4.3 "Senior Management" means personnel of the Company who are members of its core management team, excluding the Board of Directors, comprising all members of management one level below the Executive Directors, including the functional heads.
- 4.4 "Other Employees" means all other employees of Abbott India Limited but do not include employees who have signed collective or union agreements or on contractual basis.

**5. Remuneration for Non-Executive Directors (Independent & Non-Independent Directors) :**

**5.1 Sitting Fees**

5.1.1 Non-Executive Directors (NEDs) (other than those employed with any Abbott group company) will be paid sitting fees for attending each meeting of the Board and its Committees as determined by the Board from time to time in accordance with the provisions of the Act. The sitting fees payable to the NEDs for attending the meetings of the Board and various Committees is given in the Annexure attached at the end of this Policy. Quantum of sitting fees may be subject to review on a periodic basis, as and when required subject to the applicable statutory provisions of the Act as amended from time to time.

**5.2 Reimbursement of reasonable expenses**

5.2.1 The Company may pay or reimburse to the NEDs such expenditure as may have been incurred by them for attending the Board/ Committee meetings. This may include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General meetings, Court convened meetings, Meetings with shareholders / creditors / management, site visits / induction and training (organized by the Company for Directors).

5.2.2 In the case of Independent Directors, the Company may pay / reimburse any expenses incurred (subject to reasonable limits) by the Independent Director for professional advice from Independent advisors in the furtherance of their duties as Independent Directors.

**5.3 Stock Options**

5.3.1 Independent Directors shall not be entitled to any stock options of the Company.

**5.4 Insurance policy for Non-Executive Directors**

5.4.1 Where any insurance is taken by the Company on behalf of its NEDs, for indemnifying them against any statutory liability, the premium paid on such insurance would not constitute part of their remuneration.

**6. Remuneration for Managing Director (“MD”) and Executive Directors (“ED”):**

- 6.1 The remuneration to MD / ED and any change thereof shall be approved by the Board on the recommendation of the N&RC subject to approval by the shareholders of the Company within the limits prescribed under the Act and Central Government approval wherever required.
- 6.2 Fixed remuneration is payable by way of salary, perquisites and allowances. The N&RC shall recommend to the Board, annual increments in salary effective 1st April each year.
- 6.3 Apart from the fixed remuneration, there is a variable component of a performance linked incentive / commission which is payable on an annual basis. The amount of performance bonus/ commission shall be determined by the Board based on the recommendation of the N&RC and in alignment with Company policy. There can be components of one-time incentive or special incentives basis, his agreed compensation structure with the host countries in case of expatriates. The same will be as recommended by the N&RC and approved by the Board of Directors.
- 6.4 The Company shall provide retirement benefits as per statutory requirements. Additionally, there may be certain other retirement benefits that may be provided to MD / ED such as pension, gratuity, superannuation, etc.
- 6.5 MD / ED are also eligible for Long Term Incentives granted by the Parent Company, Abbott Laboratories, USA in the form of Stock Options and / or Restricted Stock Units.

**7. Minimum Remuneration :**

- 7.1 If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD & EDs in accordance with the provisions of Schedule V of the Act.

**8. Provisions for excess remuneration :**

- 8.1 If MD / ED draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums

to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **9. Key Managerial Personnel, Senior Management and Other Employees :**

### **9.1 Base Salary**

9.1.1 Salaries to KMP, Senior Management and other employees are decided basis the level of responsibility and individual performance. Base pay structure would depend upon :

- Position evaluations;
- Periodic surveys of appropriate comparison companies;
- Salary ranges which reflect job worth based on competitive comparisons.

### **9.2 Bonus, Perquisites, Allowances and Benefits**

9.2.1 In addition to the fixed salary, certain perquisites, allowances and benefits are provided to the KMPs, Senior Management and other employees.

9.2.2 The Company currently provides all employees with social security in terms of insurance towards hospitalization (Mediclaim insurance), accidental death and dismemberment (personal accident insurance).

9.2.3 The Company provides retirement benefits as per statutory requirements.

9.2.4 The Company provides a performance linked cash bonus to employees as per eligibility and based on performance of the Company in general and the individual's performance for the relevant financial year measured against specific Key Result Areas, which are aligned to the Company's objectives and policies.

9.2.5 KMP / Senior Management Personnel / other employees as per their grade are also eligible for Long Term Incentives granted by the Parent Company, Abbott Laboratories, USA in the form of Stock Options and / or Restricted Stock Units.

### **10. Merit Pay :**

10.1 The common effective date for merit pay increase is on 1st April of the calendar year. Merit pay is intended to focus solely on individual performance against goals and expectations determined for an individual during the Performance Excellence Review process.

### **11. Policy Implementation :**

11.1 N&RC is responsible for recommending this Remuneration Policy to the Board.

11.2 The Board is responsible for approving and overseeing implementation of this Policy (with the support of the N&RC).

### **12. Review of this Policy :**

12.1 This Policy shall be subject to review by the Committee at such intervals as may be deemed necessary. Changes (if any) recommended by the N&RC shall be placed before the Board for its approval.

### **ANNEXURE TO THE POLICY**

Sr	Board / Committee Meeting	Amount per meeting per Director (₹)*
1	Board of Directors (including meetings of Independent Directors)	1,00,000
2	Audit Committee	1,00,000
3	Nomination & Remuneration Committee	50,000
4	Stakeholders Relationship Committee	50,000
5	Corporate Social Responsibility (CSR) Committee	50,000
6	Risk Management Committee	50,000

\*Revised with effect from April 1, 2015 from ₹ 50,000 to ₹ 1,00,000 for attending Board Meetings, Audit Committee Meetings and the Meetings of Independent Directors and from ₹ 25,000 to ₹ 50,000 for attending other Committee Meetings, as per the approval of N&RC and Board at its meetings held on February 10, 2015.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Abbott India Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Abbott India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section

143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with

Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (i) to the financial statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E

**per Ravi Bansal**

Partner

Membership Number : 49365

Mumbai, May 27, 2015

## ANNEXURE TO OUR REPORT OF EVEN DATE

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that certain items of inventory purchased from strategic vendors or are of special nature for which suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of formulations and bulk drugs, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess on account of any dispute, are as follows :

(₹ in Lakhs)

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount disputed (Net of Payments)</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount relates</b>
Income Tax Act, 1961	Income Tax	2,47.08	ITAT	A.Y. 2006-2007, A.Y. 2008-2009, A.Y. 2009-2010
		2,53.57	CIT Appeals	A.Y. 2009-2010, A.Y. 2010-2011
Central Excise Act, 1944	Excise Duty	3.20	Commissioner (Appeals)	1991-1992
		3.56	Commissioner	1994 to 1995
		2.51	Assistant Commissioner	1994 and 1997 to 2002
		26.60	CESTAT	2005 to 2006
The Bombay Sales Tax Act, 1959	Sales Tax	39.87	Deputy Commissioner of Sales Tax	1999-2000
Central Sales Tax Act, 1956 (Maharashtra)	Central Sales Tax	46.42	Maharashtra Sales Tax Tribunal	2007 to 2009
Central Sales Tax Act, 1956 (Maharashtra)	Central Sales Tax	81.80	The Joint Commissioner of Sales tax (Appeals)	2009-2010
Uttar Pradesh Trade Tax Act, 1948	Sales Tax	0.59	Additional Commissioner of Commercial Tax (Appeals)	1988-1989
		0.26	Trade Tax Tribunal	1996-1997
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	2.67	Additional Commissioner of Commercial Tax (Appeals)	2007 to 2011
Uttar Pradesh Sales Tax Act, 2008	Sales Tax	8.36	Additional Commissioner of Commercial Tax (Appeals)	2010-2011
West Bengal Sales Tax Act, 1994	Sales Tax	2.44	Appellate & Revisional Board, Commercial Tax	2004-2005
Central Sales Tax Act, 1956 (West Bengal)	Sales Tax	2.66	Additional Commissioner, Commercial Taxes	2006-2007, 2008 to 2010
		5.31	Appellate & Revisional Board, Commercial Tax	2005-2006, 2010-2011
		3.81	Joint Commissioner of Commercial Taxes	2006-2007

Name of Statute	Nature of Dues	Amount disputed (Net of Payments)	Forum where dispute is pending	Period to which the amount relates
West Bengal Value Added Tax Act, 2003	Value Added Tax	10.60	Appellate & Revisional Board, Commercial Taxes	2005-2006
		11.11	Joint Commissioner of Commercial Taxes	2006-2007
		2.71	Additional Commissioner of Commercial Taxes	2010-2011
		40.49	Appellate and Revisional Board, Commercial Taxes, West Bengal	2009 to 2011
Kerala General Sales Tax Act, 1963	Sales Tax	13.05	Sales Tax Appellate Tribunal, Additional Bench	2002-2003
Central Sales Tax, 1956 (Goa)	Sales Tax	9,00.80	Additional Commissioner of Commercial Taxes	2006 to 2009
Central Sales Tax, 1956 (Goa)	Sales Tax	16.67	Assistant Commissioner of Commercial Taxes, Panaji, Goa	2009-2010
Goa Value Added Tax Act, 2005	Value Added Tax	2.07	Additional Commissioner of Commercial Taxes	2006-2007
Central Sales Tax Act 1956 (Gujarat)	Sales Tax	2,40.96	Deputy Commissioner of Commercial Taxes (Appeal)	2006-2007
Customs Act, 1962	Custom Duty	4.43	Commissioner (Appeals)	1996
Cenvat Credit Rules, 2004	Excise Duty	7.30	The Additional Commissioner Customs & Central Excise	April 2006 to October 2009
		3.14	The Assistant Commissioner Customs & Central Excise	November 2009 to June 2011

- (d) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, there are no dues to banks, financial institutions or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E

**per Ravi Bansal**

Partner

Membership Number : 49365

Mumbai, May 27, 2015

# BALANCE SHEET

## AS AT MARCH 31, 2015

	NOTE	As At March 31, 2015 ₹ in Lakhs	As At March 31, 2014 ₹ in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
SHARE CAPITAL	4	<b>21,24.93</b>	21,24.93
RESERVES AND SURPLUS	5	<b>916,27.83</b>	766,60.20
		<b>937,52.76</b>	787,85.13
<b>NON CURRENT LIABILITIES</b>			
LONG TERM PROVISIONS	6	<b>39,16.20</b>	45,21.03
		<b>39,16.20</b>	45,21.03
<b>CURRENT LIABILITIES</b>			
TRADE PAYABLES	7	<b>193,55.88</b>	136,22.04
SHORT TERM PROVISIONS	8	<b>144,03.33</b>	115,99.98
OTHER CURRENT LIABILITIES	9	<b>59,34.93</b>	53,90.92
		<b>396,94.14</b>	306,12.94
<b>TOTAL</b>		<b>1373,63.10</b>	1139,19.10
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
FIXED ASSETS			
i) Tangible Assets	11	<b>93,05.76</b>	95,43.13
ii) Intangible Assets	12	<b>2,97.85</b>	2,82.06
iii) Capital Work-in-Progress		<b>2,99.64</b>	47.23
iv) Intangible Assets under Development		<b>91.46</b>	79.97
		<b>99,94.71</b>	99,52.39
DEFERRED TAX ASSETS (NET)	14	<b>6,52.68</b>	1,27.58
LONG TERM LOANS AND ADVANCES	15	<b>38,80.00</b>	39,88.21
OTHER NON CURRENT ASSETS	16	<b>2,24.43</b>	2,01.93
		<b>147,51.82</b>	142,70.11
<b>CURRENT ASSETS</b>			
INVENTORIES	17	<b>384,13.09</b>	359,04.78
TRADE RECEIVABLES	18	<b>129,14.83</b>	109,17.53
CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES	19	<b>643,89.36</b>	462,84.21
SHORT TERM LOANS AND ADVANCES	20	<b>52,87.38</b>	52,67.00
OTHER CURRENT ASSETS	21	<b>16,06.62</b>	12,75.47
		<b>1226,11.28</b>	996,48.99
<b>TOTAL</b>		<b>1373,63.10</b>	1139,19.10
See accompanying Notes to the Financial Statements	1 to 42		

As per our report of even date

For and on behalf of the Board of Directors

**For S R B C & CO LLP**Chartered Accountants  
Firm Registration No.324982E**MUNIR SHAIKH**  
Chairman  
DIN : 00096273**RANJAN KAPUR**  
Director  
DIN : 00035113**per RAVI BANSAL**Partner  
Membership No.49365  
Mumbai, May 27, 2015**RAJIV SONALKER**  
Chief Financial Officer

Mumbai, May 27, 2015

**KRUPA ANANDPARA**Company Secretary  
Membership No.: ACS 16536

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR APRIL 1, 2014 TO MARCH 31, 2015

	NOTE	For the Year Ended March 31, 2015 ₹ in Lakhs	For the Period January 1, 2013 to March 31, 2014 ₹ in Lakhs
<b>INCOME</b>			
Revenue from Operations (Gross)		<b>2316,33.99</b>	2309,10.61
Less : Excise Duty		<b>27,69.41</b>	33,20.26
Revenue from Operations (Net)	22	<b>2288,64.58</b>	2275,90.35
Other Income	23	<b>47,54.78</b>	49,28.73
<b>TOTAL REVENUE</b>		<b>2336,19.36</b>	2325,19.08
<b>EXPENSES</b>			
Cost of Material Consumed	24	<b>305,43.38</b>	313,96.49
Purchases of Stock-in-Trade	25	<b>1047,86.39</b>	1064,05.51
Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade	26	<b>(41,33.32)</b>	(80,61.63)
Employee Benefits Expense	27	<b>305,40.18</b>	299,73.88
Finance Cost	30	<b>50.34</b>	8.34
Depreciation and Amortisation Expense	13	<b>14,94.22</b>	21,93.44
Other Expenses	31	<b>359,02.09</b>	411,47.70
<b>TOTAL EXPENSES</b>		<b>1991,83.28</b>	2030,63.73
<b>PROFIT BEFORE TAX</b>		<b>344,36.08</b>	294,55.35
<b>TAX EXPENSE</b>			
Current Tax Expense for the period		<b>119,90.00</b>	98,16.80
Current Tax Expense for prior years		<b>75.25</b>	46.33
Net Current Tax Expense		<b>120,65.25</b>	98,63.13
Deferred Tax Credit - (Net)		<b>(5,25.10)</b>	(2,52.85)
<b>TOTAL TAX EXPENSE</b>		<b>115,40.15</b>	96,10.28
<b>PROFIT AFTER TAX</b>		<b>228,95.93</b>	198,45.07
<b>EARNINGS PER SHARE</b>			
Earnings per share - Basic / Diluted ₹	32	<b>107.75</b>	93.39
See accompanying Notes to the Financial Statements	1 to 42		

As per our report of even date

For and on behalf of the Board of Directors

**For S R B C & CO LLP**Chartered Accountants  
Firm Registration No.324982E**MUNIR SHAIKH**  
Chairman  
DIN : 00096273**RANJAN KAPUR**  
Director  
DIN : 00035113**per RAVI BANSAL**Partner  
Membership No.49365  
Mumbai, May 27, 2015**RAJIV SONALKER**  
Chief Financial Officer

Mumbai, May 27, 2015

**KRUPA ANANDPARA**Company Secretary  
Membership No.: ACS 16536

# CASH FLOW STATEMENT

## FOR THE YEAR APRIL 1, 2014 TO MARCH 31, 2015

	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
	₹ in Lakhs	₹ in Lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit before Tax</b>	<b>344,36.08</b>	294,55.35
Adjustments for :		
Depreciation / Amortisation	14,94.22	21,93.44
Net (Gain) / Loss on sale of Fixed Assets	(1,69.08)	(11,70.99)
Unrealised (Gain) / Loss on Foreign Exchange	1,38.41	(9.81)
Provision for Doubtful Debts / Bad Debts written off	1,85.99	4,95.69
Provision for likely sales returns, date expiry and damaged products (Net)	(8,32.58)	21,33.45
Write back of Provisions no longer required	(2,25.80)	(2,26.97)
Interest Income (Net of expense)	(43,09.56)	(35,22.43)
	<b>(37,18.40)</b>	(1,07.62)
<b>Operating Profit before Working Capital Changes</b>	<b>307,17.68</b>	293,47.73
Changes in Working Capital		
Adjustments for (Increase) / Decrease in Operating Assets :		
i) Inventories	(25,08.31)	(103,30.68)
ii) Trade Receivables	(22,01.13)	26,72.98
iii) Loans and Advances and Other Assets	(93.76)	(4,56.80)
Adjustments for Increase / (Decrease) in Operating Liabilities :		
i) Trade Payables	55,98.80	35,25.22
ii) Other Liabilities and Provisions	15,51.81	17,44.08
	<b>23,47.41</b>	(28,45.20)
Cash generated from Operations :	<b>330,65.09</b>	265,02.53
Direct Taxes paid (Net of refund)	(115,87.43)	(109,71.14)
Net Cash generated from Operating Activities ( A )	<b>214,77.66</b>	155,31.39
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / Capital Work-in-Progress (including Capital Advances)	(18,06.28)	(18,05.22)
Proceeds on sale of Fixed Assets	2,53.82	13,95.01
Investment in Fixed Deposits maturing beyond 3 months	(210,74.60)	(172,19.40)
Interest received	39,55.46	32,39.29
Net Cash used in Investing Activities ( B )	<b>(186,71.60)</b>	(143,90.32)

# CASH FLOW STATEMENT

## FOR THE YEAR APRIL 1, 2014 TO MARCH 31, 2015

	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
	₹ in Lakhs	₹ in Lakhs
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid (including Corporate Dividend Tax)	<b>(57,45.85)</b>	(42,26.31)
Interest paid	<b>(12.43)</b>	(8.34)
Net Cash used in Financing Activities ( C )	<b>(57,58.28)</b>	(42,34.65)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>78,51.93</b>	109,45.51
<b>CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE PERIOD (REFER NOTE 19)</b>	<b>48,99.71</b>	78,51.93
<b>NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015</b>		
i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements as notified under the Companies (Accounting Standards) Rules, 2006.		
ii) Reconciliation of Cash and Cash Equivalents at the end of the period		
Cash and Cash Equivalents and Other Bank Balances (Refer Note 19)	643,89.36	462,84.21
Less : Other Bank Balances	<b>(594,89.65)</b>	(384,32.28)
Cash and Cash Equivalents at the end of the period for Cash Flow Statement	<b>48,99.71</b>	78,51.93
iii) The figures of the previous year are regrouped / rearranged wherever considered necessary.		
See accompanying Notes to the Financial Statements	1 to 42	

As per our report of even date

For and on behalf of the Board of Directors

**For S R B C & CO LLP**

Chartered Accountants  
Firm Registration No.324982E

**MUNIR SHAIKH**  
Chairman  
DIN : 00096273

**RANJAN KAPUR**  
Director  
DIN : 00035113

**per RAVI BANSAL**

Partner  
Membership No.49365  
Mumbai, May 27, 2015

**RAJIV SONALKER**  
Chief Financial Officer

**KRUPA ANANDPARA**  
Company Secretary  
Membership No.: ACS 16536

Mumbai, May 27, 2015

# NOTES TO THE FINANCIAL STATEMENTS

## 1. COMPANY INFORMATION

Abbott India Limited ('The Company') is a public limited company domiciled in India and is listed and traded on the Bombay Stock Exchange and also traded on the National Stock Exchange. The Company is one of the leading multinational pharmaceutical companies in India and operates with an owned manufacturing facility in Goa and various independent contracts / third party manufacturers based across the country. The Company sells its products through independent distributors primarily within India.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except in case of depreciation (Refer (d) below).

### b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

### c) Revenue Recognition

Sales are recognised when the risk and reward of ownership is passed on to the customers. Net Sales are stated exclusive of excise duty, sales tax, VAT (Value Added Tax), and are net of sales returns, trade discounts, provision for anticipated returns on expiry, made on the basis of management expectation taking into account past experience.

Dividend income is recognised when the right to receive the dividend is established at the Balance Sheet date.

Interest income is recognised on a time proportion basis.

Service income is recognised as per the terms of the contracts / arrangements when related services are performed.

### d) Fixed Assets and Depreciation / Amortisation

All Fixed Assets are stated at cost of acquisition less accumulated depreciation / amortisation and impairment in value, if any. Cost comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Till the period ended March 31, 2014, depreciation was provided on the basis of Schedule XIV to the Companies Act, 1956. During the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in changes related to depreciation of certain Fixed Assets. Based on Schedule II the Company has changed the life of Office Equipments from 10 years to 5 years and Computers from 4 years to 3 years.

During the year the Company had also changed the policy of fully depreciating the individual assets costing ₹ 5,000 or below. Now the Company is providing depreciation based on its useful life.

The management believes that useful lives currently used, which is as prescribed under Schedule II or higher, fairly reflect its estimate of the useful lives and residual values of Fixed Assets, though these rates in certain cases are different from lives prescribed under Schedule II.

# NOTES TO THE FINANCIAL STATEMENTS

This change in accounting policy did not have any material impact on financial statements of the Company.

Depreciation and Amortisation is provided, pro-rata for the period of use, on the Straight Line Method, at rates determined based on the management's estimate of useful life and are as follows :

<b>Method of Depreciation :</b>	<b>Straight Line</b>
<b>Type of Assets</b>	<b>Useful Life in Years</b>
Leasehold Land	95 years
Leasehold Improvements	Over Lease Period
Buildings	
Factory Building	29 years and 11 months
Residential Buildings	50 years
Plant and Equipment	
Anaesthetic Equipment (included under Plant and Equipment)	5 years
Others	9 to 10 years
Office Equipments	
Computers	3 years
Others	5 years
Furniture and Fixtures	10 years
Vehicles	5 years
Software	3 to 5 years
Trade Marks	5 years

## e) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the Cash Generating Unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment amount is appropriately reversed.

## f) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates that approximate the actual rate prevailing at the date of the transaction. Monetary items and forward contracts denominated in foreign currencies at the year end are translated at year end exchange rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the Statement of Profit and Loss.

## g) Inventories

Inventories consists of Raw Materials and Packing Materials, Work-in-Progress, Stock-in-Trade and Finished Goods. Inventories are valued at lower of cost and net realisable value. Cost is determined on First-In-First-Out basis. Cost of Work-in-Progress and Finished Goods includes labour and manufacturing overheads, wherever applicable. Cost of Finished Goods includes Excise Duty.

## h) Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset

# NOTES TO THE FINANCIAL STATEMENTS

ready for its intended use. Fixed Assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

## i) Employee Benefits

### i) Post employment Benefits

#### a) Defined Contribution Plans :

The Company has Defined Contribution Plans for post employment benefits, charged to Statement of Profit and Loss based on the contribution required to be made and when services are rendered by the employees in the form of:

- i) Provident Fund / Employees' Pension Fund administered by the Regional Provident Fund Commissioner, Mumbai;
- ii) Superannuation Fund as per Company policy administered by Life Insurance Corporation of India, Mumbai;
- iii) Employees' Deposit Linked Insurance Scheme, 1976 under Employees' Provident Fund and Miscellaneous Provisions Act, 1952, administered by Life Insurance Corporation of India, Mumbai; and
- iv) Group Life Insurance cover, as per Company policy.

#### b) Defined Benefit Plans :

- i) Funded Plan : The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through a trust, funded with Life Insurance Corporation of India, Mumbai.
- ii) Unfunded Plan : The Company has unfunded Defined Benefit Plans in the form of Compensated Absences (CA), Long Service Benefits (LSB) and Post Retirement Medical Benefits (PRMB) as per Company policy.

#### c) Other Long Term Defined Benefit Plans :

The Company has unfunded other long term benefit plans in the form of Compensated Absences (CA) and Long Service Benefits (LSB) as per Company Policy.

Liability for the above Defined Benefit Plans is provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary using the Projected Unit Credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

- ii) The actuarial gains and losses arising during the period are recognised in the Statement of Profit and Loss for the period.

## j) Leases

Lease rentals / Leave and Licence fees in respect of assets under operating lease are charged off to the Statement of Profit and Loss, as incurred.

## k) Taxation

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates, as applicable, to the extent that the timing differences are expected to crystallise.

# NOTES TO THE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities.

## i) Provisions, Contingent Liabilities & Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and, it is probable that an outflow of resources would be required to settle the obligation and in respect of which a reliable estimate can be made.

Provisions are not discounted and are determined based on best estimate required to settle the obligation at each Balance Sheet date. Provisions are reviewed at each Balance Sheet date and are adjusted to effect the current best estimation.

A contingent liability is disclosed where the possibility of an outflow of resources embodying economic benefits is possible.

Contingent assets are not recognised in the financial statements.

## m) Classification of Current / Non Current Assets and Liabilities

All assets and liabilities are presented as Current or Non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

3. With effect from the previous financial year, the Company has changed its accounting year from year ended December 31 to year ended March 31. Accordingly, the financial statements for the previous accounting period were prepared for a period of 15 months from January 1, 2013 to March 31, 2014. Hence, the figures and Earnings per share for the current year are not comparable with those of the previous accounting period.

	₹ in Lakhs unless otherwise stated	
	As at March 31, 2015	As at March 31, 2014
<b>4. SHARE CAPITAL</b>		
<b>Authorised :</b>		
<b>2,75,00,000</b> (March 2014 : 2,75,00,000) Equity Shares of ₹ 10 each with voting rights	<b>27,50.00</b>	27,50.00
<b>Issued, Subscribed and Paid Up :</b>		
<b>2,12,49,302</b> (March 2014 : 2,12,49,302) Equity Shares of ₹ 10 each fully paid with voting rights	<b>21,24.93</b>	21,24.93
<b>Per Balance Sheet</b>	<b>21,24.93</b>	21,24.93
a) Number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date :		
Number of equity shares allotted to shareholders of Solvay Pharma in 2011	<b>75,74,062</b>	75,74,062
b) Details of equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the ultimate Holding Company :		
i) <b>1,07,19,097</b> (March 2014 : 1,07,19,097) Abbott Capital India Ltd., U.K., (Holding Company)	<b>10,71.91</b>	10,71.91
ii) <b>37,44,951</b> (March 2014 : 37,44,951) Abbott Healthcare Products Ltd., U.K., (Subsidiary of the ultimate Holding Company)	<b>3,74.50</b>	3,74.50
iii) <b>14,70,000</b> (March 2014 : 14,70,000) British Colloids Ltd., U.K., (Subsidiary of the ultimate Holding Company)	<b>1,47.00</b>	1,47.00
The ultimate Holding Company is Abbott Laboratories, USA.		

## NOTES TO THE FINANCIAL STATEMENTS

- c) The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- d) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting period :

	₹ in Lakhs unless otherwise stated			
	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	<b>2,12,49,302</b>	<b>21,24.93</b>	2,12,49,302	21,24.93
Shares outstanding at the end of the period	<b>2,12,49,302</b>	<b>21,24.93</b>	2,12,49,302	21,24.93

- e) Details of equity shares held by each shareholder holding more than 5% shares :

	As at March 31, 2015	As at March 31, 2014
i) Abbott Capital India Ltd., U.K. :	No of Shares	
	<b>1,07,19,097</b>	1,07,19,097
	% of holding	
	<b>50.45</b>	50.45
ii) Abbott Healthcare Products Ltd., U.K. :	No of Shares	
	<b>37,44,951</b>	37,44,951
	% of holding	
	<b>17.62</b>	17.62
iii) British Colloids Ltd., U.K. :	No of Shares	
	<b>14,70,000</b>	14,70,000
	% of holding	
	<b>6.92</b>	6.92
Total :	No of Shares	
	<b>1,59,34,048</b>	1,59,34,048
	% of holding	
	<b>74.99</b>	74.99

### 5. RESERVES AND SURPLUS

a) Amalgamation Reserve	<b>37.82</b>	37.82
b) Capital Reserve	<b>5,22.62</b>	5,22.62
c) Capital Redemption Reserve	<b>2,52.48</b>	2,52.48
d) General Reserve		
Balance as per last Balance Sheet	<b>219,12.32</b>	199,27.81
Add : Transferred from Surplus in Statement of Profit and Loss	<b>22,89.59</b>	19,84.51
	<b>242,01.91</b>	219,12.32
e) Surplus in Statement of Profit and Loss :		
Balance as per last Balance Sheet	<b>539,34.96</b>	418,20.25
Add : Net Profit for the period	<b>228,95.93</b>	198,45.07
Less : Transferred to General Reserve	<b>22,89.59</b>	19,84.51
Less : Proposed Dividend for the period	<b>65,87.28</b>	48,87.34
Less : Corporate Dividend Tax for the period	<b>13,41.02</b>	8,30.60
Less : Corporate Dividend Tax for the year ended December 31, 2012	-	27.91
	<b>666,13.00</b>	539,34.96
<b>Per Balance Sheet</b>	<b>916,27.83</b>	766,60.20

# NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	As at March 31, 2015	As at March 31, 2014
<b>6. LONG TERM PROVISIONS</b>		
a) For Employee Benefits :		
Post Retirement Medical Benefits	<b>87.69</b>	1,11.65
Long Service Benefits	<b>68.40</b>	73.27
	<b>1,56.09</b>	1,84.92
b) For likely sales returns, date expiry and damaged products (Refer Note 10)	<b>37,60.11</b>	43,36.11
<b>Per Balance Sheet</b>	<b>39,16.20</b>	45,21.03
<b>7. TRADE PAYABLES</b>		
<b>Per Balance Sheet</b>	<b>193,55.88</b>	136,22.04
<b>8. SHORT TERM PROVISIONS</b>		
a) For Employee Benefits :		
Compensated Absences	<b>19,94.85</b>	15,05.16
Post Retirement Medical Benefits	<b>7.15</b>	10.32
Long Service Benefits	<b>3.67</b>	4.73
Gratuity	<b>6,31.29</b>	3,10.99
Superannuation	<b>1,04.41</b>	84.07
	<b>27,41.37</b>	19,15.27
b) For Taxation :		
Current Income Tax [Net of Advance Tax of ₹ <b>429,55.38 Lakhs</b> (March 2014 : ₹ 338,45.82 Lakhs)]	<b>12,07.52</b>	8,86.60
Fringe Benefit Tax [Net of Advance Tax of ₹ <b>7,72.66 Lakhs</b> (March 2014 : ₹ 7,72.66 Lakhs)]	<b>19.39</b>	19.39
	<b>12,26.91</b>	9,05.99
c) For Proposed Dividend	<b>65,87.28</b>	48,87.34
d) For Corporate Dividend Tax	<b>13,41.02</b>	8,30.60
e) For likely sales returns, date expiry and damaged products (Refer Note 10)	<b>25,06.75</b>	30,60.78
<b>Per Balance Sheet</b>	<b>144,03.33</b>	115,99.98

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	As at March 31, 2015	As at March 31, 2014
<b>9. OTHER CURRENT LIABILITIES</b>		
a) Unclaimed Dividends @	<b>2,05.35</b>	2,00.08
b) Statutory dues including provident fund and tax deducted at source	<b>4,82.34</b>	7,84.25
c) Salaries, wages, incentives and bonus payable to employees	<b>36,50.35</b>	27,41.28
d) Value Added Tax payable	<b>6,97.50</b>	6,60.32
e) Advance from Customers	<b>28.21</b>	1,17.65
f) Deposits from Customer	<b>60.35</b>	60.35
g) Payables on Purchase of Fixed Assets	<b>3.97</b>	3.97
h) Other Liabilities	<b>8,06.86</b>	8,23.02
<b>Per Balance Sheet</b>	<b>59,34.93</b>	53,90.92
@ In respect of the amounts as mentioned under Section 125 of the Companies Act, 2013, no dues are required to be credited to the Investor Education and Protection Fund as on March 31, 2015.		
<b>10. DISCLOSURE AS PER ACCOUNTING STANDARD - 29 FOR PROVISIONS IS AS UNDER</b>		
a) Provision for likely sales returns, date expiry and damaged products		
Carrying amount at the beginning of the period	<b>52,40.77</b>	31,07.32
Add : Net amount provided / (written back) during the period	<b>(8,32.58)</b>	21,33.45
Carrying amount at the end of the period	<b>44,08.19</b>	52,40.77
b) Provision for likely sales return - Reimbursable (Refer Note 15 and Note 20)	<b>18,58.67</b>	21,56.12
Carrying amount at the end of the period	<b>62,66.86</b>	73,96.89
The provision is for anticipated returns on expiry which is made on the basis of management expectation taking into account past experience.		
The expected timing of any resulting outflows of economic benefits ranges from 1 month to 35 months.		

# NOTES TO THE FINANCIAL STATEMENTS

## 11. TANGIBLE ASSETS

	GROSS BLOCK AT COST						DEPRECIATION / AMORTISATION						₹ in Lakhs unless otherwise stated	
	As at April 1, 2014			Additions Deductions / Adjustments			As at March 31, 2015			As at April 1, 2014				
	As at March 31, 2015	Additions	Deductions / Adjustments	As at March 31, 2015	Additions	Deductions / Adjustments	As at March 31, 2015	Additions	Deductions / Adjustments	As at March 31, 2015	Additions	Deductions / Adjustments		
a) Leasehold Land	47,62	-	-	47,62	9,57	0,50	-	-	10,07	37,55	38,05	38,05		
b) Leasehold Improvements	47,62	-	-	47,62	8,94	0,63	-	-	9,57	38,05	38,68	38,68		
c) Buildings	1,12,53	-	-	1,12,53	1,06,82	1,99	-	-	1,08,81	3,72	5,71	5,71		
d) Plant and Equipment	1,37,87	5,94	31,28	1,12,53	1,36,14	1,56	30,88	1,06,82	5,71	1,73				
e) Office Equipments	70,86,90	64,07	-	71,50,97	15,53,49	1,66,95	-	17,20,44	54,30,53	55,33,41	55,33,41	55,33,41		
f) Furniture and Fixtures	71,93,55	1,50,20	2,56,85	70,86,90	14,20,64	2,17,23	84,38	15,53,49	57,72,91	57,72,91				
g) Vehicles	69,96,35	7,93,33	1,80,31	76,09,37	42,33,29	6,63,33	1,29,09	47,67,53	28,41,84	27,63,06				
Total Previous period	183,87,44	12,17,75	6,97,14	189,08,05	88,44,31	13,88,32	6,30,34	96,02,29	93,05,76	95,43,13				
177,45,16	14,89,84	8,47,56	183,87,44	73,58,33	20,79,52	5,93,54	88,44,31	95,43,13	103,86,83					

### Notes:

- 1) Included in Plant and Equipment are anaesthetic equipment installed at various hospitals free of cost with the intention of procuring business for the Company's products :

Class of Asset	Year	Gross Block for the period	Depreciation for the period	Accumulated Depreciation
Plant and Equipment	2015	26,15,10	2,65,11	21,9742
	2014	24,83,53	6,05,07	19,32,31

- 2) Figures in *Italics* above are previous period figures.

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs unless otherwise stated

### 12. INTANGIBLE ASSETS

	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at April 1, 2014	Additions	Deductions / Adjustments	As at March 31, 2015	As at April 1, 2014	Additions	Deductions / Adjustments	As at March 31, 2015	As at March 31, 2014	
a) Software	6,55.72	1,21.10	-	<b>7,76.82</b>	3,73.66	1,05.31	-	<b>4,78.97</b>	<b>2,97.85</b>	2,82.06
	<i>7,39.56</i>	<i>1,24.26</i>	<i>2,08.10</i>	<b>6,55.72</b>	<i>2,59.74</i>	<i>1,13.92</i>	-	<b>3,73.66</b>	<b>2,82.06</b>	4,79.82
b) Trade Marks	18,79.83	-	-	<b>18,79.83</b>	18,79.83	-	-	<b>18,79.83</b>	-	-
	<i>18,79.83</i>	-	-	<b>18,79.83</b>	<i>18,79.83</i>	-	-	<b>18,79.83</b>	-	-
<b>Total</b>	<b>25,35.55</b>	<b>1,21.10</b>	-	<b>26,56.65</b>	<b>22,53.49</b>	<b>1,05.31</b>	-	<b>23,58.80</b>	<b>2,97.85</b>	<b>2,82.06</b>
Previous period	26,19.39	1,24.26	2,08.10	25,35.55	21,39.57	1,13.92	-	22,53.49	2,82.06	4,79.82

#### Note :

Figures in *Italics* above are previous period figures.

### 13. DEPRECIATION AND AMORTISATION EXPENSE

For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014
<b>13,88.32</b>	20,79.52
<b>1,05.31</b>	1,13.92
<b>0.59</b>	-
<b>14,94.22</b>	21,93.44

### 14. NET DEFERRED TAX ASSETS / (LIABILITIES) CONSISTS OF

	As at March 31, 2015	As at March 31, 2014
a) Deferred Tax Liabilities :		
Book / Tax depreciation difference	<b>(8,66.87)</b>	(11,46.02)
	<b>(8,66.87)</b>	(11,46.02)
b) Deferred Tax Assets :		
Provision for Compensated Absences	<b>6,32.17</b>	4,54.43
Gratuity	<b>2,18.48</b>	1,28.17
Provision for Doubtful Debts	<b>4,40.74</b>	4,01.39
Other expenses allowable on payment basis as per Income Tax Act, 1961	<b>2,28.16</b>	2,89.61
	<b>15,19.55</b>	12,73.60
<b>Per Balance Sheet</b>	<b>6,52.68</b>	1,27.58

# NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs unless otherwise stated

	As at March 31, 2015	As at March 31, 2014
<b>15. LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
Deposits against Tenders	<b>12.63</b>	16.01
VAT Deposits	<b>41.34</b>	1,34.34
Rent Deposits	<b>6,66.76</b>	5,76.49
Capital Advances	<b>3,63.43</b>	1,59.90
<b>For Taxation</b>		
Current Income Tax [Net of Provisions of ₹ 398,24.25 Lakhs (March 2014 : ₹ 397,47.96 Lakhs)]	<b>16,78.37</b>	18,35.27
Fringe Benefits Tax [Net of Provisions of ₹ 1,57.86 Lakhs (March 2014 : ₹ 1,57.86 Lakhs)]	<b>2.27</b>	2.27
Expected reimbursement towards likely sales returns (Refer Note 10)	<b>11,15.20</b>	12,63.93
<b>Per Balance Sheet</b>	<b>38,80.00</b>	39,88.21
<b>16. OTHER NON CURRENT ASSETS</b>		
Deposits with Banks with maturity of more than 12 months	<b>2,24.43</b>	2,01.93
<b>Per Balance Sheet</b>	<b>2,24.43</b>	2,01.93
<b>17. INVENTORIES</b>		
(AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials and Packing Materials #	<b>64,39.87</b>	80,64.88
Work-in-Progress (Refer (a) below)	<b>11,32.24</b>	10,21.59
Finished Goods (Refer (b) below)	<b>68,28.82</b>	58,19.48
Stock-in-Trade @ (Refer (c) below)	<b>240,12.16</b>	209,98.83
<b>Per Balance Sheet</b>	<b>384,13.09</b>	359,04.78
# Includes Goods in Transit ₹ 13,71.57 Lakhs (March 2014 : ₹ 20,92.38 Lakhs)		
@ Includes Goods in Transit ₹ 2,08.48 Lakhs (March 2014 : ₹ 3,13.03 Lakhs)		
<b>a) Inventories of Work-in-Progress :</b>		
Tablets	<b>7,83.52</b>	7,22.34
Injectables	-	16.46
Liquids	<b>1,30.36</b>	80.18
Capsules	<b>2,18.36</b>	2,02.61
	<b>11,32.24</b>	10,21.59
<b>b) Inventories of Finished Goods :</b>		
Tablets	<b>40,66.44</b>	35,60.08
Injectables	<b>68.68</b>	91.58
Liquids	<b>16,28.21</b>	12,66.65
Capsules	<b>4,99.41</b>	3,68.67
Excise Duty	<b>5,66.08</b>	5,32.50
	<b>68,28.82</b>	58,19.48
<b>c) Inventories of Stock-in-Trade :</b>		
Tablets	<b>19,29.24</b>	21,93.22
Injectables	<b>178,66.12</b>	110,90.07
Liquids	<b>27,89.75</b>	69,25.39
Capsules	<b>2,66.03</b>	3,01.50
Ointments	<b>57.30</b>	49.44
Granules	<b>64.57</b>	76.66
Powder	<b>3,54.46</b>	22.30
Others	<b>6,84.69</b>	3,40.25
	<b>240,12.16</b>	209,98.83

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs unless otherwise stated

	As at March 31, 2015	As at March 31, 2014
<b>18. TRADE RECEIVABLES</b>		
Unsecured, Considered Good :		
Outstanding for a period exceeding six months from the date they are due for payment	-	3,17,08
Others	<b>129,14.83</b>	106,00,45
	<b>129,14.83</b>	109,17,53
Unsecured, Considered Doubtful :		
Outstanding for a period exceeding six months from the date they are due for payment	<b>10,90.04</b>	11,39,88
Others	<b>1,83.47</b>	41,01
	<b>12,73.51</b>	11,80,89
Less : Provision for doubtful Trade Receivables	<b>12,73.51</b>	11,80,89
	-	-
<b>Per Balance Sheet</b>	<b>129,14.83</b>	109,17,53
<b>19. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES</b>		
(UNRESTRICTED FOR USE UNLESS OTHERWISE STATED)		
<b>Cash and Cash Equivalents as defined in AS-3 'Cash Flow Statement' :</b>		
Cash on Hand	<b>0.76</b>	0.48
Cheques on Hand	-	7,27,42
<b>Balances with Banks :</b>		
In Current Accounts	<b>36,98.95</b>	44,24,03
In Term Deposits with original maturity of less than three months	<b>12,00.00</b>	27,00,00
	<b>48,99.71</b>	78,51,93
<b>Other Bank Balances :</b>		
Earmarked balances with Banks :		
Unpaid Dividend Accounts	<b>2,05.35</b>	2,00,08
Margin Deposit and Deposits against guarantees and tenders	<b>1,16.94</b>	64,84
In Term Deposits with original maturity of more than three months	<b>591,67.36</b>	381,67,36
	<b>594,89.65</b>	384,32,28
<b>Per Balance Sheet</b>	<b>643,89.36</b>	462,84,21
<b>20. SHORT TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
Receivable from Related Parties	<b>2,73.92</b>	4,26,39
Advances to employees and suppliers	<b>15,18.20</b>	20,16,03
Deposits for utility services and against operating leases	<b>86.74</b>	72,30
Prepaid Expenses	<b>1,47.42</b>	1,63,39
Balance with Customs and Excise on Current Account	<b>13,23.64</b>	14,77,61
Expected reimbursement towards likely sales returns (Refer Note 10)	<b>7,43.47</b>	8,92,19
Compensation receivable under Settlement Agreement (Refer Note 22 (c))	<b>8,12.13</b>	-
Others	<b>3,81.86</b>	2,19,09
<b>Per Balance Sheet</b>	<b>52,87.38</b>	52,67,00
<b>21. OTHER CURRENT ASSETS</b>		
Interest accrued but not due on Bank Deposits	<b>10,03.75</b>	5,99,31
Sample Inventory	<b>5,91.39</b>	6,46,16
Assets held for disposal	<b>11.48</b>	30,00
<b>Per Balance Sheet</b>	<b>16,06.62</b>	12,75,47

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014
<b>22. REVENUE FROM OPERATIONS</b>		
Sale of Products		
Gross Sales	<b>2265,29.66</b>	2264,48.85
Less : Excise Duty	<b>27,69.41</b>	33,20.26
Net Sales (Refer (a) below)	<b>2237,60.25</b>	2231,28.59
Other Operating Revenues		
Service Income (Refer (b) below)	<b>22,59.09</b>	26,43.33
Input Tax Credit	<b>6,86.01</b>	4,66.16
Sale of Scrap	<b>44.74</b>	57.65
Compensation under Settlement Agreement (Refer (c) below)	<b>8,12.13</b>	-
Insurance, Customs and Carriers Claims	<b>1,12.20</b>	82.88
Miscellaneous Income	<b>11,90.16</b>	12,11.74
Total Other Operating Revenues	<b>51,04.33</b>	44,61.76
<b>Per Statement of Profit and Loss</b>		
<b>a) Net Sales :</b>		
Tablets	<b>858,36.79</b>	879,44.47
Injectables	<b>887,63.56</b>	848,61.08
Liquids	<b>370,34.84</b>	387,11.93
Capsules	<b>79,29.84</b>	84,14.50
Ointments	<b>5,18.76</b>	5,31.86
Granules	<b>4,34.16</b>	4,44.68
Powder	<b>9,28.28</b>	44.21
Others	<b>23,14.02</b>	21,75.86
	<b>2237,60.25</b>	2231,28.59
<b>b) Service Income includes :</b>		
i) Shared Services rendered to Abbott Healthcare Private Ltd., India	<b>13,84.31</b>	17,30.45
ii) Support Services rendered to Abbott Truecare Pharma Private Ltd., India	<b>71.30</b>	2.48
iii) Support Services to Abbott International LLC, USA	<b>36.66</b>	5,72.16
iv) Support Services to Abbott Products Operations AG., Switzerland	<b>7,07.07</b>	3,27.64
v) Support Services to Abbott Laboratories S.A., USA	-	1.23
vi) Support Services to Abbott Laboratories S.A., Ukraine	-	1.29
vii) Other Service Income	<b>59.75</b>	8.08
	<b>22,59.09</b>	26,43.33
<b>c)</b> During the year, the Company has entered into a Settlement Agreement with a vendor to discontinue the existing distributorship arrangement with its present terms for a settlement fees of ₹ 8,12.13 Lakhs and has entered into a new Distributorship Agreement.		

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>23. OTHER INCOME</b>		
Interest received on Bank Deposits and Others	<b>43,00.67</b>	35,30.77
Interest on Income Tax	<b>59.23</b>	-
Write back of Provisions no longer required	<b>2,25.80</b>	2,26.97
Profit on sale of Fixed Assets (Net)	<b>1,69.08</b>	11,70.99
<b>Per Statement of Profit and Loss</b>	<b>47,54.78</b>	49,28.73
<b>24. COST OF MATERIALS CONSUMED</b>		
Active Bulk Ingredients	<b>256,55.15</b>	261,88.68
Foils	<b>6,52.49</b>	7,29.32
Miscellaneous	<b>42,35.74</b>	44,78.49
<b>Per Statement of Profit and Loss</b>	<b>305,43.38</b>	313,96.49
<b>VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED :</b>		
Indigenous – <b>27.1%</b> ( March 2014 : 32.9%)	<b>82,79.22</b>	103,44.27
Imported – <b>72.9%</b> ( March 2014 : 67.1%)	<b>222,64.16</b>	210,52.22
	<b>305,43.38</b>	313,96.49
<b>25. PURCHASES OF STOCK-IN-TRADE</b>		
Tablets	<b>90,20.42</b>	90,48.52
Injectables	<b>854,02.01</b>	793,58.74
Liquids	<b>54,12.80</b>	140,85.40
Capsules	<b>9,14.46</b>	11,10.91
Ointments	<b>2,72.69</b>	3,09.77
Granules	<b>2,13.11</b>	2,58.12
Powder	<b>9,99.85</b>	96.10
Others	<b>25,51.05</b>	21,37.95
<b>Per Statement of Profit and Loss</b>	<b>1047,86.39</b>	1064,05.51

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014
<b>26. CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods	<b>58,19.48</b>	46,46.00
Less : Closing Stock of Finished Goods	<b>(68,28.82)</b>	(58,19.48)
Increase in Finished Goods	<b>(10,09.34)</b>	(11,73.48)
Opening Stock of Work-in-Progress	<b>10,21.59</b>	2,95.61
Less : Closing Stock of Work-in-Progress	<b>(11,32.24)</b>	(10,21.59)
Increase in Work-in-Progress	<b>(1,10.65)</b>	(7,25.98)
Opening Stock of Stock-in-Trade	<b>209,98.83</b>	148,36.66
Less : Closing Stock of Stock-in-Trade	<b>(240,12.16)</b>	(209,98.83)
Increase in Stock-in-Trade	<b>(30,13.33)</b>	(61,62.17)
<b>Per Statement of Profit and Loss</b>	<b>(41,33.32)</b>	(80,61.63)
<b>27. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	<b>277,37.98</b>	276,46.03
Contribution to Provident and Other Funds	<b>23,44.10</b>	19,49.90
Staff Welfare Expenses	<b>5,13.90</b>	5,22.26
Less : Reimbursement from Related Parties	<b>(55.80)</b>	(1,44.31)
<b>Per Statement of Profit and Loss</b>	<b>305,40.18</b>	299,73.88

# NOTES TO THE FINANCIAL STATEMENTS

## 28. DISCLOSURE UNDER ACCOUNTING STANDARD – 15 ‘EMPLOYEE BENEFITS’

The Company has classified the various benefits provided to employees as under :

**a) Defined Contribution Plans**

- i) Provident Fund / Employees' Pension Fund
- ii) Superannuation Fund
- iii) Employees' Deposit Linked Insurance Scheme
- iv) Group Life Insurance Cover

During the period, the Company has recognised the following amounts in the Statement of Profit and Loss :

	₹ in Lakhs unless otherwise stated	
	For the year ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>Included in Contribution to Provident and Other Funds</b>		
Employer's Contribution to Provident Fund / Employees' Pension Fund	<b>11,12.86</b>	11,94.27
Employer's Contribution to Superannuation Fund	<b>2,94.93</b>	2,26.68
<b>Included in Staff Welfare Expenses</b>		
Employer's Contribution to Employees' Deposit Linked Insurance Scheme	<b>18.98</b>	14.50
Premium paid in respect of Group Life Insurance Cover	<b>44.79</b>	24.39

The above amounts are included in Contribution to Provident and Other Funds and Staff Welfare Expenses (Refer Note 27).

**b) Defined Benefit Plans**

- i) **Gratuity :** (Included as part of Contribution to Provident and Other Funds in Note 27 - Employee Benefits Expense)

Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act 1972, or Company's scheme whichever is more beneficial. Benefits would be paid at the time of the separation based on the respective schemes.

- ii) **Post Retirement Medical Benefits (PRMB) :** (Included as part of Staff Welfare Expenses in Note 27 - Employee Benefits Expense)

Under this scheme, select group of senior employees and their spouses are covered for hospitalisation benefits after the employee has retired from the Company. The cover is available to these beneficiaries until they are alive. The Company has procured a group hospitalisation cover from an insurance company for providing these benefits to these beneficiaries.

The insurance premium payable in respect of each of the beneficiaries covered under this scheme is directly paid by the Company to the insurer. The insurance cover and premium varies from one beneficiary to another.

**c) Other Long Term Defined Benefit Plans :**

- i) **Compensated Absences (CA) :** (Included as part of Salaries and Wages in Note 27 - Employee Benefits Expense)

Compensated benefit is payable to all the eligible employees of the Company on retirement, death, permanent disablement and resignation on the leave balance as per the Company Rules. Benefits would be paid at the time of separation based on last drawn base salary, variable dearness allowance and fixed dearness allowance.

- ii) **Long Service Benefits (LSB) :** (Included as part of Salaries and Wages in Note 27 - Employee Benefits Expense)

Under this scheme, long service benefits accrue to the employees, while in service and is payable upon completion of stipulated service with the Company.

# NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs unless otherwise stated

In accordance with Accounting Standard-15, relevant disclosures are as under :

	Gratuity (Funded Scheme)		PRMB (Non Funded Scheme)	
	For the year ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014	For the year ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>A) Changes in Present Value of Defined Benefit Obligation</b>				
Defined Benefit Obligation at the beginning of the period	<b>26,75.57</b>	23,90.60	<b>1,21.97</b>	1,75.71
Current Service Cost	<b>2,30.23</b>	2,61.80	<b>1.17</b>	2.82
Interest Cost	<b>2,61.27</b>	2,53.80	<b>11.03</b>	17.77
Liabilities Assumed on Acquisition / (Settled on Divestiture)	<b>1.53</b>	(32.11)	-	-
Benefits Paid	<b>(2,82.58)</b>	(4,20.29)	<b>(6.59)</b>	(10.09)
Actuarial (Gain) / Loss on Obligations	<b>6,39.34</b>	2,21.77	<b>(32.74)</b>	(64.24)
Defined Benefit Obligation at the end of the period	<b>35,25.36</b>	26,75.57	<b>94.84</b>	1,21.97
<b>B) Changes in Fair Value of plan assets for Gratuity (Funded Scheme)</b>				
Fair Value of Plan Assets at the beginning of the period		<b>23,64.58</b>	20,81.90	
Expected Return on Plan Assets		<b>2,04.26</b>	2,09.10	
Actuarial Gains / (Losses)		<b>7.35</b>	33.77	
Liabilities Assumed on Acquisition / (Settled on Divestiture)		<b>1.53</b>	(32.11)	
Contributions		<b>5,98.93</b>	4,92.21	
Benefits Paid		<b>(2,82.58)</b>	(4,20.29)	
Fair Value of Plan Assets at the end of the period		<b>28,94.07</b>	23,64.58	
Actual Return on Plan Assets		<b>2,11.61</b>	2,42.87	
<b>C) Amounts recognised in Balance Sheet</b>				
Defined Benefits Obligation of Gratuity at the end of the period		<b>35,25.36</b>	26,75.57	
Less : Fair Value of Plan Assets at the end of the period		<b>28,94.07</b>	23,64.58	
Liability recognised in the Balance Sheet – Included in Short Term Provisions (Refer Note 8)		<b>6,31.29</b>	3,10.99	
<b>Defined Benefits Obligation at end of the period for Non Funded Schemes</b>				
Included in Short Term Provisions (Refer Note 8) and Long Term Provisions (Refer Note 6)		<b>19,94.85</b>	15,05.16	
Compensated Absences		<b>94.84</b>	1,21.97	
Post Retirement Medical Benefits		<b>72.07</b>	78.00	

# NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs unless otherwise stated

	Gratuity (Funded Scheme)		PRMB (Non Funded Scheme)	
	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>D) Expenses recognised in Statement of Profit and Loss</b>				
Current Service Cost	<b>2,30.23</b>	2,61.80	<b>1.17</b>	2.82
Interest Cost	<b>2,61.27</b>	2,53.80	<b>11.03</b>	17.77
Expected Return on Plan Assets	<b>(2,04.26)</b>	(2,09.10)	-	-
Net actuarial (Gain) / Loss recognised in the period	<b>6,31.99</b>	1,88.00	<b>(32.74)</b>	(64.24)
One Year Renewable Term Assurance (OYRTA) Premium	<b>17.08</b>	34.45	-	-
Total Expenses / (Credit) recognised in the Statement of Profit and Loss included in Employee Benefits Expense (Refer Note 27)	<b>9,36.31</b>	5,28.95	<b>(20.54)</b>	(43.65)

## E) Category of Plan Assets

The Company's Plan Assets in respect of Gratuity are funded through the Group Schemes of the Life Insurance Corporation of India.

## F) Actuarial Assumptions

In accordance with Accounting Standard-15, actuarial valuation as at the period end was performed in respect of the aforesaid Defined Benefits Plans based on the following assumptions :

	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
a) Discount rate (per annum)	<b>7.95%</b>	9.35%
b) Average salary increase rate	<b>11% for first 2 years and 7% thereafter</b>	11% for first 2 years and 7% thereafter
c) Rate of Return on Plan Assets (For Funded Scheme)	<b>8.50%</b>	8.50%
d) Expected retirement age of employees (years)	<b>58/60 years, as applicable</b>	58/60 years, as applicable
e) Annual increase in healthcare costs (per annum)	<b>6.00%</b>	6.00%
f) Increase in cost of award (LSB)	<b>6.00%</b>	6.00%
g) Rates of leaving service	<b>Age related</b>	Age related
h) Leave availment pattern : Percentage of the leave balance as at the valuation date and each subsequent year following the valuation date will be availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.	<b>5.00%</b>	5.00%
i) Mortality rates considered are as per the published rates under Indian Assured Lives Mortality (2006-08) Ult table.		

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated				
	1% Increase		1 % Decrease		
	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014	
G) <b>Sensitivity of Results to Medical Inflation Rate (for PRMB)</b>					
On Aggregate of Service Cost & Interest Cost	<b>0.97</b>	1.35	<b>(0.81)</b>	(1.14)	
On Defined Benefits Obligation	<b>10.24</b>	12.35	<b>(8.64)</b>	(10.50)	
H) The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets are as below :					
	Period Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2012	Period Ended March 31, 2014	Year Ended <b>March 31, 2015</b>
Defined Benefits Obligation	10,55.81	19,54.35	23,90.60	26,75.57	<b>35,25.36</b>
Plan Assets	8,25.12	18,09.84	20,81.90	23,64.58	<b>28,94.07</b>
Surplus / (Deficit)	(2,30.69)	(1,44.51)	(3,08.70)	(3,10.99)	<b>(6,31.29)</b>
Experience Adjustments on Plan Liabilities	1,25.81	2,31.04	1,99.16	1,26.18	<b>67.77</b>
Experience Adjustments on Plan Assets	23.14	29.10	56.09	33.77	<b>7.35</b>
Expected Gratuity Contribution by the Company for the next year ₹ <b>3,00.00 Lakhs</b> (March 2014 : ₹ 3,00.00 Lakhs)					

### 29. DISCLOSURES RELATING TO SHARE BASED COMPENSATION

#### A) International Stock Ownership Plan (Stocks of Abbott Laboratories, USA)

Abbott Laboratories, USA has an "Affiliate Employee Stock Purchase Plan" (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of Abbott Laboratories, USA. Every employee who opts for the scheme contributes, by way of payroll deductions, up to 10% of his cash remuneration towards purchase of shares on a monthly basis over the purchase cycle of 6 months.

The maximum that an employee can contribute to the plan is USD 12,500 per purchase cycle or USD 25,000 per calendar year. At the end of the cycle, accumulated payroll deductions are used to purchase shares at a discounted price. The purchase price of the share is 85% of the lesser of Fair Market Value either on the first or last day of the purchase cycle. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA and are purchased on behalf of the employees at market price less discount, allocated to participants as of last day of the purchase cycle. The concession in the price of the shares is entirely borne by Abbott Laboratories, USA.

In view of the above, no stock compensation expenses are incurred by the Company. During the year ended March 31, 2015, **14,656 shares** (March 2014 : 10,782 shares) were purchased by employees at weighted average fair value of **US \$ 32.99** (March 2014 : US \$ 30.07) per share.

## NOTES TO THE FINANCIAL STATEMENTS

### B) Employees Stock Options Plan (Stocks of Abbott Laboratories, USA)

Abbott Laboratories, USA has an “Incentive Stock Option Program” whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of Abbott Laboratories, USA at a fixed price (grant price), which shall be at least 100% of the Fair Market Value of the common share for a fixed period of time. Accordingly, no options compensation expenses are incurred by the Company during the period. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The Grants issued are vested in one third installments over a three year period and have a 10 years contractual life.

	March 31, 2015		March 31, 2014	
	Number of Options	Weighted Average Exercise Price US \$	Number of Options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the period	<b>47,950</b>	<b>25.31</b>	35,228	24.49
Add : Received due to Abbvie Demerger #	-	-	34,272	25.81
Less : Forfeited / Expired during the period	-	-	1,884	21.20
Less : Exercised during the period	<b>9,550</b>	<b>22.60</b>	19,666	24.52
Less : Transfer out during the period	-	-	-	-
Outstanding at the end of the period	<b>38,400</b>	<b>25.99</b>	47,950	25.31
Exercisable at the end of the period	<b>38,400</b>	<b>25.99</b>	47,950	25.31

The weighted average share price at the date of exercise for stock options exercised during the period was **US \$ 50.16** (March 2014 : US \$ 40.77) and weighted average remaining contractual life is **2.11 years** (March 2014 : 2.72 years)

### (C) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA)

Abbott Laboratories, USA as part of the “Long Term Incentive Program” has offered Restricted Stock Units to specified employees of its subsidiaries, whereby the employees covered by the plan are granted units. The units when vested, become shares of Abbott Laboratories, USA at a Nil Cost. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The Grants issued are vested in one third installments over a three year period. No options compensation expenses have been incurred by the Company during the period.

	March 31, 2015		March 31, 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	<b>38,689</b>	<b>N.A.</b>	26,737	N.A.
Add : Granted during the period	<b>29,030</b>	<b>N.A.</b>	42,457	N.A.
Add : Received due to Abbvie Demerger #	-	<b>N.A.</b>	24,396	N.A.
Add : Transfers in during the period	<b>2,147</b>	<b>N.A.</b>	858	N.A.
Less : Forfeited during the period	<b>2,616</b>	<b>N.A.</b>	8,655	N.A.
Less : Exercised during the period	<b>19,957</b>	<b>N.A.</b>	41,744	N.A.
Less : Transfers out during the period	<b>140</b>	<b>N.A.</b>	5,360	N.A.
Outstanding at the end of the period	<b>47,153</b>	<b>N.A.</b>	38,689	N.A.

The weighted average share price at the date of exercise for stock options exercised during the period was **US \$ 48.61** (March 2014 : US \$ 39.43)

# Abbott Laboratories, USA demerged their Proprietary Products Division to Abbvie Inc, USA on January 1, 2013.

# NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	<b>For the Year Ended March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>30. FINANCE COST</b>		
Interest Expense	<b>50.34</b>	8.34
<b>Per Statement of Profit and Loss</b>	<b>50.34</b>	8.34
<b>31. OTHER EXPENSES</b>		
Consumption of Stores (Refer (a) below)	<b>2,83.04</b>	4,50.78
Power and Fuel	<b>5,95.66</b>	9,07.59
Rent (Refer (b) below)	<b>10,51.46</b>	11,46.18
Repairs to Buildings	<b>2,73.81</b>	2,64.98
Repairs to Machinery	<b>3,63.35</b>	5,55.71
Repairs Others	<b>2,39.02</b>	5,57.38
Insurance	<b>2,37.15</b>	1,69.78
Rates and Taxes	<b>8,93.92</b>	16,08.56
Advertising and Publicity	<b>83,33.06</b>	73,98.11
Forwarding Charges	<b>28,46.19</b>	36,02.84
Travelling and Business Meetings	<b>83,55.20</b>	100,51.78
Commission to Carrying & Forwarding Agents	<b>23,80.68</b>	20,82.53
Exchange Loss (Net)	<b>4,46.25</b>	8,29.01
Bad Debts written off	<b>93.37</b>	88.37
Less : Adjusted against earlier year's provision	<b>93.37</b>	88.37
	-	-
Provision for Doubtful Debts	<b>1,85.99</b>	4,95.69
Professional Fees and Other Services	<b>46,63.83</b>	60,56.14
Excise Duty (Refer (c) below)	<b>2,48.69</b>	1,75.38
Payment to Auditors (Refer (d) below)	<b>89.00</b>	1,72.67
CSR Expenditure (Refer (e) below)	<b>4,63.19</b>	-
Miscellaneous Expenses	<b>39,52.60</b>	46,22.59
<b>Per Statement of Profit and Loss</b>	<b>359,02.09</b>	411,47.70
<b>a) Consumption of Stores :</b>		
Indigenous – <b>100%</b> (March 2014 : 99.1%)	<b>2,83.04</b>	4,46.52
Imported – <b>0%</b> (March 2014 : 0.9%)	<b>-</b>	4.26
	<b>2,83.04</b>	4,50.78

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014
<b>b) Disclosure of Operating Leases :</b>		
The Company has obtained various residential / office premises (including furniture and fittings therein, as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.		
Lease payments are recognised in the Statement of Profit and Loss under "Rent".		
Disclosures with respect to non-cancellable operating leases :		
1) Lease payments recognised in the Statement of Profit and Loss under "Rent" :	<b>1,41.06</b>	1,79.89
2) Future minimum lease rent is as follows :		
Not later than one year	<b>62.00</b>	1,40.53
Later than one year and not later than five years	-	62.00
Later than 5 years	-	-
<b>c) Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods manufactured by the Company. Excise duty included under Other Expenses represents mainly the difference in amount of excise duty on closing stock and opening stock of Finished Goods and excise duty paid on the goods distributed as free goods / medical samples.</b>		
<b>d) Auditors' Remuneration (Including Service Tax) :</b>		
To Statutory Auditors :		
For Audit	<b>39.32</b>	53.71
For Taxation Matters*	-	49.16
For Other Services	<b>44.61</b>	68.60
Reimbursement of expenses	<b>5.07</b>	1.20
* Previous Period includes payment for taxation matters to an affiliated firm Deloitte Haskins & Sells, Baroda covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India.		
<b>e) The Company strives to improve healthcare and drive awareness building and diagnosis improvement through education and health camps, addressing the need for better healthcare, diagnostic and sanitation facilities as part of its commitment to do business responsibly and sustainably.</b>		
As a part of its Corporate Social Responsibility obligations, various health camps and awareness projects / programs were undertaken by the Company during the year at various locations. Also, participating in a Swachh Bharat Campaign and sanitation initiatives, the Company has undertaken a major project of construction of household and community toilets in Bharuch District, Gujarat.		
a) Gross amount required to be spent by the Company during the year	<b>4,52.11</b>	-
b) Amount spent during the year on :		
i) Rural Sanitation Project	<b>3,00.00</b>	-
ii) Various diagnostic and awareness health camps promoting preventive health	<b>1,63.19</b>	-
	<b>4,63.19</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>32. EARNINGS PER SHARE</b>		
Profit After Tax available to Equity Shareholders	<b>228,95.93</b>	198,45.07
Weighted Average Number of Shares used in computing Earnings per share – Basic / Diluted	<b>2,12,49,302</b>	2,12,49,302
Basic / Diluted Earnings per share (Face Value of ₹ 10 per share) (not annualised for the period Jan'13 to Mar'14)	<b>107.75</b>	93.39
<b>33. CONTINGENT LIABILITIES</b>		
i) <b>Claims against the Company not acknowledged as Debts :</b>		
a) In February 1996, the Government had made a tentative claim for a sum of ₹ 11,11.66 Lakhs to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for ₹ 3,46.64 Lakhs (including interest of ₹ 1,90.39 Lakhs upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, contested the above final demand of ₹ 3,46.64 Lakhs and filed a Writ Petition before the Bombay High Court to restrain the Government from recovering the said amount. The Bombay High Court has admitted the Writ Petition and granted stay of the recovery of the amount of ₹ 3,46.64 Lakhs subject to the Company furnishing a Bank Guarantee in respect of the principal amount of ₹ 1,56.25 Lakhs. The said Bank Guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of ₹ 1,00.09 Lakhs (March 2014 : ₹ 96.18 Lakhs) including interest liability till date.	As At <b>March 31, 2015</b>	As At March 31, 2014
b) Sales Tax, Service Tax and Custom Duty demands under appeals	<b>9,30.70</b>	9,68.09
c) Reimbursements claimed by Third Party	-	47.84
d) Bank Guarantees in respect of Sales Tax demand	<b>2,49.33</b>	2,40.96
ii) <b>Capital Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided (Net of advances)	<b>6,83.46</b>	1,67.81

## NOTES TO THE FINANCIAL STATEMENTS

₹ in Lakhs unless otherwise stated

	For the Year Ended <b>March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>34. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS</b>		
Capital Goods	<b>24.40</b>	1,33.96
Stock-in-Trade	<b>36,93.39</b>	137,44.56
Raw Materials and Packing Materials	<b>189,24.28</b>	227,04.91
Consumable Stores	-	4.53
<b>35. EXPENDITURE IN FOREIGN CURRENCIES</b>		
Travel	<b>1,07.37</b>	1,62.79
Reimbursement of expenses incurred for Promotion and Distribution	<b>4,77.73</b>	4,34.88
Software Charges	<b>74.71</b>	3,74.60
Others	<b>1,59.81</b>	1,42.18
<b>36. REMITTANCES MADE DURING THE PERIOD IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>		
a) Number of non-resident shareholders	<b>3</b>	3
b) Number of equity shares on which dividend remitted	<b>1,59,34,048</b>	1,59,34,048
c) Dividend remitted during the period	<b>36,64.83</b>	27,08.79
d) Year to which dividend relates	<b>2014</b>	2012
The Company does not have any information as to the extent to which remittances, if any, in foreign currency on account of dividend have been made by non-resident shareholders.		
<b>37. EARNINGS IN FOREIGN EXCHANGE</b>		
Goods exported on FOB basis	<b>12,22.95</b>	14,10.24
Reimbursement of expenses	<b>65.53</b>	76.14
Earnings from Affiliates	<b>7,43.73</b>	9,02.32
Others	<b>1,12.62</b>	8.08

	Foreign Currency		₹ in Lakhs	
	As at <b>March 31, 2015</b>	As at March 31, 2014	As at <b>March 31, 2015</b>	As at March 31, 2014
<b>38. INFORMATION REGARDING FORWARD CONTRACTS</b>				
a) Forward Contracts outstanding				
USD – Buy	<b>90,38,785.07</b>	35,52,028.83	<b>56,65.51</b>	21,27.67
Euro – Buy	-	6,37,768.00	-	5,25.78
b) No. of Contracts outstanding	<b>6</b>	7		
c) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.				
d) Foreign currency exposures as on the Balance Sheet date that have not been hedged by the Company under a forward cover are given below :				

# NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated			
	Foreign Currency		₹ in Lakhs	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Amounts recoverable in foreign currency on account of the following :</b>				
a) Reimbursement of Expenses				
USD	<b>4,15,055.64</b>	4,92,661.04	<b>2,60.16</b>	2,95.10
b) Export of Finished Goods / Stock-in-Trade				
USD	<b>20,24,518.71</b>	14,44,804.61	<b>12,68.97</b>	8,65.44
EURO	<b>3,52,494.00</b>	-	<b>2,39.24</b>	-
<b>Amounts payable in foreign currency on account of the following :</b>				
a) Reimbursement of Expenses				
USD	<b>10,021.88</b>	57,988.29	<b>6.28</b>	34.73
EURO	-	1,12,066.32	-	92.39
SGD	-	756.73	-	0.36
GBP	-	3,496.00	-	3.48
b) Import of Raw Materials and Stock-in-Trade				
USD	<b>17,07,868.29</b>	31,31,825.48	<b>10,70.49</b>	18,75.96
EURO	<b>10,192.00</b>	4,78,799.39	<b>6.92</b>	3,94.72
c) Capital Goods and Others				
USD	<b>6,840.00</b>	-	<b>4.29</b>	-

## 39. SEGMENT REPORTING

In accordance with the principles given in Accounting Standard on Segment Reporting (AS 17) notified by Companies (Accounting Standards) Rules, 2006, the Company has one reportable business segment i.e "Pharmaceuticals". The Company has no other reportable segment. Further, significant business of the Company is within India hence there is no Geographical segment.

## 40. RELATED PARTY DISCLOSURE

### A) Parties where control exists :

**Ultimate Holding Company :** Abbott Laboratories, USA

**Holding Company :** Abbott Capital India Ltd., U.K.

### B) Other related parties with whom transactions have taken place during the period :

#### I) Fellow Subsidiaries :

Abbott Logistics BV, Netherlands	Abbott Laboratories S.A., USA
Abbott Healthcare Private Ltd., India	Abbott Products Operations AG., Switzerland
Abbott Truecare Pharma Private Ltd., India	Abbott Laboratories, Philippines
Abbott International LLC, USA	British Colloids Ltd., U.K.
Abbott Laboratories (Singapore) Pte Ltd., Singapore	Abbott Healthcare Products Ltd., U.K.
Abbott Scandinavia AB	Abbott Healthcare Products BV, Netherlands
Abbott Laboratories S.A., Dubai	Abbott Laboratories S.A., Spain
Abbott Manufacturing Singapore	Abbott Lab Malaysia
Abbott Limited Egypt LLC	Abbott Laboratories S.A., Ukraine

## NOTES TO THE FINANCIAL STATEMENTS

**2) Key Management Personnel :**

- i) Mr. Rehan A. Khan – Managing Director
- ii) Mr. K. M. Marfatia – Whole time Director

₹ in Lakhs unless otherwise stated		
	<b>For the Year Ended March 31, 2015</b>	For the Period January 1, 2013 to March 31, 2014
<b>C) Transactions during the period :</b>		
<b>1) Transactions with the Holding Company during the period</b>		
<b>Abbott Capital India Ltd., U.K.</b>		
Remittance of Dividend	<b>24,65.39</b>	18,22.25
<b>2) Transactions with Fellow Subsidiaries during the period</b>		
<b>i) Remittance of Dividend :</b>		
<b>British Colloids Ltd., U.K.</b>		
Remittance of Dividend	<b>3,38.10</b>	2,49.90
<b>Abbott Healthcare Products Ltd., U.K.</b>		
Remittance of Dividend	<b>8,61.34</b>	6,36.64
<b>ii) Sales to Fellow Subsidiaries :</b>		
<b>Abbott Healthcare Private Ltd., India</b>		
Sales of Stock-in-Trade	<b>10,84.58</b>	6,72.82
Sale of Capital Goods	<b>5.41</b>	-
<b>iii) Purchases from Fellow Subsidiaries :</b>		
<b>Abbott Logistics BV, Netherlands</b>		
Purchase of Raw Materials	<b>3,19.97</b>	13,16.43
Purchase of Stock-in-Trade	<b>59.96</b>	3,87.86
<b>Abbott Healthcare Products BV, Netherlands</b>		
Purchase of Capital Goods	-	5.42
<b>Abbott Laboratories S.A., Spain</b>		
Purchase of Consumables	-	1.00
<b>Abbott Healthcare Private Ltd., India</b>		
Purchase of Stock-in-Trade	<b>14,90.05</b>	6,20.86
Purchase of Promotional Goods	<b>53.30</b>	36.08
Conversion charges	<b>1,18.95</b>	79.64
<b>Abbott Products Operations AG., Switzerland</b>		
Purchase of Raw Materials	<b>154,75.12</b>	145,42.57
Purchase of Stock-in-Trade	<b>21,09.69</b>	10,44.43

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated			
	Reimbursement to		Reimbursement from	
	For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014	For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014
iv) Reimbursements to and from Fellow Subsidiaries :				
<b>Abbott Healthcare Private Ltd., India</b>				
Rent, Electricity, Depreciation and Interest	-	-	-	40.72
Shared Services	<b>6,35.73</b>	5,63.26	-	-
Market Research and Other Expenses	<b>63.28</b>	1,37.57	<b>1,72.65</b>	-
<b>Abbott International LLC, USA</b>				
Professional Fees, Employee Benefits Expense, Travel and Other Expenses	<b>23.53</b>	58.56	<b>8.72</b>	16.00
<b>Abbott Manufacturing Singapore</b>				
Other Expenses	-	-	<b>19.69</b>	-
<b>Abbott Lab Malaysia</b>				
Other Expenses	-	-	<b>13.06</b>	-
<b>Abbott Limited Egypt LLC</b>				
Other Expenses	-	-	<b>4.39</b>	-
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>				
Professional Fees, Employee Benefits Expense, Travel Expenses and Business Meetings	-	16.88	<b>2.42</b>	32.72
<b>Abbott Laboratories, Philippines</b>				
Other Expenses	-	-	-	23.65
<b>Abbott Laboratories S.A., USA</b>				
Other Expenses	<b>0.61</b>	7.01	-	1.00
<b>Abbott Products Operations AG, Switzerland</b>				
Other Expenses	-	63.14	-	2.77
<b>Abbott Laboratories S.A., Dubai</b>				
Other Expenses	<b>7.04</b>	1.29	-	-
<b>Abbott Scandinavia AB</b>				
Other Expenses	-	4.57	-	-
<b>Abbott Logistics BV, Netherlands</b>				
Other Expenses	-	2.50	-	-

## NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lakhs unless otherwise stated	
	For the Year Ended March 31, 2015	For the Period January 1, 2013 to March 31, 2014
<b>v) Service Income from Fellow Subsidiaries :</b>		
<b>Abbott Healthcare Private Ltd., India</b>		
Shared Service Income	<b>13,84.31</b>	17,30.45
<b>Abbott Truecare Pharma Private Ltd., India</b>		
Shared Service Income	<b>71.30</b>	2.48
<b>Abbott International LLC, USA</b>		
Support Services	<b>36.66</b>	5,72.16
<b>Abbott Products Operations AG., Switzerland</b>		
Support Services	<b>7,07.07</b>	3,27.64
<b>Abbott Laboratories S.A., USA</b>		
Support Services	-	1.23
<b>Abbott Laboratories S.A., Ukraine</b>		
Support Services	-	1.29
<b>vi) Key Management Personnel Remuneration during the period * :</b>		
Mr. Rehan A. Khan	<b>5,05.45</b>	6,16.27
Mr. K. M. Marfatia	<b>1,55.66</b>	1,65.12

\* As a part of the “Long Term Incentive Program”, during the year Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ **1,01.96 Lakhs** (March 2014 - ₹ 92.92 Lakhs) have been granted to the above employees for which no option compensation expenses have been incurred by the Company (Also Refer Note 29(c)).

### D) Outstanding :

#### 1) Payable to Fellow Subsidiaries

	As at March 31, 2015	As at March 31, 2014
Abbott Logistics BV, Netherlands	-	1,31.19
Abbott Products Operations AG., Switzerland	<b>60,27.47</b>	34,54.52
Abbott Laboratories (Singapore) Pte Ltd., Singapore	-	3.00
Abbott Laboratories S.A., USA	<b>0.62</b>	6.76
Abbott International LLC, USA	<b>6.64</b>	17.92
Abbott Healthcare Private Ltd., India	<b>3,11.15</b>	2,09.98
Abbott Laboratories S.A., Dubai	<b>6.36</b>	-

#### 2) Receivables from Fellow Subsidiaries

	As at March 31, 2015	As at March 31, 2014
Abbott International LLC, USA	<b>1,86.13</b>	2,47.50
Abbott Manufacturing Singapore	<b>3.86</b>	-
Abbott Truecare Pharma Private Ltd., India	<b>15.88</b>	0.34
Abbott Products Operations AG., Switzerland	<b>64.72</b>	39.79
Abbott Healthcare Private Ltd., India	<b>3.33</b>	1,38.76

## NOTES TO THE FINANCIAL STATEMENTS

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- 41.** The Company has Bank Overdraft arrangement secured by hypothecation of all stocks and book debts.
- 42.** Previous period's figures have been regrouped / reclassified to confirm to the current year's classification.  
The figures of the previous period were audited by a firm of Chartered Accountants other than S R B C & CO LLP.

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

Firm Registration No.324982E

For and on behalf of the Board of Directors

**MUNIR SHAIKH**

Chairman

DIN : 00096273

**RANJAN KAPUR**

Director

DIN : 00035113

**per RAVI BANSAL**

Partner

Membership No.49365

Mumbai, May 27, 2015

**RAJIV SONALKER**

Chief Financial Officer

Mumbai, May 27, 2015

**KRUPA ANANDPARA**

Company Secretary

Membership No.: ACS 16536

## NOTES





**ABBOTT INDIA LIMITED**

CIN : L24239MH1944PLC007330

3-4, CORPORATE PARK, SION-TROMBAY ROAD,  
MUMBAI - 400 071, INDIA

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**Abbott**