

**BREAKING BARRIERS IN  
HEALTHCARE SINCE 1944**

**75**

**YEARS OF  
REMARKABLE  
CARE**

Abbott India stands for quality, trust, and partnership. Over the last 75 years we have strived untiringly, in our own humble way, to fulfil our mission to help people lead better, fuller lives. We know how to deliver trusted, high-quality healthcare and our heritage is proof that we are committed for the long term. Every year, with new aspirations come new challenges; and also, a new hope and renewed dedication to serve. Abbott India's vision to be a pioneering healthcare company is guided by the need to cater to patients differently since they are at the forefront of all that we do and all that we stand for.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Munir Shaikh** - Chairman

**Ambati Venu** - Managing Director

**Krishna Mohan Sahni** - Independent Director

**Anisha Motwani** - Independent Director

**Sudarshan Jain** - Independent Director

**Jawed Zia** - Non-Executive Director

**Kaiyomarz Marfatia** - Non-Executive Director

**Rajiv Sonalker** - CFO and Whole-time Director

**Mark Murphy II** - Non-Executive Director

## COMPANY SECRETARY

**Krupa Anandpara**

## KEY MANAGEMENT TEAM

**Ambati Venu** - Managing Director

**Rajiv Sonalker** - CFO and Whole-time Director

**Prakash Maheshwari** - Commercial Director

**Milind Tendulkar** - Commercial Director

**Ramanathan V** - Commercial Director

**Burjor Dadachanji** - Commercial Director

**Mandar Keskar** - Associate Director (Commercial)

**Keya Phatnani** - Associate Director - Human Resources

**Sridhar Kadangode** - Director - Finance

**Dr Srirupa Das** - Director - Medical Affairs

**Dr Vijay Patil** - Associate Director - NPI and TAS



**STATUTORY AUDITORS:** S R B C & CO LLP  
**SECRETARIAL AUDITOR:** Ms Neena Bhatia

**INTERNAL AUDITORS:** M/s KPMG  
**COST AUDITORS:** M/s Kishore Bhatia & Assoc.



**REGISTRAR AND SHARE TRANSFER AGENT:** Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,  
Hyderabad - 500 032, Tel No: +91-40-6716 2222, Fax No: +91-40-2300 1153



**REGISTERED OFFICE:** 3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071  
Tel No: +91-22-6797 8888 | Fax: +91-22-6797 8727 | Email: investorrelations.india@abbott.com



**CORPORATE OFFICE:** 16<sup>th</sup> Floor, Godrej BKC, Plot C- 68, "G" Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051 | Tel No: +91-22-3816 2000 | Fax: +91-22-3816 2400



**FACTORY:** L-18/19, Verna Industrial Estate, Goa



**ANNUAL GENERAL MEETING:** Date: August 22, 2019, Thursday | Time: 3.30 p.m.  
Venue: Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021

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NOTICE

## FORWARD-LOOKING STATEMENT

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management's plans and assumptions. 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

References to "Abbott India" in this Annual Report shall mean "Abbott India Limited".

LOOKING  
BACK AT

YEARS OF  
ABBOTT  
INDIA

A milestone that  
makes us celebrate  
and introspect on  
the Company's  
journey so far

## 75 YEARS OF REMARKABLE CARE

For over 75 years Abbott India has been helping millions of people in India lead a healthier, fuller life. This journey has been led by a value-centric system rooted in compassion and empathy.

Our journey to being one of the top healthcare companies in India has been marked by surpassing various barriers coupled with astute decisions, mergers and acquisitions. There has always been a consistent effort to ensure that we help patients

introduced over 100 new products in the last 10 years and also increased its Sales from ₹767 Crore in 2009 to ₹3,640 Crore in 2019.

The Company has always supported a robust framework of medicines in multiple areas. We have evolved our operations to move ahead with the changing times, closely identifying critical areas of innovation and developing solutions to enhance affordable healthcare. Our Company has grown from

# 1944

THE YEAR THAT  
STARTED A NEW ERA OF  
HEALTHCARE IN INDIA

across a wide range of therapies. Brands developed and promoted for over five decades continue to remain the top brands for us – be it Digene, Brufen or Cremaffin! This goes to show the vision and the commitment we have retained over the years.

We established a local base in India in 1944. From humble beginnings as Boots Pure Drug Company Limited, with a single manufacturing plant, catering to insulin injections, anti-dysentery drugs, vitamin preparations, animal health products, to issuing our first round of shares, expanding the product portfolio, establishing new factories, diversification, path-breaking innovations, and award-winning marketing campaigns, we have come a long way.

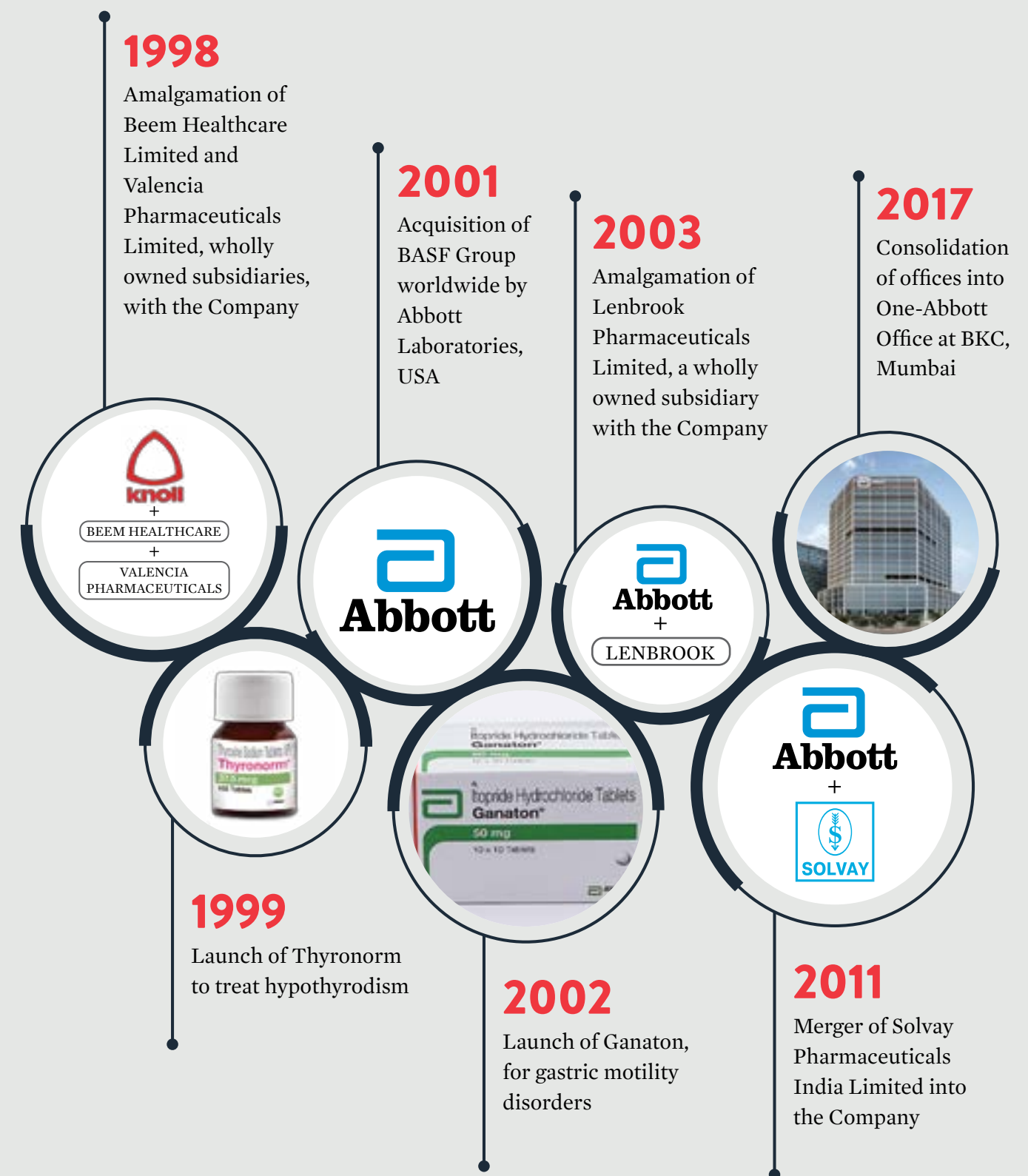
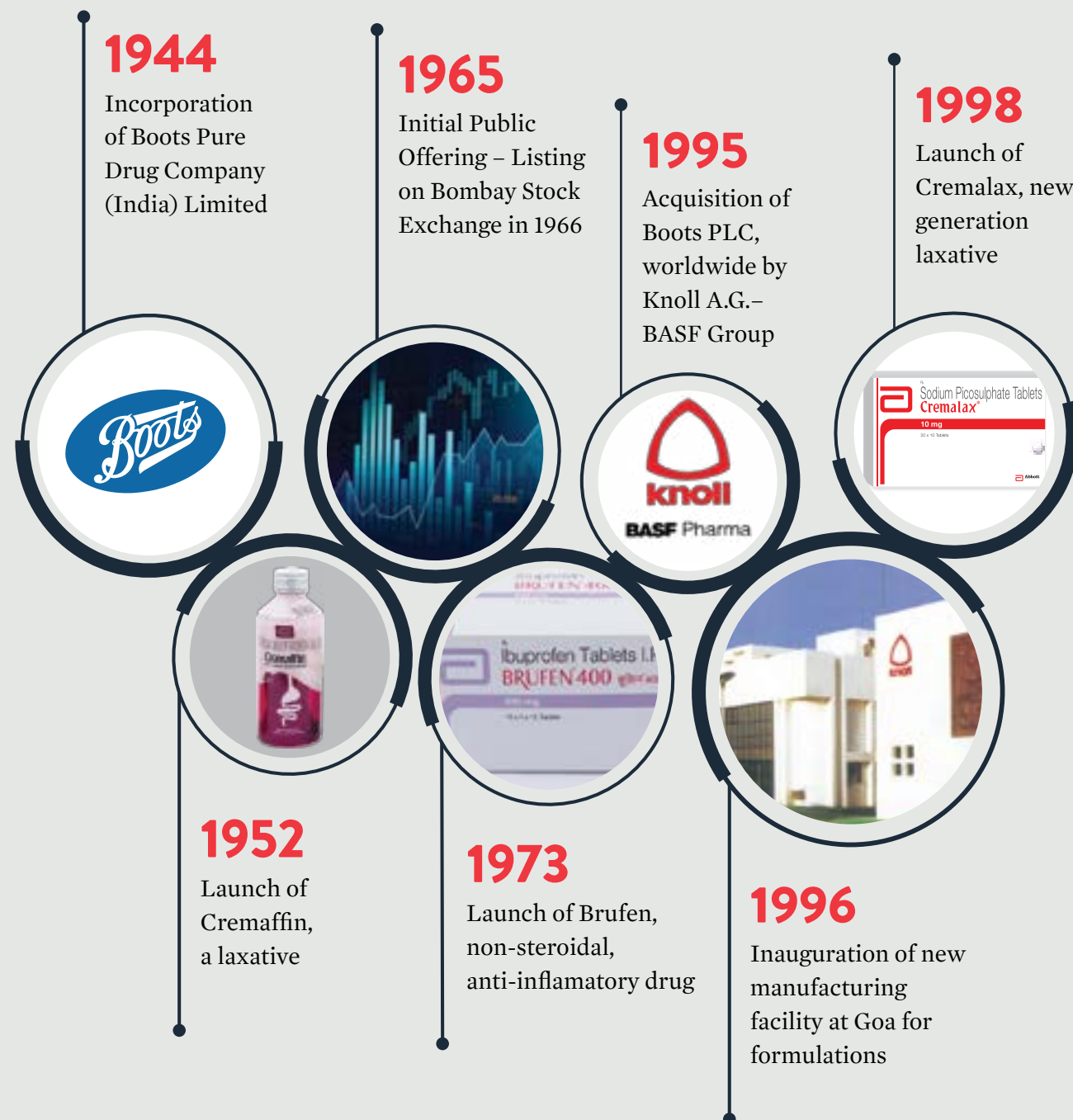
For Abbott India and the industry overall, there have been many barriers to progress – be it in the form of social, economic, regulatory or financial challenges. Making pathways to be the fastest growing healthcare company has turned out to be a key milestone for us. The Company has successfully

strength to strength – as we saw more recently – even economic slowdown, new pricing regulations, GST introduction or demonetization did not pause the remarkable growth we have shown over the years. We are consistently consistent!

**“Working at Abbott India has helped me grow not only professionally but also personally. The engagement and connect of the organization with employees across work-levels is laudable. I have spent more than 25 years here, which reflects how much I love this family! Abbott India has grown to be one of the largest companies in India, helping millions of people – and it makes me so proud to be a part of this organization!”**

**- Ananthakrishnan S**  
Director - Financial Controlling

# KEY MILESTONES





# FROM THE ARCHIVES

This picture gallery pulls out some fascinating images from our archives. A wonderful way to record and remember our company history.



**LIFE-SAVING  
INSULIN**

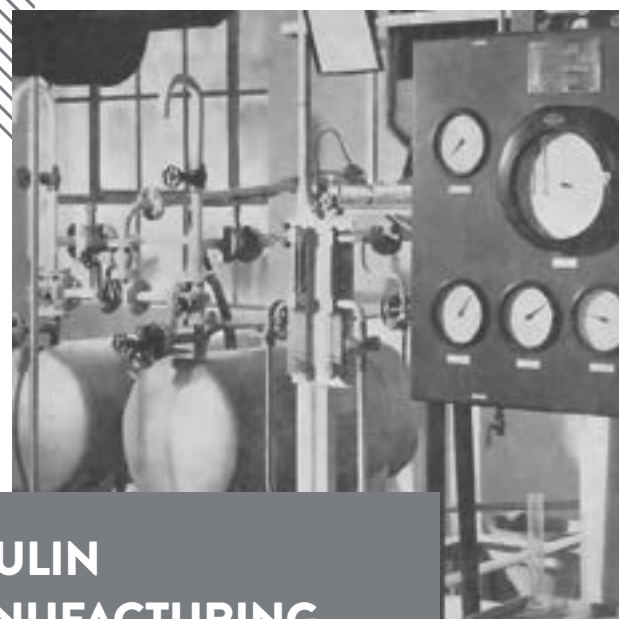


**GOA PLANT  
BUILDING IN 1996**



In front of an  
old Pharmacy

**ONE OF THE  
1ST  
SALESMEN**



**INSULIN  
MANUFACTURING  
PLANT\***

\*sold the plant in 1995

**SOME OF  
THE KEY  
PRODUCTS**



A glimpse of the Quality  
Control Laboratories  
in 1980



**MANUFACTURING  
OF THE FIRST  
BATCH AT GOA  
PLANT**



**FIRST CONSIGNMENT**  
From Goa Plant

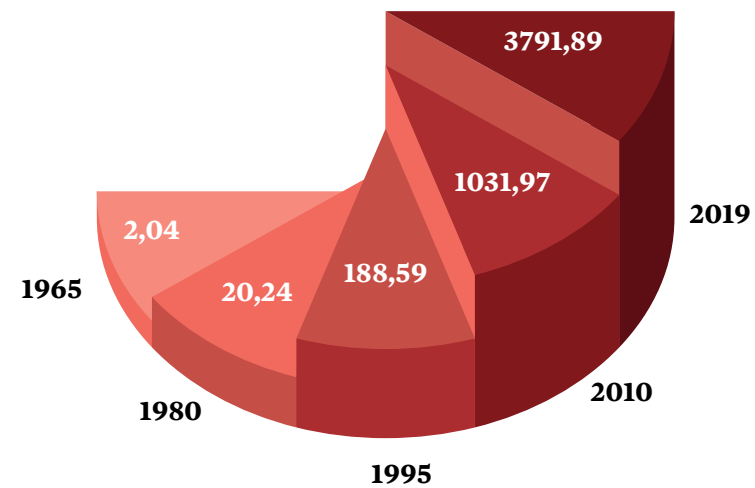


**STORAGE  
FACILITY FOR  
PRODUCTS**

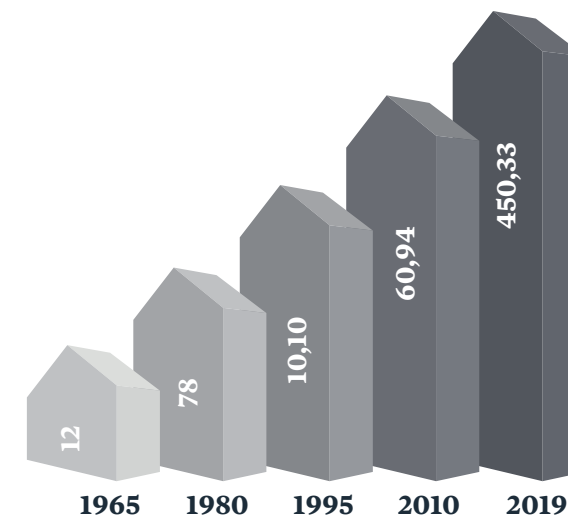
# JOURNEY OF OUTSTANDING GROWTH

Over the years, we have intensely focused on four critical areas – strategy, structure, people and processes – to continuously enhance shareholder value.

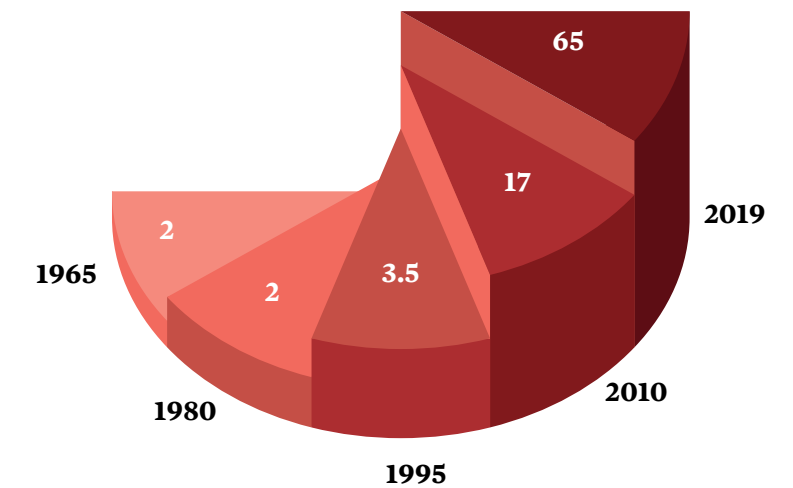
**TOTAL REVENUE (₹ IN LAKHS)**



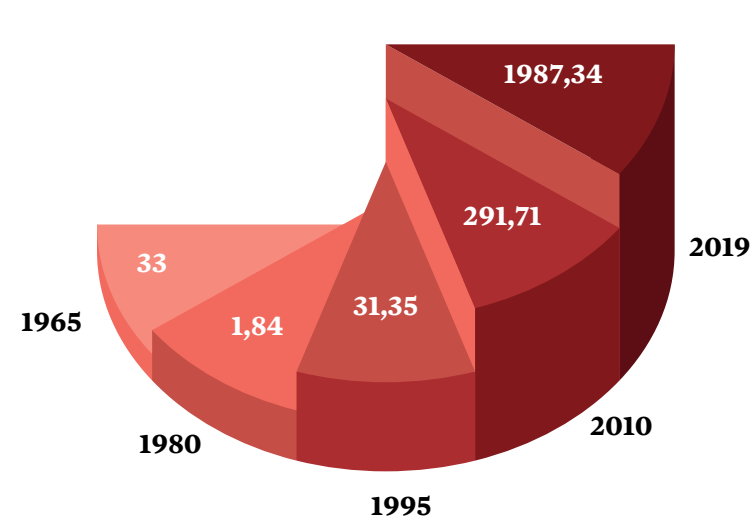
**PROFIT AFTER TAX (₹ IN LAKHS)**



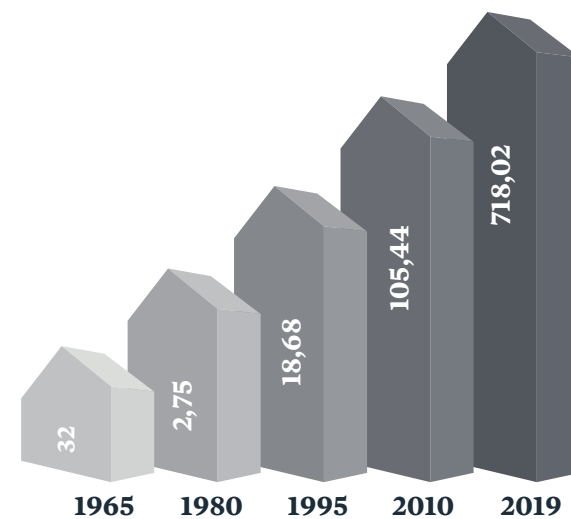
**DIVIDEND PER SHARE (₹ PER SHARE)**



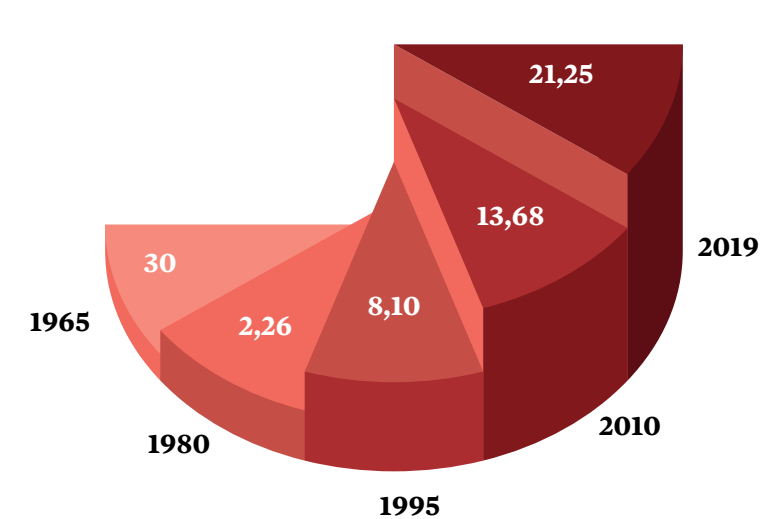
**RESERVES AND SURPLUS (₹ IN LAKHS)**



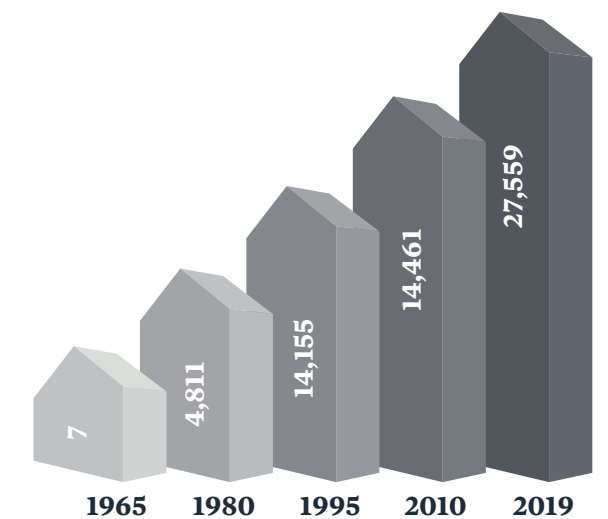
**EBITDA (₹ IN LAKHS)**



**SHARE CAPITAL (₹ IN LAKHS)**



**NUMBER OF SHAREHOLDERS**



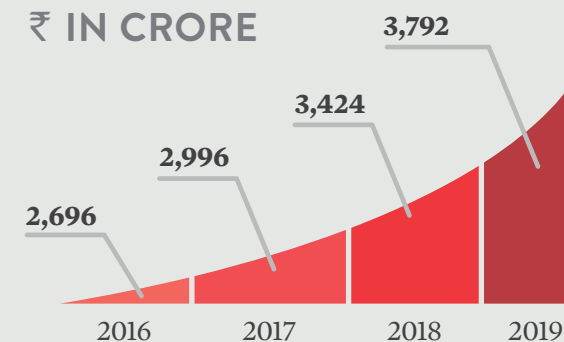
# BREAKING BARRIERS—ENABLING CARE

Celebrating 75 years of Abbott India

## DEAR SHAREHOLDERS,

This is a landmark year. On August 22, 2019, your Company completes 75 years of its remarkable existence. On behalf of the entire Board, I would like to express my sincere gratitude to all of you – our dear shareholders, employees and business partners, for your constant support through the decades and for being part of our path-breaking journey. Your trust has been inspirational and instrumental in shaping our success over all these years.

## TOTAL REVENUE ₹ IN CRORE



This milestone is an occasion to celebrate, to reflect on the past and an opportunity to chart the future.

Abbott India is one of the oldest and most respected healthcare companies in India. Its growth trajectory has been sharp, with several milestones. The Company incorporates the legacies of great organizations such as Boots, Knoll and then Abbott since 2001. The Company's position as a global pharmaceutical company with a strong presence in India was enhanced through increased sales, better pharmaceutical research and development, and solid commercial grounding. The merger of Solvay Pharma India into the Company provided an expanded range of healthcare products and a significant impetus to its growth. Your Company has been steadily achieving its vision of helping people in India

live healthier lives through innovative, high-quality and trusted products, backed by expert clinical support.

Your Company has consistently fulfilled its objectives, with significant breakthroughs on a long list of strategic initiatives. Today, your Company leads from the front in multiple therapeutic categories such as Women's Health, Gastroenterology, Metabolics, Pain Management, Central Nervous System and Vaccines.

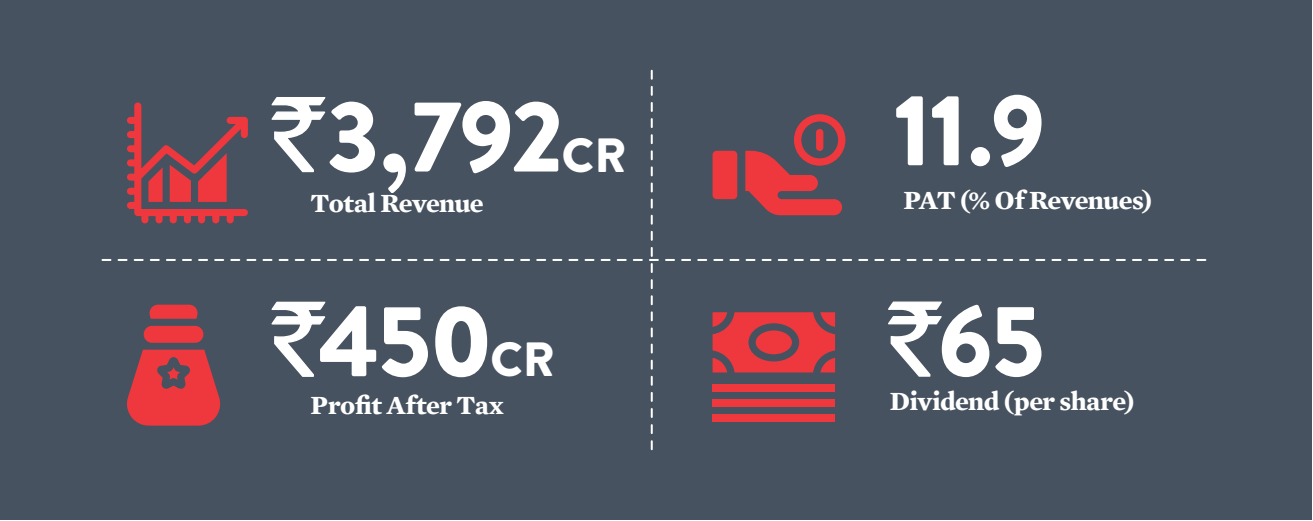
As we embark on a new journey, we welcome Mr Sudarshan Jain and Mr Mark Murphy II who have recently joined our Board of Directors. Mr R A Shah, who was associated with the Company for over 35 years, retired on March 31, 2019 upon completion of his term. We sincerely thank Mr Shah for his support and guidance and wish him good health and all the best in the future.

2018 was a year of resilience and successful strategic planning. Total Revenue amounted to ₹3,792 Crore, recording a growth of 10.7% over the previous year. Profits grew by 12.2%. The Company remains on a strong growth trajectory and our motto of "Breaking Barriers – Enabling Care" has been fulfilled in a way that reveals the strengths and capabilities of the people behind our success, year after year.

In keeping with the solid performance of the Company, your Board has proposed a final dividend of ₹50 and special dividend of ₹15 per share for the year ended March 31, 2019.

At Abbott India, we don't just break performance barriers, we build bridges that show how much we care. Healthcare Professionals and patients are able to access holistic and quality healthcare solutions through various programs such as "Making India Thyroid Aware" in partnership





with the Indian Thyroid Society; **a:care** – a 360 degree ecosystem connecting healthcare professionals and patients; GUTFIT, a unique lifestyle modification program and PANCREOSCOPIE, an online knowledge sharing platform, reaching out to Gastroenterologists with cutting-edge insights.

We also seek to create stronger and healthier communities, enabling people to fulfil their potential and live their life to the fullest. We do so by working with the Government, international healthcare organizations and community-focused NGOs, engaging consumers and leveraging the skills and passion of our own employees.

The Abbott India team of 3,485 dedicated professionals is our most valuable asset. Their commitment and resilience has helped us overcome all challenges in a volatile environment. We believe in motivating and engaging our employees through shared goals, capability-building initiatives and career growth opportunities. We provide our people with an environment of transparency, accountability, and positive reinforcement.

Brand, talent and culture remain key factors in delivering sustainable business and earnings growth, thus creating long-term value for our stakeholders.

I am proud to announce that your Company was recognised as the “Company of the Year” by

AIOCD Pharmasofttech AWACS, and received many other prestigious awards for its brands and marketing campaigns.

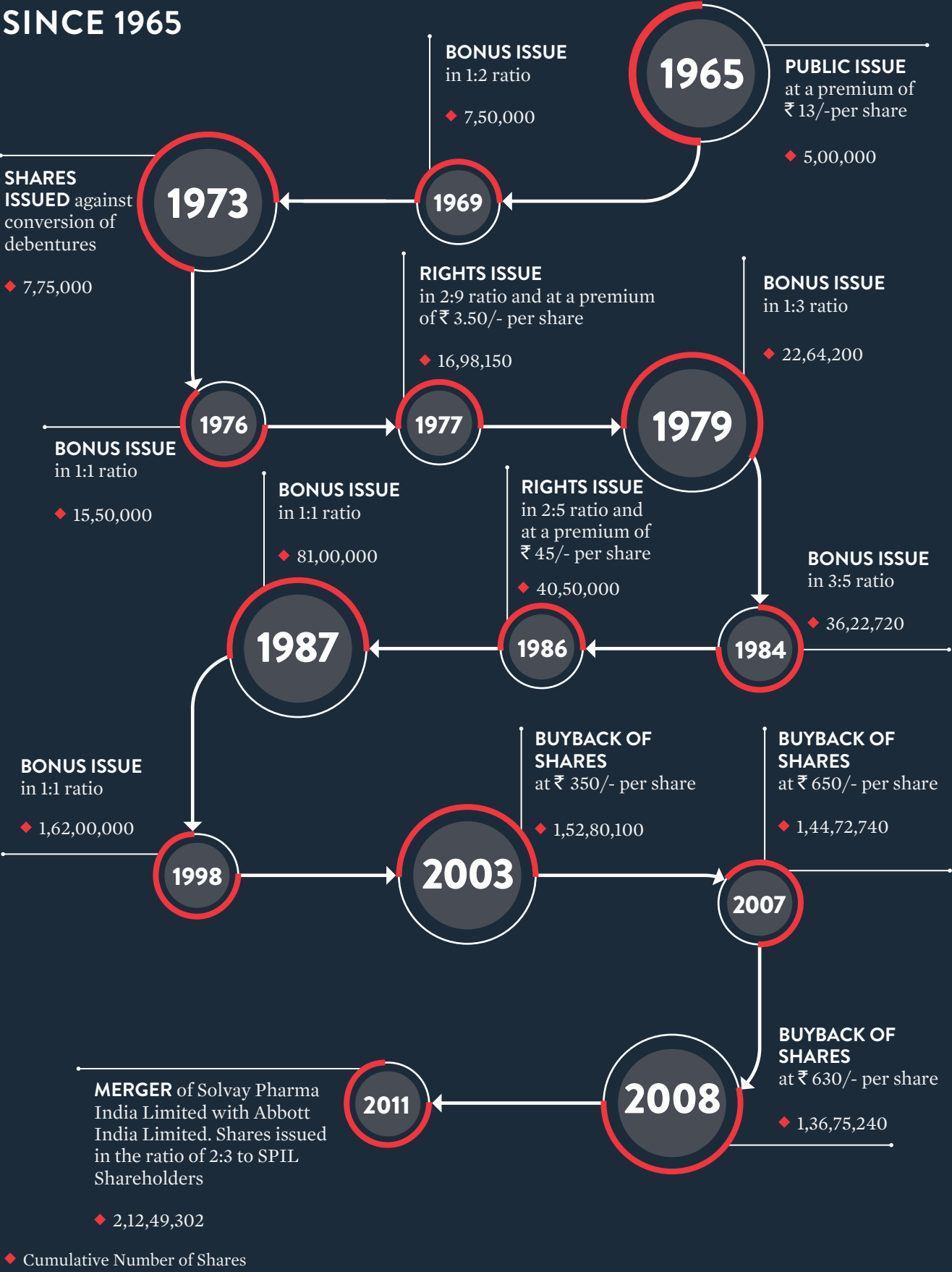
As we move forward, the healthcare landscape in India is expected to improve in the coming years, driven by rising incomes, greater health awareness and diagnosis through technology. Government-led initiatives such as Ayushman Bharat and access to insurance will also help.

We see 2019-20 as another year of consolidation and acceleration. With our Service Plus culture, we will ensure differentiation, and continue outperforming the market. We will build new products to consolidate our leadership in key therapies and enter new high-potential areas. We will enhance therapy growth to ensure sustained business progress. We will surge ahead with innovative marketing initiatives and services to retain our position as one of the leading pharma companies in India, while breaking new ground.

On behalf of our Board of Directors, I would once again like to thank you all – our shareholders, our employees, our customers and partners for supporting us on this exciting journey.

  
**MUNIR SHAIKH**  
Chairman

CAPITAL STRUCTURE  
SINCE 1965



**IMPACTING  
NOW BY  
IMPROVING  
THE HEALTH  
OF MILLIONS  
FOR**

**YEARS**

A mission that has been  
executed with passion  
and accepted with  
positivity

## ENHANCING THE QUALITY OF LIFE, EVERY STEP OF THE WAY...

India's improved economy is driving urbanisation. The expanding middle class, with increasing disposable income to spend along with rising health consciousness, is willing to spend on quality healthcare. Patients are involved more than ever before in handling their own health. And creating value for our patients is at the heart of everything that we do!

Today, Abbott India is transforming people's lives by providing them with the tools they need to

Today, the Abbott India family is a strong unit of 3,485 employees who are its backbone and support system. No matter how volatile the environment, their dedication and continuous passion contributes to the consistent growth of Abbott India. This is evident from our constant record of market beating growth.

With 16 new product launches accelerating Sales growth to 11.2%, 2018-19 has truly been an inspiring year of innovation and agility! With strong leadership

**16**

**NEW PRODUCT LAUNCHES – A YEAR OF  
INNOVATION AND AGILITY**

tackle lifestyle challenges, manage health issues, take precautionary measures against any health hazards, inculcating good dietary practices and thus helping them lead their best quality lives. Our awareness campaigns arm patients with credible information through a multi-channel approach, be it the flu campaign with mothers (Mothers Against Influenza) or our therapy-shaping solutions for Thyroid or Vitamin D. To ensure that the challenge of affordability is tackled, we have also run one of India's largest screening programs for epilepsy, liver, thyroid and Vitamin D.

The support that we have been providing to our patients is remarkable because we present a helping hand at each stage of the continuum of care. Our offerings go beyond the pill. In partnership with individuals, foundations, corporations, the Government, national and international agencies, our focus has always been on results and increasing shareholder value.

and great teamwork, we look forward to a promising future with more solutions to create, new challenges to meet, and many more lives to impact.

“**Associated with Abbott India as a Carrying and Forwarding Service provider for over 15 years has been a seamless experience. We are valued for our efficiency and the business relationship is mutually beneficial. Our role is recognized for the critical contribution in ensuring the timely distribution of safe and quality medicines for patients. We feel happy to partner with a Company that helps millions in India live healthy lives.**”

**- Uma Hataria**

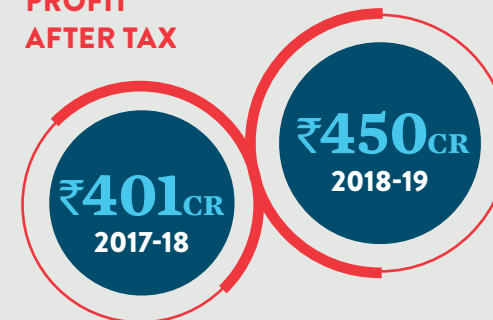
S&S Med Logistics Private Limited  
Carrying and Forwarding Service Provider

# AT THE FOREFRONT OF CHANGE

## DEAR SHAREHOLDERS,

This year, your Company marks 75 years of its presence in India. We have been breaking barriers in healthcare since 1944 and helping millions of Indians live a fuller life. The hallmark of our 75 years has been an unwavering focus on the needs of our patients. It has been a wonderful journey that inspires us to get better and stronger every year.

### PROFIT AFTER TAX



Your Company has been at the forefront of providing diverse medicines and innovative services over these years. Our growth has been marked by finding the right balance between consistency and agility. We have increased our focus on innovation, evolved our manufacturing operations, sharpened our marketing and sales efforts, and as always, we continue to leverage our top-class talent.

I am glad to share that we have once again achieved impressive results this year. Our performance continues to show a positive trend with continual, focused evolution, while building on our past strengths and successes. We grew 1.8 times\* faster than the market, and currently our Net Sales stand at ₹3,640 Crore registering a growth of 11.2 % over the previous year, while Net Profit for the year grew by 12.2%.

We have outperformed consistently in Women's Health, Gastroenterology, Metabolics, Pain Management, Central Nervous System and Vaccines. The Consumer Health portfolio, led by Digene, is going through a tremendous turnaround. In the next few years, with

empowered patients and increasing consumerization in healthcare, we intend to launch more products in this space. We have the best of the consumer interests in our mind, and hence are also focusing on taking a few of our existing brands on the OTC platform.

It is a matter of pride that our 6\* brands appear in the list of top 100 brands of Indian Pharmaceutical Market. 9\* of our top 10 brands are leaders in their respective participated market.

Behind the impressive growth lies the story of several successful initiatives. Our cutting-edge innovation, research and development work has enabled us to introduce products that bridge crucial gaps in each of the therapeutic areas where we are present.

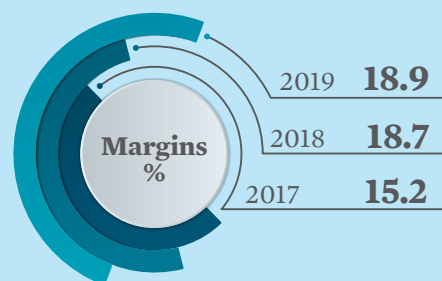
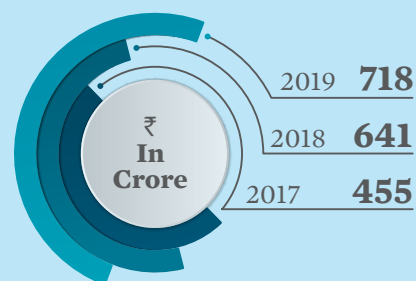
In the last year, we launched 16 new products, some of which are doing extremely well, meeting our expectations and displaying potential for even further growth. We also restructured some of our key portfolios to streamline therapies. We split our Women's Health portfolio from the Gastrointestinal portfolio. The teams now work independently, and the renewed Gastro portfolios are now called GI Prima, GI Maxima, GI Prospera, and GI Advance.

The credit for the success of the Company goes to the focus, commitment and care that I see across all the organizational functions. There is great passion and a relentless drive to help ensure that the best quality medicines and treatment reaches our patients always. We are able to meet the changing demands of an expanding consumer-base, thanks to our highly efficient colleagues who work at our state-of-the-art manufacturing facility in Verna, Goa. They ensure international quality standards through their exceedingly high commitment and dedication. In equal measure, I must also appreciate the efforts of our robust and reliable distribution network of 70,000 retailers, 4,400 stockists and 24 distribution points, who aid us every step of the way.

\*Source : IQVIA



## EBITDA



Our products communicate quality and trust. Considerable emphasis is laid on ensuring that our patients receive safe and effective products. With the increase in newer drugs and treatments, the investments in conducting clinical trials have also increased considerably.

Hand in hand with this holistic strategy has been our culture of cost-competitiveness across the spectrum. Be it in terms of sales and general administration and brand promotions, we constantly evaluate the effectiveness of our spends, a policy that keeps us at the forefront of the Indian Pharmaceutical Industry.

Today your Company has a leadership position in most of the therapeutic areas it operates in. What makes us truly trendsetting is our underlying principle of creating sustainable healthcare ecosystems. Insight-driven and innovation-led, we continue to look at new ways of using existing medicines, new delivery methods and digital solutions.

We have one of the lowest employee attrition rates in the industry. We are aware that employees are at the centre of everything we do. We, therefore, continue to invest a great deal of effort in keeping the motivation high, while ensuring that outstanding performances are well rewarded. In addition, we promote radical ideas like “reverse mentoring”, where the new generation teaches their skill-sets to older colleagues. We have created a corporate culture, where people can be flexible and bold in approach and ideas. Importantly, we encourage the ability to predict need-gaps and create solutions that will continue to show the way.

Industry dynamics will impact the way in which Abbott India grows. With India poised as one of the highest-growth markets globally over the next decade, our pill plus services approach may well be the key differentiator and game-changer that will take us beyond our current successes. To move from awareness to compliance to lifestyle modification has been the trend so far. The next step is how we, as a company, and as a nation, can steer better patient outcomes.



The future holds enormous promise. We want to make room for “now” and “next” therapies, thereby addressing today’s demands while moving towards tomorrow’s challenges. We aim to accelerate our established brands through technical innovations that will add breadth and depth to our reach and scope as we serve patients, doctors, pharmacists and caregivers. We know that digital platforms will achieve maximum impact and dispersal in a market like India.

Harnessing the true power of available data would ensure the best of health outcomes (with personalized offerings). In times to come, our investment in gathering the best insights available across the healthcare spectrum will see a rise. Real-World Evidence and big data studies will help us towards this end. We hope to shift the paradigm in digital innovation through connectivity and conversation between different players in the healthcare chain, becoming – and staying – the leading holistic healthcare provider across the continuum of care, with patients as our primary focus, as always.

To this end, we launched the “a:care” platform in India. Helpful for both doctors as well as patients, a:care is an online platform that aims to be the new standard for managing health. It is designed to help bridge communication between consumers and doctors to ensure a supportive, cohesive approach. Chronic diseases are on the rise in India, and such technology-led services will help tackle both present and future healthcare imperatives. A truly timely and transformative step.

For us at Abbott India, leadership is multi-faceted and goes much beyond commercial purpose. We believe that if we can create multiple patient-centric healthcare ecosystems in developing nations like

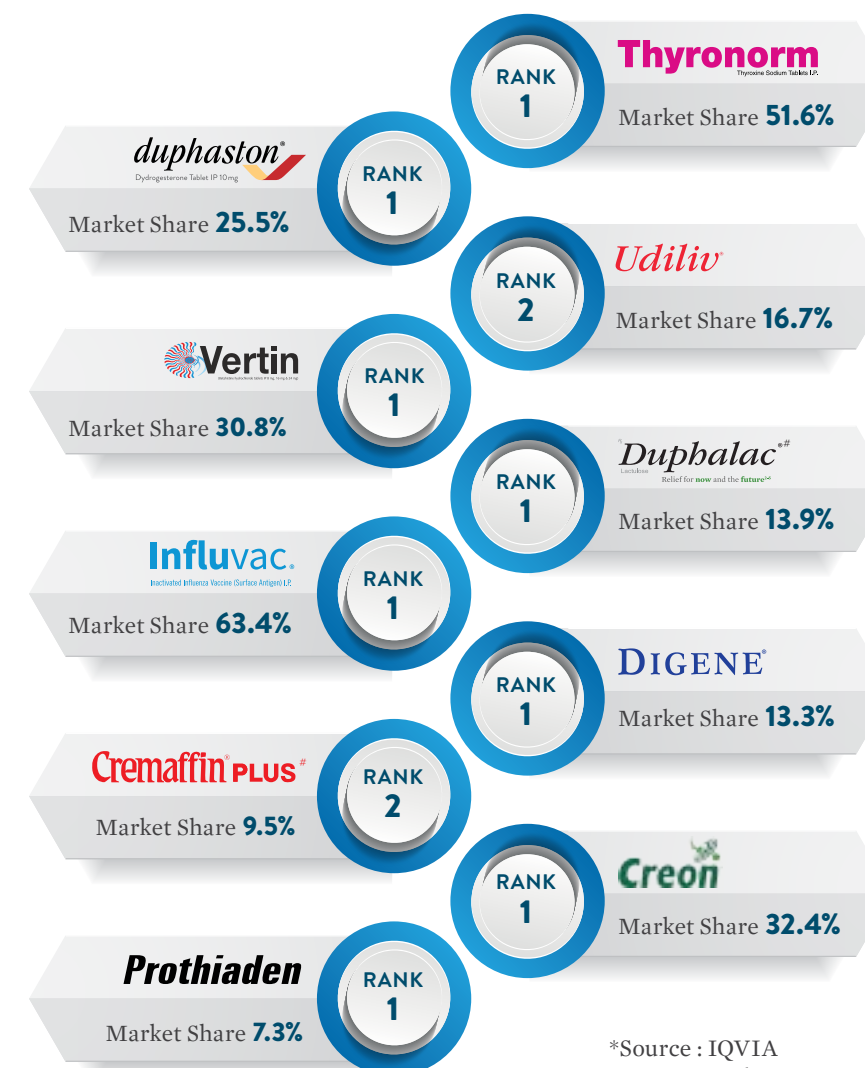
India – that’s true leadership, because only then can we truly help people get healthy.

None of this would be imaginable or achievable without your continued faith in us. We owe our 75th anniversary to your trust. Thank you for your support and confidence in our abilities. I look forward to working with all of you as we embark on the next financial year with an even stronger commitment to breaking barriers, delivering quality medicines and enabling care across our stakeholders.

*Ambati Venu*

**AMBATI VENU**  
Managing Director

## OUR MARKET LEADING BRANDS\*



\*Source : IQVIA

#Represent the same participated market Rank as per respective participated market



# 10 YEAR FINANCIAL HIGHLIGHTS

OPERATING RESULTS	PREVIOUS GAAP		
	2009	2010 (13M)	2011*
Total Revenue (Inclusive of excise duty/net of GST)	795,93	1031,97	1528,07
Material Cost	504,17	647,30	861,21
Employee Benefit Expenses	62,37	111,20	167,35
Other Expenses	102,80	168,03	304,32
Depreciation And Amortisation	9,01	11,25	15,00
Finance Cost	20	4	3
Profit Before Tax And Exceptional Items	117,38	94,15	180,16
Exceptional Items	-	-	-
Provision For Taxation	39,87	33,21	59,77
Profit After Tax And Exceptional Items	77,51	60,94	120,39
Earning Per Share - Basic & Diluted ₹	56.68	44.56	56.66
Final Dividend Per Share ₹	17.00	17.00	17.00
Special Dividend Per Share ₹	-	-	-
ASSETS EMPLOYED			
Fixed Assets (Net)	49,15	50,57	80,02
Other Assets (Net)	222,41	254,82	464,12
Total Assets	271,56	305,39	544,14
FINANCED BY			
Share Capital	13,68	13,68	21,25
Other Equity	257,88	291,71	522,89
Total Equity	271,56	305,39	544,14
NUMBER OF SHAREHOLDERS	13,422	14,461	19,354
HEADCOUNT	1,308	1,767	2,425

(All amounts in ₹ Lakhs, unless otherwise stated)

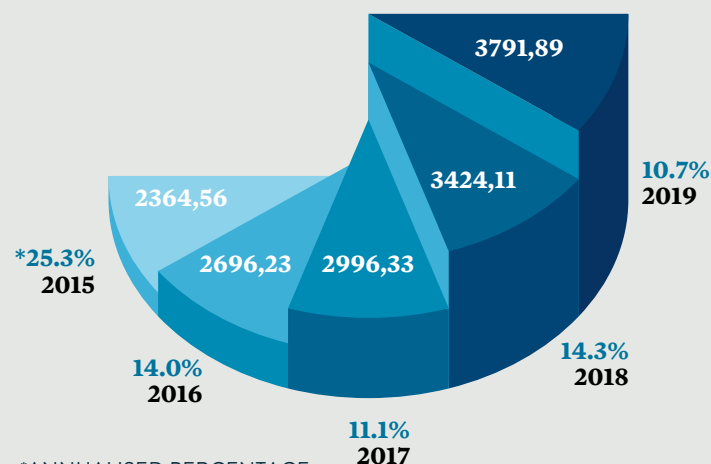
PREVIOUS GAAP			IND AS®			
2012	2014 (15M)	2015	2016	2017	2018	2019
1696,93	2358,39	2364,56	2696,23	2996,33	3424,11	3791,89
971,65	1297,41	1311,96	1492,03	1712,06	1904,74	2088,60
206,20	299,74	305,40	341,09	345,27	393,69	435,58
294,97	444,68	387,40	448,14	484,04	484,19	549,69
19,49	21,93	14,94	14,44	16,43	16,19	16,92
2	8	50	2,52	2,04	3,82	2,25
204,60	294,55	344,36	398,01	436,49	621,48	698,85
10,39	-	-	-	-	-	-
70,29	96,10	115,40	142,76	159,84	220,26	248,52
144,70	198,45	228,96	255,25	276,65	401,22	450,33
68.10	93.39	107.75	120.12	130.19	188.81	211.93
17.00	23.00	31.00	35.00	40.00	50.00	50.00
-	-	-	-	-	5.00	15.00
109,18	99,52	99,95	111,29	115,88	83,55	105,69
537,68	688,33	837,58	1084,31	1271,06	1609,21	1902,90
646,86	787,85	937,53	1195,60	1386,94	1692,76	2008,59
21,25	21,25	21,25	21,25	21,25	21,25	21,25
625,61	766,60	916,28	1174,35	1365,69	1671,51	1987,34
646,86	787,85	937,53	1195,60	1386,94	1692,76	2008,59
20,826	18,270	19,407	21,250	23,004	22,583	27,559
2,667	2,766	2,867	2,956	3,083	3,322	3,485

\* Post Merger with Solvay Pharma India Limited.  
®The Company transitioned into IND AS from April 1, 2015, hence these numbers are not comparable with previous years.

# KEY PERFORMANCE INDICATORS

REVENUE GROWTH	10.7%
----------------	-------

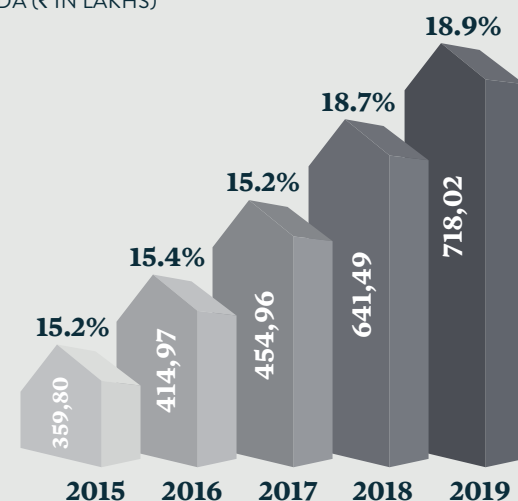
REVENUE (₹ IN LAKHS)



\*ANNUALISED PERCENTAGE

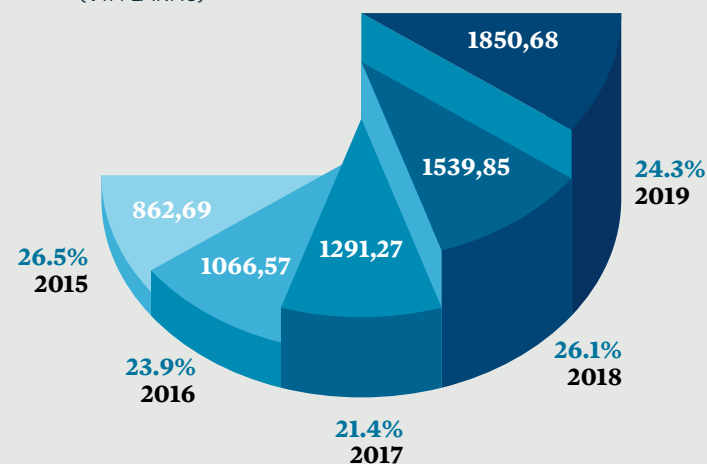
EBITDA MARGINS	18.9%
----------------	-------

EBITDA (₹ IN LAKHS)



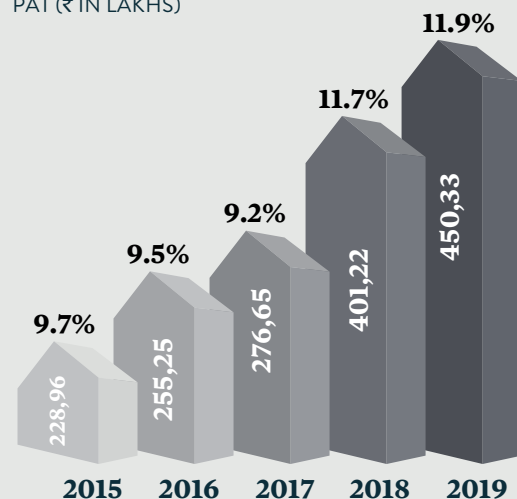
RETURN ON AVG. CAPITAL EMPLOYED	24.3%
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AVG. CAPITAL EMPLOYED (₹ IN LAKHS)



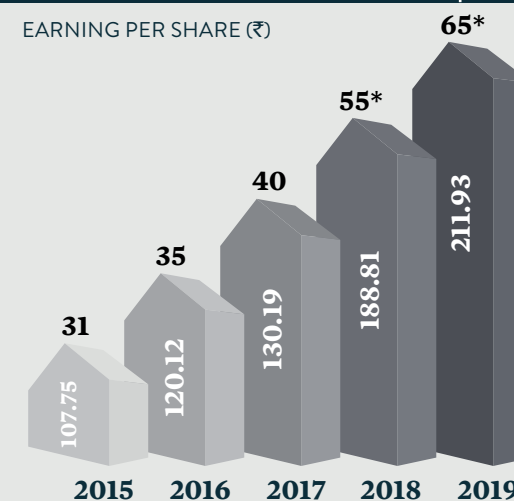
PAT MARGINS	11.9%
-------------	-------

PAT (₹ IN LAKHS)



DIVIDEND PER SHARE	₹65
--------------------	-----

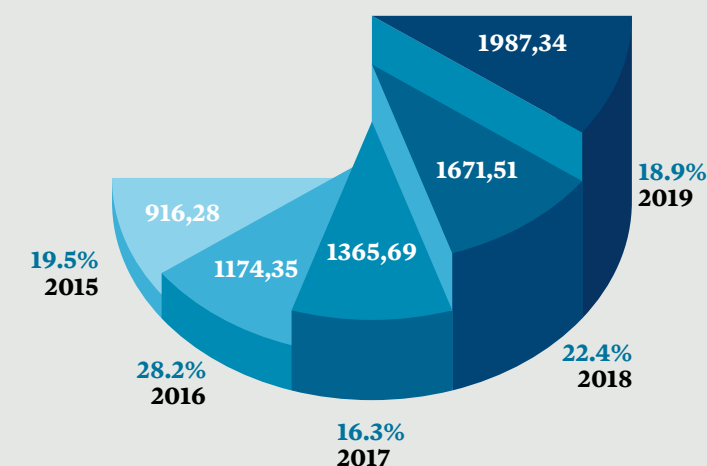
EARNING PER SHARE (₹)



\*INCLUDES SPECIAL DIVIDEND

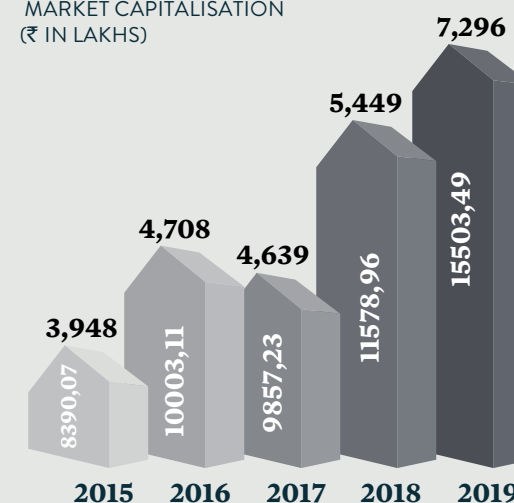
RESERVES AND SURPLUS GROWTH	18.9%
-----------------------------	-------

RESERVES AND SURPLUS (₹ IN LAKHS)



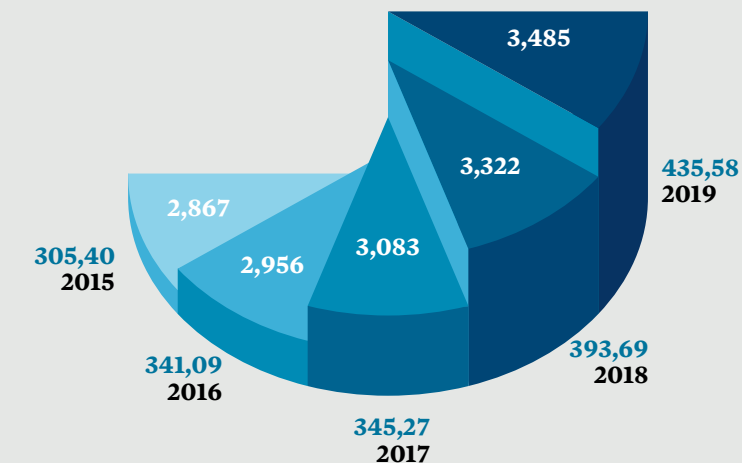
SHARE PRICE (₹) (AS AT MARCH 31)	7,296
----------------------------------	-------

MARKET CAPITALISATION (₹ IN LAKHS)



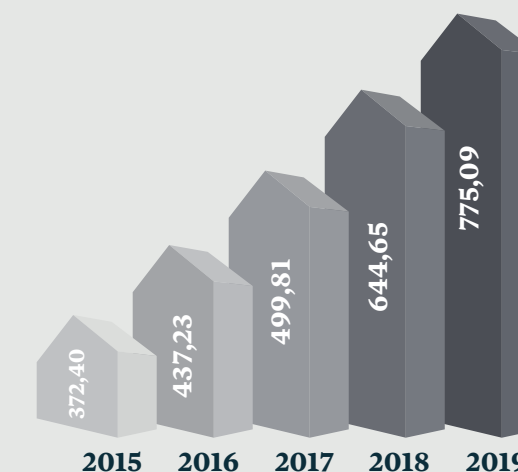
EMPLOYEE COST (₹ IN LAKHS)	₹435,58
----------------------------	---------

EMPLOYEES (NOS)



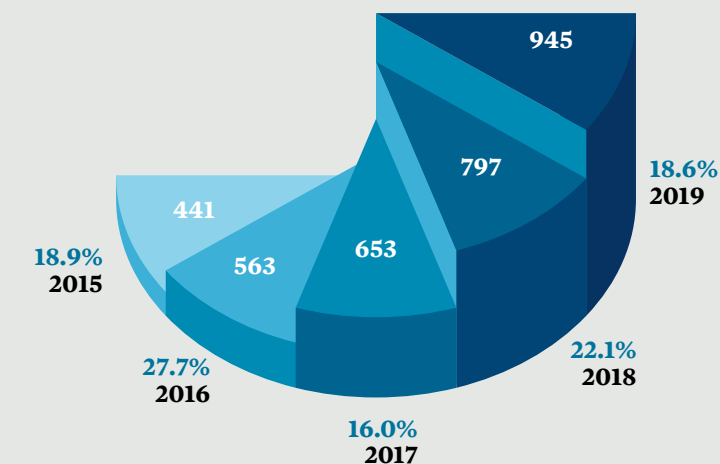
CONTRIBUTION TO EXCHEQUER	₹775,09
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(₹ IN LAKHS)



BOOK VALUE GROWTH	18.6%
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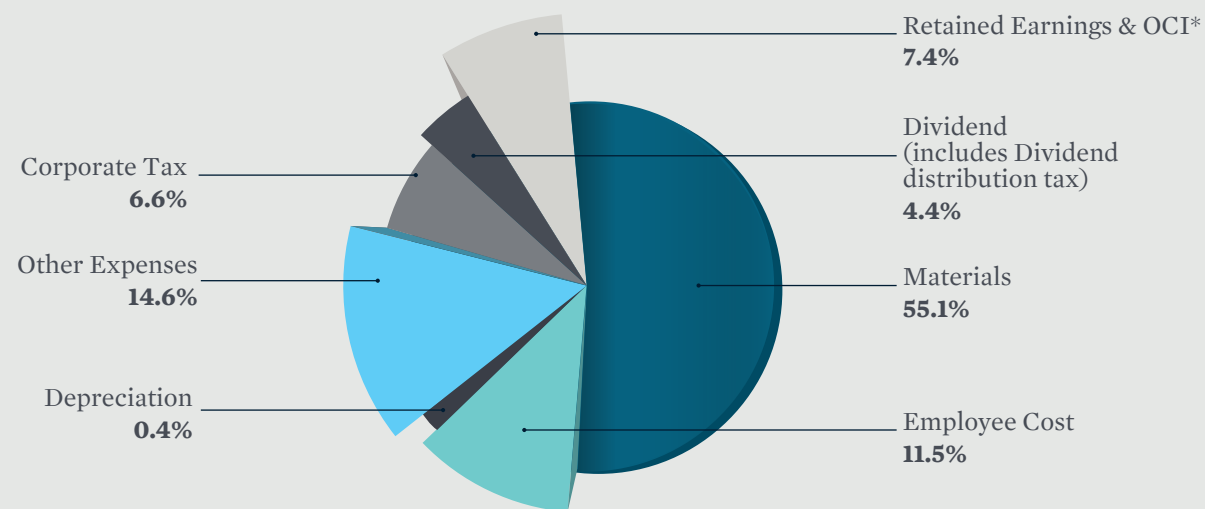
BOOK VALUE PER SHARE (₹)



# REVENUE DISTRIBUTION

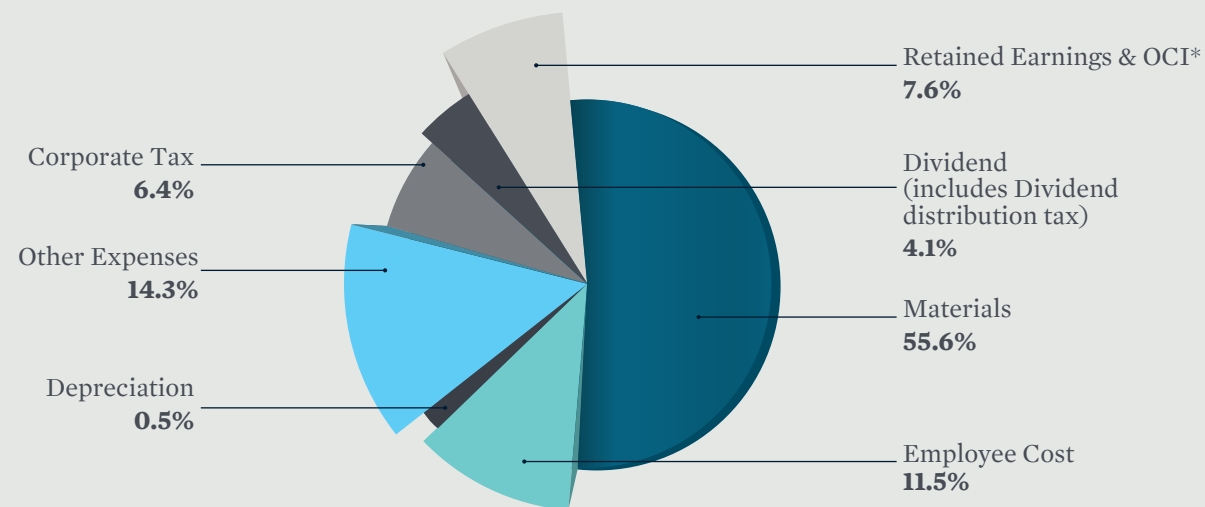
2018-2019

Total Revenue ₹3791,89 Lakhs



2017-2018

Total Revenue ₹3424,11 Lakhs



\* Other Comprehensive Income (OCI)

## VALUE-ADDED STATEMENT

Value-added is defined as the value created by the activities of a business and its employees

(₹ in Lakhs)

STAKEHOLDERS	2018-19	2017-18
Payment to Exchequer	775,09	644,65
Payment to Employees	435,58	393,69
Payment to Shareholders*	138,12	116,87
Contribution to Society (CSR)	11,28	9,12
Towards replacement and expansion#	298,65	275,43
<b>Total Value Added</b>	<b>1658,72</b>	<b>1439,76</b>

\*Proposed Dividend excluding Dividend Distribution Tax

#Replacement and expansion is Retained earnings+Depreciation

## VALUE-ADDED INITIATIVES

### ENVIRONMENT

Continuous focus on 3R's – **Reduce, Recycle and Reuse**

**62%** of the total waste recycled

**2%** composted on site

**36%** co-processed



**8,165 KL** of water saved



Annualized reduction of  
**5,47,186 KwH** energy usage



Avoiding **410 MT**  
of CO2 emissions

### CSR

Total Spend of **₹11,28 Lakhs** during the year

**Health Clinics** – Reaching out to **6.3 Lakh** people through 3 campaigns in 25 states

**SEWA** – Educated **4,000** members and their families (approx. 20,000 participants)

**Malaria No More** – Supply of **1 million** rapid diagnostic tests for malaria eradication in Odisha

### PEOPLE



Abbott Sales Training Academy provides training to sales force – more than **49,000** workdays through multiple programs



**119** employees participated in Executive Program in Sales & Marketing in collaboration with IIM



**99** positions were filled through Internal Job Postings



# ACHIEVING EXCELLENCE, FOSTERING GROWTH

## A YEAR OF BUSINESS INITIATIVES

This year has seen the launch of many strategic campaigns across different product categories. Some of these campaigns were also recognised for their thought-leadership and awarded on prestigious platforms. These campaigns were carried out across various media (360° engagement) – leading newspapers in print, commercials on television, digital, social media channels and other offline touchpoints.

### a:care

During the year, Abbott announced the launch of its new digital health service in India as part of its global **a:care** program. The **a:care** platform from Abbott's pharmaceuticals business provides doctors and consumers with services and information to help people achieve better health. India is the first country in which Abbott launched the digital platform, which can be found online at [www.acare.co.in](http://www.acare.co.in) or as a web app downloaded from the Android play store.

Abbott's **a:care** is a unique digital platform in the country that will bridge communication between patients and doctors across multiple therapy areas.

The platform supports people with a broad range of healthcare needs, from prevention to awareness, adherence to treatment and motivation. For instance, using the platform, a doctor can get access to the latest science, medical education and patient support services, and consumers can access educational health information or participate in a motivational program to help them adhere to treatments prescribed by their doctors.

## FRYDAY CAMPAIGN

The FryDay campaign for Pankreoflat was designed keeping in mind the food habits of people, especially over weekends, which generally lead to abdominal discomfort. The campaign was run to remind Healthcare Professionals of indigestion and bloating as one of the important symptoms of the problem at hand. It won the Big Bang Awards from the Advertising Club for Excellence in Marketing.



**BLOATING**



**ABDOMINAL DISCOMFORT**



**INDIGESTION**





# DIGENE CAMPAIGN

The Digene campaign showcased the brand as a scientific solution to lifestyle-related acidity. The campaign reached out to consumers in key markets through TV commercials, print campaigns in leading newspapers, and the whole idea was amplified on digital media.

 2 LAKH+  
E-PHARMACY VIEWS

 50,000+  
WEBSITE VISITS

 80 LAKH+  
SOCIAL VIEWS

DIGENE




# #WOW CAMPAIGN

On International Women’s day, we flagged off the WOW campaign (Win Over Migraine) to spread awareness across the medical fraternity about migraine. Through this campaign, we reached out to over 10,000 doctors across India.



# LIVER IS LIFE CAMPAIGN

As a part of our pill plus service offerings, we have been providing support in the form of liver health screenings through FibroScan™ and Liver Function Tests. With an aim to scale up the service offerings for liver patients, we partnered with Healthcare Professionals for holistic disease management and also launched GUTFIT™; thus enhancing the overall awareness and diagnosis spectrum for the therapy. We also celebrated “India Fatty Liver Month” (Abbott India coined) in July and reached out to over 11,000 Healthcare Professionals and 4 Lakh patients.

 4 Lakh  
patients

 11,000  
Healthcare Professionals

# #WINOVEREPILEPSY

Epilepsy remains one of the most critical neurological conditions in India. Estimates reveal that only 10% of the population in rural areas reaches out to doctors for epilepsy. The primary reasons for this are social stigma and lack of seriousness towards the condition. This campaign #WinOverEpilepsy, focused on creating awareness and ensuring that people get the right treatment. We reached out to approximately 38 Lakh people across 39 cities in India.

 140  
NEUROLOGISTS

 RADIO  
PROGRAM


 38 LAKH  
PEOPLE





## GUTFIT

Moving beyond offering of pills, we partnered with Healthcare Professionals for holistic disease management and launched GUTFIT – a unique lifestyle modification programme. It is a first of its kind comprehensive pill plus service offering in the gastrointestinal space. Till now, 500 consulting Physicians and 150 Gastroenterologists across India participated in this programme.

### RESULTS :

 Increase in overall diagnosis of gut-related diseases

 Improvement in health risk assessment scores for 61% patients on a 3-month program

 Increased engagement with Healthcare Professionals.

**500** consulting Physicians | **150** Gastroenterologists



## BE 'D' POSITIVE



A large number of Indians suffer from vitamin D deficiency. The need of the hour is diagnosis at the right time for timely resolution of symptoms and awareness about therapy. The high screening cost in India remains a challenge. Abbott India took an in-clinic initiative in collaboration with Metropolis Labs to get patients screened for Vitamin D at an affordable cost. We conducted over 300 screening clinics across India and over 5,500 patients benefitted from this initiative.

## IN-HOME VACCINATION



**IN-HOME VACCINATION**

Through this programme, support was extended to doctors who were inclined towards adult immunization but did not have adequate infrastructure. By providing in-home delivery of vaccine inoculation for their co-morbid patients, we reached out to over 250 such doctors through this unique initiative spread across 5 cities.

## MATTU CAMPAIGN



MATTU is a Mission Against Typhoid Through Universal immunization. With an aim to increase awareness on typhoid, we launched a 360 degree marketing campaign through multi-media and strong in-clinic activation. As a part of this, our radio campaign reached out to over 22 Lakh people across 10 cities.

## PANCRECARE

Taking a step further for the pill plus offerings, we started Pancreacare, a comprehensive disease management solution for Chronic Pancreatitis patients. During the year, 1,300 patients were treated with unique disease area information, diet customization, counselling and treatment progress tracking.



## PANCREOSCOPIE

During the year, we also started Pancreoscopie, an online educational platform for providing Healthcare Professionals with cutting-edge insights, recent publications and a plethora of information on diseases of the pancreas, and their management.



## SOME OF THE NEW PRODUCT LAUNCHES

### WOMEN'S HEALTH

Estrabet Gel  
Doxstem  
Combinorm Wash  
Fertifoid

### GASTROENTEROLOGY

Cremagel H  
Dezoflav  
PepIBS  
Lolept Injection  
Lolept Sachet

### CENTRAL NERVOUS SYSTEM

Inderal F

### METABOLICS

Methimercazole  
Thyronorm 37.5

### PAIN MANAGEMENT

Nefosar Tab  
Nefosar Inj



# FOSTERING EMPATHY AND INCLUSIVENESS

At Abbott India, every employee contributes in our core commitment to patients and shares a deep sense of corporate obligation to do public good. We recognize that empathy and inclusiveness are as valuable as productivity and efficiency. Hence, we focus on the development of an empathetic inclusive culture where employee development and talent management schemes ensure that they groom, grow and inspire people.

## ATTRACTING TALENT, NURTURING LEADERSHIP

Women Leaders at Abbott (WLA) is our flagship program to attract, engage, retain and develop the skills and careers of the brightest women entering the workplace. The aim is to provide an equal-opportunity, gender-sensitive, safe and nurturing environment that makes Abbott India a model workplace.

## THE NEXT GENERATION BEGINS NOW



Sales force training is an imperative tool to maintain the edge in an industry where the sales representatives' knowledge is critical. In 2018, the training team continued its efforts towards maintaining a future-ready sales team through various efforts, including the cutting-edge "Edge App".

## PROGRAMMED TO PERFORM

### THREE-TIER CERTIFICATION PROGRAM:

In line with Abbott India's philosophy to develop internal talent, we introduced a three-tier certification program for the sales force aimed at mentoring talent and identifying managers for promotions in the field.

**LEVEL NEXT:** To ensure proper grooming of our new managers, an on-boarding program was designed to support newly-promoted managers to transition effectively from a representative role to a managerial role.

**HiPo:** HiPotential workshop is a great example of a cross-functional collaborative approach by sales leadership, HR and training teams help identify high-potential sales people who may later on progress in their career.

### NEXT GENERATION LEADERSHIP PROGRAM (NGLP):

NGLP is a first-of-its-kind program in the Healthcare industry in India. Customized and created only for Abbott India, it is designed for first line managers to help them build strong functional and leadership capability for current and next level roles. It is a tie up with IIM-Calcutta, one of India's Best B-Schools for a one-year Post Graduate Certification program in Sales and Marketing.



## KERALA RELIEF MEASURES

In August 2018, when Kerala experienced the worst floods in a century, Abbott was at the forefront of help and relief. We set up a Distress Management Cell in less than 24 hours, galvanised on-the-ground Abbott Volunteers with relief kits, granted special leave and expedited salary advances for affected employees. We also issued vaccination advisories and reimbursed not just employees but also their families for costs incurred. Our employees for their resilience, our managers for leading the field-relief so effectively and our cross-affiliate distress management teams all made us truly #Proud to be Abbott!



### SALARY ADVANCE



### FINANCIAL ASSISTANCE THROUGH CLARA ABBOTT FOUNDATION

80

FIRST LINE MANAGERS AND SECOND LINE MANAGERS PROMOTIONS IN 2018 VS 46 IN 2017

24/7

ACCESS TO PROFESSIONAL COUNSELLING THROUGH OPTUM SCHEME

1CR

TOP-UP LIFE INSURANCE COVER



# GOING STRONG IN GOA

Quality is not something that can be adopted overnight, it is the result of continuous efforts. We achieve quality in our products with the help of our world-class state-of-the-art manufacturing plant situated in Verna, Goa. Set up in 1996 for manufacturing different formulations, over the years it has turned into a big hub where key products such as Duphalac, Cremaffin, Brufen, Udiliv, and Digene are manufactured. The plant has been, and continues to be, crucial to our endeavour that Made-in-India products reach people all over our country.

The plant started out with an installed capacity of 1,795 Mio. tablets / 8,570 KL liquid per annum and today has an installed capacity to manufacture 2,257 Mio. tablets / 9,745 KL liquid per annum. The employee-base at Goa has also grown significantly and by the end of 2018, our site had 335 people. A total of 98 SKUs are being manufactured at the plant.

## Installed Capacity of the Plant

In 1996	<b>1,795</b> Mio. tablets	<b>8,570</b> KL liquid per annum
-----		
In 2019	<b>2,257</b> Mio. tablets	<b>9,745</b> KL liquid per annum

Spread over a total area of 35,000 sq. meters, the plant is designed to produce high-quality, high-volume formulations using cost-efficient methods and processes. The plant showcases advanced manufacturing technology such as new volumetric filling machines, modernised liquid tanks, and employs trained personnel to ensure international standards of quality at each step of the manufacturing process. It has the latest equipment for the most efficient treatment of waste

and effluents, and an impeccable safety record. The plant operates with complete compliance and has all regulatory approvals from State FDA as well as WHO-GMP.

During the year 2018-19, multiple initiatives such as increase in batch sizes, reduction in product changeover time, introduction of chilled water to control inlet air humidity have helped us to overdeliver continuous improvement target for year 2018 by 16%.

What is even more remarkable is that these efficiency gains have come while maintaining a perfect safety record of 7 years without any lost time injury and no major observations in global Environment, Health and Safety audits. In addition, the plant continues to focus on maintaining its commitment to the environment – our technical team was able to reduce water consumption by 9.4%, reduce waste by 12.4% and reduce CO2 emissions by 10% over and above stated goals.

As Abbott India continues to expand, the Goa plant remains a key cornerstone in the overall mechanism that ensures availability of world-class medicines for millions of Indians.

“At Abbott India, safety at the workplace has always been our priority and we believe that if we provide a safe working environment to our employees, we can produce safe and quality medicines for our customers. We endeavor to reach a maximum number of patients in the coming years by producing quality products at an affordable cost.”

- Santosh Desai  
Plant Manager

## GOA PLANT



Then



Now



# BOARD OF DIRECTORS

**AMBATI  
VENU**

Managing Director



**MUNIR  
SHAIKH**

Chairman



**KRISHNA  
MOHAN SAHNI**

Independent  
Director



**ANISHA  
MOTWANI**

Independent  
Director



**RAJIV  
SONALKER**

CFO and  
Whole-time Director



**JAWED  
ZIA**

Non-Executive  
Director



**KAIYOMARZ  
MARFATIA**

Non-Executive  
Director



**SUDARSHAN  
JAIN**

Independent  
Director



**MARK MURPHY II**

Non-Executive  
Director



# KEY MANAGEMENT TEAM

**AMBATI VENU**  
Managing Director



**PRAKASH  
MAHESHWARI**  
Commercial Director -  
Women's Health and  
Gastroenterology



**DR SRIRUPA DAS**  
Director -  
Medical Affairs



**RAJIV SONALKER**  
CFO and Whole-time  
Director



**MILIND  
TENDULKAR**  
Commercial Director -  
GenNext and Vaccines



**KEYA PHATNANI**  
Associate Director -  
Human Resources



**RAMANATHAN V**  
Commercial Director -  
Specialty Care

**SRIDHAR  
KADANGODE**  
Director - Finance



**KRUPA  
ANANDPARA**  
Associate Director  
- Secretarial and  
Company Secretary



**DR VIJAY PATIL**  
Associate Director -  
New Product Introductions  
and Therapy Area Strategy



**BURJOR  
DADACHANJI**  
Commercial Director -  
Commercial Excellence  
and International  
Business



**MANDAR  
KESKAR**  
Associate Director -  
Consumer Care





# CORPORATE SOCIAL RESPONSIBILITY

## THROUGH CSR PROGRAMS, ABBOTT INDIA ENSURES THAT IT REACHES A LARGE PORTION OF THE COMMUNITY AND LEAVES A LASTING IMPACT

Abbott India's CSR strategy over the years has designed and executed shared value programs that have delivered sustainable models and have achieved scale. The vision of our CSR programs has been to tackle key drivers behind the rise of Non-communicable Diseases, and eliminate communicable diseases that are life-threatening. Programs are conceptualized in a way that they integrate our key business expertise, and build capabilities on-ground that can sustain themselves and drive scale.

Through various new and ongoing programs, we have forged truly world-class partnerships with organizations such as Malaria No More and Self-Employed Women's Association (SEWA – the world's largest trade union of women). We have engaged local government authorities to tie our efforts with regional developmental goals and drive maximum synergies between our efforts and those of the Government's. Abbott's Stakeholder Engagement Policy also plays a key role in creating local strategies that enable it to



identify and drive constructive dialogues. For instance, Abbott's partnership with Malaria No More and the Government of Odisha, has a state-level strategy that addresses the gaps across training, diagnostics and communication across stakeholders. It involves a cash grant towards development of a comprehensive state malaria elimination strategy that can serve as a model for other states to emulate. We also provided support in the form of Rapid Diagnostics Tests (RDTs) to strengthen the Odisha State Government's Malaria Detection and Surveillance System.

Through these programs, Abbott India ensures that it reaches a large part of the community and leaves a lasting impact. Our Healthcare Delivery Program with SEWA has been launched in two SEWA communities in the state of Gujarat, targeting 4,000 members and their families (a total of approx. 20,000 participants).

The Health Clinics program, on the other hand, has reached approximately 165 districts across 25 states, impacting over 6.3 Lakh people through 3 major campaigns. To enable access to essential healthcare services and information, we also support qualified doctors and Healthcare Professionals to expand disease diagnosis and access to care. This includes programs to raise awareness and improve care for epilepsy and liver diseases.



### BLOOD DONATION CAMP

A fitting example of how we at Abbott are truly living by our purpose – helping people live healthier lives – is the Blood Donation Camp organized to celebrate Doctor's Day on 1st July in association with the Indian Medical Association (IMA). We witnessed encouraging participation from employees across all Abbott offices and manufacturing plants in India that will translate into saving over 3,900 lives. The one thing that truly made this camp meaningful is our contribution towards this noble cause as One-Abbott team across all affiliates and locations.





# AWARDS AND ACCOLADES

## ABBOTT INDIA - BAGGING MANY AWARDS IN PERFORMANCE, BRANDS, MARKETING AND THOUGHT-LEADERSHIP



- Company of the Year (Abbott India)
- Brand of the Year (Thyronorm) by AWACS



Best Marketing Campaign for Thyronorm by Golden Globe Tiger Awards

Best Marketing Campaign – #MomvsFlu by DMA Asia Echo Awards



Outstanding patient support for Gutfit by CMO Asia



Excellence in Content Development for e-detailing training – Rajni ka iPad by National Awards for Training and Development



Gold for Best Content in a B-2-B Marketing Campaign – Immersive storytelling (using AR) for doctors at the India Content Leadership Award

Excellence in Communication & Media for Pancreoflat FryDay Campaign by Big Bang Awards



Best Online commercial for #MomvsFlu by Drivers of Digital by Inkspell Media



Gold Award for Best Use of Market Research – PR #MomvsFlu by Global Customer Engagement



- Leveraging AR/VR in Marketing for Duphaston
- Leveraging Technology for Better Patient Management for Gutfit by DigiPharma X - Connected Health India Summit & Awards



## BUILDING ON AND GOING BEYOND

## YEARS OF HEALTHCARE

A mandate to evolve,  
uphold and extend our  
leadership role for the  
future

## LEADING THE FUTURE OF HEALTHCARE BY ENRICHING LIVES AS A PREFERRED PARTNER AND PIONEERING FORCE

Targeted to cross \$120 billion by 2030, the future of the Indian Pharma industry is aspirational. Abbott India's role as one of the top pioneering healthcare companies in India, in an increasingly health aware and health caring society, will be very crucial.



### PIONEERING

Consistently beat market growth by developing new ideas



### ENRICHING PEOPLE'S LIVES

Expand breadth and depth of portfolio and strengthen our urban coverage



### HEALTHCARE COMPANY

Delivering "Beyond the Pill" by empowering patients, doctors and caregivers



### PARTNER OF CHOICE

Engage and build trust with our trade partners, distributors, employees and policy makers

Introduction of new drugs and entering new therapeutic areas will continue to be driven by the need-gaps in the healthcare pipeline. Our mega brands may see line extensions and some hidden gem brands may shine. We have already identified a few new product innovations to lead in liver, constipation, infertility and pancreas, and our emphasis is strong on the consumer sector.

Providing a helping hand to the patient, every step of the way, will see a strong boost in the form of Patient Support Programs 2.0. From digital apps to utilizing multi-media channels, marketing efforts will continue to leap ahead to cross the barriers of ad-hoc and non-credible information.

For us, being Future-Ready would also mean leading the creation of a healthcare ecosystem where we can work together with other pharma companies, healthcare companies, regulatory systems and the Government to ensure patient-centric health benefits.

We have always extended the canvas from manufacturing to empowering. We realize that the pioneering healthcare company of tomorrow cannot just be a "pill manufacturing" company. Technology will continue to play a vital role in integrating healthcare ecosystems where data across stakeholders is flowing freely. With an emphasis on patient-centric personalization and agile digital solutions, we intend to create a true "Continuum of Care".

Our aim is to remain a partner of choice by being locally competitive, keeping innovation incremental, leading purposeful, holistic therapy shaping. We plan to accelerate our already impressive track record to consolidate our strong foundation.

“As a mother of a young kid, I have always absorbed health information from across walks of life. But there is a concern in terms of credibility. If awareness is led by a trusted company – like Abbott – it does make a difference. Their campaign “Mothers against Influenza” helped me learn a lot about the importance of timely flu vaccination and also helped dispel myths around flu. Thank you, Abbott India!”

- Laxmi Kadri  
mother of a 4-year-old

# TRENDS THAT WILL SHAPE THE FUTURE...

Getting ready for the changing healthcare landscape in India



## **An integrated healthcare ecosystem**

The immediate future will be driven by patient-centered integrated ecosystems. Technology will enable formation of an ecosystem comprising organizations and stakeholders working to solve patient problems; this ecosystem will see a seamless flow of data across the value chain, generating insights that will improve overall health outcomes. Abbott India will be powering the formation of such an integrated ecosystem where we would be delivering solutions that are actionable, integrated and intelligent across the Continuum of Care.



## **Going beyond the pill**

We at Abbott India have always been at the forefront of bringing in new technology and innovations beyond the pill. While the product remains the key, the offerings in the marketplace will need to change to provide a health-focused solution. Our focus on moving beyond pills and helping patients across the continuum of care will continue to be driven by the need to create a value-based healthcare system.

## **Empowered Patients**



With the advent of mHealth, patients will continue to be more empowered. Due to the increasing penetration of internet and smartphones, we see a large number of patients (even rural markets) accessing their health via apps. From basic apps that provide day-to-day health information to apps that track healthcare parameters, measure health performance and allow communication with doctors, the importance of these tools is likely to increase. Abbott India

intends to use more of mHealth, which may also allow remote care and improve connectivity with doctors, nurses, chemists and other healthcare professionals.



## **Personalization of Healthcare**

With the advent of big data comes the ability to customize healthcare and treatment.

Healthcare centres are now creating completely personalized experiences for patients. Healthcare clinics will be able to use data to review each patient's health history, pre-empt potential health issues, factor in patient preferences and so on. This easy access and in-depth application of individual patient information will ensure prescription of the right treatment and preventative care options. Abbott India will continue to conduct more of Real-World Evidence studies to ensure the best of health outcomes for our patients. The data generated from such studies will continue to remain central in gaining insights from patients across therapies.



## **Use of Artificial Intelligence (AI) and Machine Learning (ML)**

AI and ML are being extensively used in healthcare to study data and predict outcomes. These have multiple benefits not only from the point of view of improving healthcare for patients but also enabling organizations like ours to improve efficiency. Advances in technologies such as robotic process automation will play a huge role in improving productivity. Abbott India, in association with Smart Bots AI, has successfully launched "Maya", an innovative virtual assistant, to support and engage their pan-India sales force.



# LEADERS ENVISION



**RAMANATHAN V**  
Commercial Director -  
Speciality Care

“A holistic approach to healthcare backed by RWE data will shape healthcare decisions in real time.”

At Abbott India, we take pride in helping people for their chronic conditions – in Neuro and Metabolics. Our campaign on Thyroid (to support ‘Making India Thyroid Aware’) has helped patients across the continuum of care, and in the next few years, with increasing involvement of patient and adoption of digital solutions I see considerable progress in the way we care. For conditions such as Vertigo, we have introduced several industry-first digital tools to help patients and doctors with the right diagnosis. These tools also empower the patients beyond a doctor visit – from episodic to continuous care. I believe that the next innovation cycle will improve healthcare outcomes and will be driven by automation tools, big data prediction models and AI-led solutions. A holistic approach to healthcare backed by Real-World Evidence (RWE) data will shape healthcare decisions in real time.



**PRAKASH MAHESHWARI**  
Commercial Director -  
Women's Health and Gastroenterology

At Abbott India, we work across therapies such as Pregnancy, IVF, Chronic Liver Disease, Constipation, Indigestion, Pancreatitis, GERD, and IBS. In addition to offering the best-in-class established products and launching new breakthrough combinations, I am proud that we lay considerable emphasis on Services beyond the Pill to help patients across all stages of their journey. Abbott India's pill plus service program of GutFit (GI Therapies) is in this direction, helping patients and doctors alike. The next-gen patient support programs will need to have a seamless flow of data and information and should be grounded with patients' behavioural insights. Going forward, we will continue to leverage on our strengths of innovation, technology and a robust field force, and utilize the insights gained from patient journeys, to provide the right environment for enabling true personalized care.

“We will continue to leverage on our strengths of innovation, technology and a robust field force.”



**MILIND TENDULKAR**  
Commercial Director -  
GenNext and Vaccines

“With the help of big data, machine learning and shifts in consumer perception, the journey will continue to get more interesting.”

Over the last few years, we have seen a gradual shift in the way we approach our stakeholders, be it the communication created for doctors or awareness campaigns created for patients. For a therapy such as Vitamin D, we remind the patients to look beyond bones, and for preventable conditions such as flu, we are reaching out to new-age moms through multi-media campaigns. This method to utilize a multi-channel interface fits well in our pill plus service engagement model, where the aim is to ensure personalized care at scale. Going forward, it will be an exciting time for the Healthcare Industry as we will rope in the new digital chips. With the help of big data, machine learning and shifts in consumer perception (due to increasing consumerization and awareness), the journey will continue to get more interesting.



**BURJOR DADACHANJI**  
Commercial Director -  
Commercial Excellence and International Business

The Pharma industry is standing at the cusp of a new revolution. The traditional models of sales and marketing have seen immense changes in the last few years with the entry of quick and sophisticated digital tools. Although the sales representative will continue to remain the key lever, there will be considerable transformation going forward and the responsibilities will comprise donning several functional hats, without losing focus on relationship management. I believe that utilizing the right insights and digital tools to interact with customers will redefine the impact they will create for patients and Healthcare Professionals, ushering in a new era for the Indian Pharma industry. Our focus will be on ensuring that the tools and platforms created are well integrated and adaptable to meet the challenges of our dynamic environment.

“Our focus will be on ensuring that the tools and platforms created are well integrated and adaptable to meet the challenges of our dynamic environment.”



# BOARD OF DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

## TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-fifth Report and the Audited Financial Statements of the Company for the financial year 2018-19.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Products	3640,30.02	3273,90.01
Other Operating Income	38,30.28	33,22.16
Other Income	113,28.60	116,98.72
<b>Total Income</b>	<b>3791,88.90</b>	<b>3424,10.89</b>
Profit Before Tax	698,85.41	621,48.26
Profit After Tax	450,33.18	401,21.78
<b>Retained Earnings and Other Comprehensive Income (OCI)</b>		
Balance brought forward	1305,17.03	1047,45.13
Profit for the year	450,33.18	401,21.78
OCI arising from remeasurement of employee benefits	(2,08.82)	(1,07.64)
Dividend - FY 2017-18	(116,87.12)	-
Dividend - FY 2016-17	-	(84,99.72)
Dividend Distribution Tax	(24,02.32)	(17,30.34)
Transfer to Reserves	(45,03.32)	(40,12.18)
<b>Balance carried forward</b>	<b>1567,48.63</b>	<b>1305,17.03</b>

## DIVIDEND

Your Directors recommend a final dividend of ₹ 50/- and special dividend of ₹ 15/- per share for the year ended March 31, 2019 on 2,12,49,302 fully paid-up Equity Shares of ₹ 10/- each. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 138,12.05 Lakhs (Previous year : ₹ 116,87.12 Lakhs) and Corporate Dividend Tax of ₹ 28,39.11 Lakhs (Previous year : ₹ 24,02.32 Lakhs). The Corporate Dividend Tax is provided at the rate applicable on the day on which the accounts were approved by the Board of Directors.

## DIVIDEND DISTRIBUTION POLICY

The Company has in place a Dividend Distribution Policy in terms of requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is available on the Company's website at <http://www.abbott.co.in/investor-relations/policies.html>

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OUTLOOK

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. The World Bank has retained its forecast of India's growth rate at 7.5% for the next two fiscal years. According to the Bank's report, private consumption and investment will benefit from strengthening credit growth amid more accommodative monetary policy, with inflation having fallen below the Reserve Bank of India's target. Additionally, increased adoption of GST is expected to encourage a faster shift from the informal to the formal sector.

### INDIAN PHARMACEUTICAL MARKET (IPM)

India enjoys an important position in the global pharmaceuticals sector. While India ranks tenth globally in terms of value, it is ranked third in volumes. The Indian Pharmaceuticals sector displays unique characteristics. Branded generics comprise 70 to 80 per cent of the retail market. Local players enjoy a dominant position driven by formulation development capabilities and early investments.

According to IQVIA, there are over 10,000 pharma companies that operate in India, employing more than 5,00,000 people and providing medication to 1.3 Billion people. Recent pricing pressures in the US have prompted increased focus on the domestic business, leading to sturdy growth. According to McKinsey & Co., five key factors driving growth of IPM are: enhanced medical infrastructure; rise in the prevalence and treatment of chronic diseases; greater health insurance coverage; launches of patented products and market creation in new therapies.

India's domestic Pharmaceutical Market turnover (without exports) reached ₹ 129,015 Crore in 2018, growing by 9.4 percent year-on-year. By 2020, the Indian market is expected to be near the top in terms of volumes, a close 2nd behind only the US market.

### OPPORTUNITIES AND THREATS

IPM is at an interesting crossroads and there are multiple factors which impact the industry growth, revenue and profitability of companies. Industry growth is likely to be driven by themes such as domestic consumption, private and public insurance, increasing spending and better access to healthcare. Factors like expansion of pricing regulations and increasing regulatory interventions could potentially put pressure on the growth.

Factors which impact industry and Company growth include :

**Government Initiatives :** The Indian Government has taken many steps to reduce costs, bring down healthcare expenses and promote healthcare. The allocation to the Ministry of Health and Family Welfare has increased by 13.1 percent to ₹ 61,398 Crore in Union Budget 2019-20.

The National Health Protection Scheme is the largest Government funded healthcare programme, which is expected to benefit 100 million poor families in the country by providing a cover of upto ₹ 5 Lakh per family per year for secondary and tertiary care hospitalisation. This programme was announced in Union Budget 2018-19.

According to McKinsey & Co, approximately 650 million Indians will be insured by 2020, out of which only approximately 240 million will have private insurance.

During March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility for innovators to provide new drug approvals. This integrated and unified approach will help in unblocking huge potential of the industry.

Government's 'Pharma Vision 2020' is aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augur well for the pharmaceutical companies.

**Technology and Digitalisation :** IPM is seeing a large impact from technology. While Healthcare Professionals are likely to remain the single largest influencer of treatment and medicine choice, alternative means of engaging physicians could gradually become the norm. Technology-based remote healthcare will continue to expand, significantly increasing the reach and influence of the doctors. As patients want to be more involved and empowered, their preferences will continue to influence healthcare choices. This shift is visible across the country, with the trend being much stronger in metro cities. Digital engagement of both doctors and patients by pharmaceutical companies is likely to become a key differentiator.

**Price Controls and increased Regulations :** Proposed Government interventions have an impact across the value chain from development, manufacturing and supply chain to pricing and customer engagement. As the Government continues to play a more proactive role in shaping broader healthcare reforms, the industry can see some uncertainty in the near term. Specifically, the continued process of bringing products under the National List of Essential Medicines (NLEM), banning Fixed Dose Combinations, interpretations of intellectual property protection that favor generics and biosimilars will continue to impact the industry in an adverse way. Another NLEM price revision is expected to happen in 2020.

**Uniform Code of Pharmaceuticals Marketing Practices (UCPMP) :** UCPMP, currently voluntary, could become mandatory shortly. A mandatory code would require ethical marketing practices to be followed by all companies. Given that the Company has a strong compliance process in place, it would be well positioned under a strict enforcement of UCPMP.

### REVIEW OF OPERATIONS

#### Financial Performance

##### Total Revenue

Total Revenue for the year ended March 31, 2019 is ₹ 3791,88.90 Lakhs vis-a-vis ₹ 3424,10.89 Lakhs last year, recording a robust growth of 10.7% over the previous financial year.

Net Sales for the financial year 2018-19 grew by 11.2% over the previous year, to ₹ 3640,30.02 Lakhs, an increase of ₹ 366,40.01 Lakhs, driven by both price and volumes.

##### Other Income

The Other Income stood at ₹ 113,28.60 Lakhs. It includes income of ₹ 9,78.36 Lakhs generated on account of sale of an office premise during the year.

Other Income mainly comprises Interest income from Bank Fixed Deposits. The Company continues to invest in fixed deposits with Banks having high credit ratings, with a view to safeguarding the principal and maintaining liquidity. Income from Bank Deposits grew by 35%.

Investment strategy is reviewed periodically by the Finance Committee. The Company has an investment portfolio of ₹ 1572,07.60 Lakhs as at March 31, 2019.

##### Material Cost

The Material Cost increased on account of inflation compensated against improved sales price realisation resulting in marginal decrease in material cost as a percentage of Sales from 58.2% in financial year 2017-18 to 57.4% in the current year.

##### Employee Cost

The Company increased its employee strength by 4.9% to 3,485; however, the Employee Cost as a percentage to Sales has remained unchanged at 12.0% in the current year compared with the financial year 2017-18.

The increase in Employee Cost by 10.6% over the last year is mainly due to merit increase and increased sales incentives to field force.

##### Other Expenses

Other Expenses including Depreciation and Finance Cost increased by 12.8% over the last year. The percentage to Sales marginally increased to 15.6% compared to 15.4% for the financial year 2017-18, mainly on account of inflation, increased marketing spend to support volume growth, new product launches and Pill plus Services provided by the Company.

Profit Before Tax

Profit Before Tax for the year ended March 31, 2019 at ₹ 698,85.41 Lakhs, grew to 19.2% of Sales as compared to 19.0% in the previous year.

Business Performance

The Company operates in a single reportable business segment i.e. “Pharmaceuticals”.

The Company provides products and solutions across various therapeutic areas such as Women’s Health, Gastroenterology, Central Nervous System, Metabolics, Multi-Specialty, Vaccines, Consumer Health, etc.

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

i) Women’s Health

The Company offers a mix of global and India-specific brands across pregnancy and other women’s health related products. Some of the key brands are Duphaston (Miscarriage and Infertility), Letrolife (Ovulation), Cystofert (Polycystic Ovary Syndrome), Pro 9 (Preterm Birth), Solfe (Iron Deficiency), Arachitol O (Calcium & Vitamin D3 Deficiency).

The Company posted a strong growth of 28.5% in this therapeutic area during the year, mainly led by Duphaston which grew by 29.1%.

During the year, 4 new products i.e. Estrabet Gel (Menopause), Fertifoid (Male Infertility), Doxstem (Nausea and Vomiting in Pregnancy) and Combinorm Wash (Vaginal Hygiene) were launched in this therapeutic area.

ii) Gastroenterology

The Company offers several key products under this therapeutic area. Some of them are Udiliv (Liver disease), Duphalac (Constipation), Cremaffin and Cremaffin Plus (Constipation), Ganaton (Dismotility), Creon, (Pancreatic Exocrine Insufficiency (PEI)), Rowasa (Inflammatory Bowel Disease) and Heptral (Liver disease).

The Company grew by 12.4 % in this area during the year, mainly driven by Udiliv and Duphalac.

During the year, 5 new products i.e. Cremagel H (Anal Fissures), Dezoflav (Hemorrhoids), PepIBS (Irritable Bowel Syndrome), Lolept Injection (Hepatic encephalopathy) and Lolept Sachet (Hepatic encephalopathy) were launched.

iii) Metabolics

The growth of this therapeutic area during the year is 9.1%; mainly driven by Thyronorm which retains flagship position\* in its segment.

During the year, 4 new products Methimercazole (Hyperthyroidism), Thyronorm 37.5 (Hypothyroidism) Tenefron (Type 2 Diabetes) and Tenefron M/M Forte (Type 2 Diabetes) were launched.

iv) Central Nervous System

This therapeutic area showed a negative growth of 1.4%. Vertin (Vertigo) and Prothiaden (Depression) continue as the market leaders\* in their participated market.

During the year, Inderal F (Migraine Prophylaxis) was launched.

v) Multi-Specialty

Under Multi-Specialty, the Company offers products for Pain Management, Nutritional supplements, Vitamins and Insomnia.

The key brands include Brufen (Pain killer), Duvadilan (Preterm birth), Zolfresh (Insomnia management), Arachitol Nano (Vitamin D3 deficiency) and Digecaine (Anesthetic antacid).

This therapatic area has shown a growth of 14.4% during the year. The double-digit growth was mainly driven by Zolfresh, Arachitol Nano and Brufen. Zolfresh retains number 1 position\* in its participated market.

During the year, 2 new products Nefosar tablets (Analgesic) and Nefosar Injection (Analgesic) were launched.

vi) Vaccines

The Company has a licensing arrangement with Bharat Biotech India Limited to market vaccines in immunology segment. The key brands in vaccines portfolio are Influvac (Influenza), Enteroshield (Typhoid) and Rotasure (Rotavirus Diarrhea).

The Vaccines showed strong double-digit growth of 20.4% and contributed 3.6% of Sales for the year. The growth was mainly driven by Influvac, a number 1\* product in its participated market.

vii) Consumer Health

The Company offers a few Consumer directed products. It promotes all variants of Digene (antacid – antifatulent) - tables, liquids and powders.

During the year, this business showed degrowth of 17.2%. However, the Company focuses on connecting with patients through positioning of its products mainly through mass media, social media and point of sale promotion including new advertisement and marketing strategies to achieve the growth of this portfolio.

MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

Evidence-based medicine is becoming increasingly important in empowering Healthcare Professionals (HCP) to better patient care. Research studies undertaken by the Company, ranging from real-world evidence (observational, epidemiological, registry studies) to registration studies, have been instrumental in defining and driving organizational strategies and creating high-quality scientific evidence, thus aiding in optimizing healthcare.

During the year, the Company executed 25 new studies, published 45 articles in major indexed journals, with 6 international presentations. Apart from this, registration study was conducted for approval of Influvac Quadrivalent vaccine, which is expected to reach the market in the second half of 2019. This new vaccine will enhance the protection against influenza by targeting an additional strain. All the studies were conducted in compliance with Good Clinical Practice (GCP) and regulatory requirements.

Capability building of the HCPs has remained a high strategic priority for the Company. During the year, more than 2,000 medical education programs were conducted towards achieving this objective. The Company also partnered with medical associations to drive capability building in various therapy areas. Furthermore, as a continued commitment towards knowledge dissemination, 12 GCP workshops were conducted, training approximately 1,200 medical/paramedical staff across major institutes in India.

OUTLOOK

We see multiple opportunities in front of us as the landscape continues to shift. Given the transformation of the industry we see the following areas which could be opportunities for us to improve our business model and relationships with our customers.

- **Doctor support** : One of our key focus areas is identifying innovations in the doctor engagement model by focusing on multiple touch points with doctors across the entire customer journey. We are in the process of setting up a partnership led ecosystem to engage Healthcare Professionals through leveraging digital channels. The model could alter how we organize our sales force and can help us focus on more scientific discussions with doctors. The Company plans to continue shaping therapies like influenza, acidity, hypothyroid through our doctor engagement initiatives.
- **Providing patient support beyond the pill** : As patients become more involved in healthcare choices, we need to also engage with them using digital as a systematic channel to help them in their healthcare journey. Engaging with patients directly for education, counselling or compliance support will play a significant role in therapy adoption and adherence.

Targeted partnerships can also be explored with other players in the industry which is also seeing a wave of activity by tech led startups. The Company has led many industry-first support systems for patients across gastroenterology (Gutfit) and hypothyroid which are planned to be expanded to additional therapies.

- **Internal talent development** : Managing talent and attrition among the sales force is likely to become a key differentiator in the market. The Company has a very low attrition rate in comparison with the industry. The Company conducts differentiated programs for its field force for their development.
- **Pharmacy engagement** : Pharmacists today are most influential when it comes to dispensing medications. Strengthening channel management capabilities and resources to ensure connect with the patients can be a key differentiator for us. India is rapidly moving towards a uniform quality standard and building capabilities for pharmacists is critical to enable them to play a greater role in the market. The Company’s dedicated OTC area will enable us to expand its coverage.

RISKS AND CONCERNS

The Pharmaceutical Industry in India is under the lens from the Government, consumers and health insurers. A ban on fixed dose combinations, stringent guidelines for clinical trials and a uniform code for marketing practices are all signs of increased Government oversight. The Government may also enforce regulations on prescribing generics. The numerous changes in the regulatory regime in the recent past has created a sense of uncertainty, which could negatively impact the industry.

Additionally, the National Pharmaceutical Pricing Authority (NPPA) continues to expand the list of essential medicines under the National List of Essential Medicines, 2015 and revision of the said list is expected in 2020. Government policies around capping of trade margins could also negatively impact the industry.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

This mechanism is sound in design and the framework is continuously evaluated for effectiveness and adequacy. The mechanism operates through well-documented standard operating procedures, policies and process guidelines.



The Internal Audit plan is finalised based on current perception of internal control risk and compliance requirement in consultation with operating divisions. The Internal Auditors, as a part of their audits, review the design of key processes from an adequacy of controls point of view.

Additionally, significant internal audit observations and management actions thereon are reported to the Audit Committee, on a quarterly basis. An independent and empowered Audit Committee reviews the observations and assesses the adequacy of the actions proposed as well as monitors their implementation. The Internal Auditors conduct a quarterly follow up for implementation/remediation of all audit recommendations and the status report is presented to the Audit Committee regularly.

The Company has implemented both preventative and detection controls and appropriate corrective actions taken to reduce the risks including :

- Abbott Code of Business Conduct requires annual certification by all employees;
- Compliance Committee is formed with representatives from all the operating groups;
- Senior Management has oversight of the compliance programs;
- Business Compliance Cell is assigned with the responsibility of training, monitoring and ensuring compliance of the Company's Policies and Procedures by employees;
- The Company has a Whistle Blower mechanism in place;
- Business Divisions have a quarterly meetings with Director - Office of Ethics and Compliance, to monitor and discuss the compliance with various business processes.

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2019 and based on the assessment, believe that the same are adequate and working effectively.

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

## HUMAN RESOURCES

The Company has 3,485 employees.

The Company firmly believes that human capital continues to be the driving force of business. It provides holistic capabilities to its employees to boost organizational performance. Their skill, dedication, zeal and agility is helping the business understand and respond to changing healthcare needs so that the Company can live up to its promise to help people live fuller, healthier lives.

The Company's Human Resource (HR) team has developed and deployed integrated talent management practices, which encompass the entire employee lifecycle- recruitment, induction, development, career progression, rewards and recognitions.

### Talent Strategy

The Company's India Talent Strategy (ITS) aims to attract and retain the right quality and number of talent that supports its vision of being the employer of choice in the Indian Healthcare Industry. The five pillars of ITS include :

1. Leadership Engine
2. No.1 Field Force
3. Managerial effectiveness
4. 'Best-in-class' support functions
5. Stronger EVP

The five pillars rest securely on the strong foundations of performance culture, sound governance and digital innovation.

Our Talent Management strategy aims to :

- Build the industry's best talent pipeline;
- Ensure our businesses have the talent they need to compete successfully now and in the future;
- Improve our talent visibility globally;
- Drive manager accountability;
- Enhance differentiation of talent.

Our Talent Management process is well embedded in our system and supports leadership, sales, marketing and support functions. Through our uniform assessments for Second Line Managers, we create a common talent pool. Additionally, we have launched certification programs and career paths for field employees.

HR Leadership and the Talent Strategy teams meet separately every month to closely monitor progress on the various aspects of our talent strategy and take necessary action.

### Capability Building Programs

The Company believes in motivating and engaging employees through shared goals, capability building initiatives, career growth opportunities and provide an environment of transparency, accountability and positive reinforcement.

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

We firmly believe that the biggest source of our competitive advantage is our people. From talent acquisition to on-boarding, nurturing and development, our efforts are geared to lending greater power to our Employee Value Proposition – 'Grow with the Leader'.

### Prevention of Sexual Harassment at Workplace

The Company has an Internal Complaints Committee (ICC) in place as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Appropriate training is imparted to employees regularly through online portal. This training also forms a part of New Employee Orientation Program. During the year, 2 complaints were received by the Company/ICC under the aforesaid Act and the same were appropriately disposed off.

## 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, 2019, 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, 2019 and of the profits of the Company for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts of the Company on a going concern basis;
- e) they have laid down adequate Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

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

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

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

### Details of Related Party Transactions

All the Related Party Transactions, including the material transactions entered into by the Company during the year 2018-19 ("said Transactions"), were in the ordinary course of business and on arm's length basis. The said Transactions were pre-approved by the Audit Committee, Board and Shareholders, wherever necessary. The details of the same are provided in Note 41 to the Financial Statements.

## CORPORATE SOCIAL RESPONSIBILITY

### Corporate Social Responsibility (CSR) Policy

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

### CSR initiatives undertaken during the financial year 2018-19

The Company incurred an amount of ₹ 11,28.46 Lakhs on various CSR activities during the financial year 2018-19.

The Annual Report of CSR activities undertaken by the Company during the financial year 2018-19, is annexed as "Annexure I" and forms part of this Report.

## RISK MANAGEMENT FRAMEWORK

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

- Aligning risk appetite and strategy – The Company considers its risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.
- Enhancing risk response decisions – Risk Management provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing and acceptance.
- Reducing operational surprises and losses – The Company strives to gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.



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

These capabilities, inherent in this Framework, enable the Company achieving the performance and profitability targets and guard against loss of resources. It is also directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's reputation and associated consequences.

The Company operations and its Business Divisions are included in the scope of the Risk Management Framework.

During the year, Risk Management Core Team comprising of representatives of various functions and businesses carried out risk assessment exercise to identify various significant risks associated with the business operations and mitigation plans to address such risks. Material risks identified are evaluated on a continuing basis.

Material risks and mitigation plans were reviewed by the Risk Management Committee and then presented to the Audit Committee and the Board.

## DIRECTORS

During the year, Mr R A Shah (DIN : 00009851), Independent Director, retired upon completion of his term effective close of business hours on March 31, 2019. Mr Shah was associated with the Company for over 36 years and your Company has benefited immensely under his tenure. The Board places on record its sincere appreciation for the guidance and support received from Mr Shah over these years.

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed the following Directors on the Board of the Company upto the date of this Report. Their appointment/re-appointments shall be subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

- Mr Sudarshan Jain (DIN : 00927487) has been appointed as Additional and Independent Director of the Company for a period of 3 (three) years effective April 1, 2019;
- Mr Mark Murphy II (DIN : 08385393) has been appointed as Additional Director effective April 1, 2019;

- Mr Rajiv Sonalker (DIN : 07900178) has been re-appointed as Whole-time Director of the Company for a period effective August 8, 2019 upto June 30, 2021.

In compliance with Section 152 of the Companies Act, 2013, Mr Jawed Zia (DIN : 00191276) and Mr Kaiyomarz Marfatia (DIN : 03449627) retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Based on recommendation of the Nomination and Remuneration Committee, your Directors recommend appointment/re-appointment of Mr Sudarshan Jain, Mr Mark Murphy II, Mr Rajiv Sonalker, Mr Jawed Zia and Mr Kaiyomarz Marfatia.

## Declaration of Independence

The Company has received declarations from all the Independent Directors confirming that they meet with the criteria of independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

## Number of Board Meetings

Six Board Meetings were held during the year on May 14, 2018; July 18, 2018; August 13, 2018; November 13, 2018; February 8, 2019 and March 30, 2019.

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

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

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

- criteria and terms and conditions with regard to identifying suitable candidates who are qualified to become Directors and Senior Management;
- appointment mechanism for Managing Director/Executive and Non-Executive Directors/Independent Directors/Key Managerial Personnel and Senior Management;
- tenure of Managing Director/Executive Directors/Independent Directors;
- their removal process and succession planning.

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

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

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

During the year 2018-19, the Board and Nomination and Remuneration Committee carried out performance evaluation of each individual director (excluding the director being evaluated) and also evaluated if the Independent Directors continue to fulfill the criteria of independence prescribed under the Companies Act, 2013, Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Board evaluated performance of entire Board and each of the Committees.

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

Performance Evaluation, as stated above, was conducted through self-assessment and group discussions basis the suggested set of questions/parameters provided in the aforesaid Framework.

## KEY MANAGERIAL PERSONNEL

Mr Ambati Venu, Managing Director, Mr Rajiv Sonalker, Chief Financial Officer and Ms Krupa Anandpara, Company Secretary, are the Key Managerial Personnel of the Company.

## AUDIT COMMITTEE

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

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

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

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

## STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/E300003), were appointed as the Statutory Auditors at the Seventieth Annual General Meeting of the Company held on August 1, 2014 for a period of five years i.e. from financial year 2014-15 to the financial year 2018-19, to hold office till the conclusion of the Seventy-fifth Annual General Meeting of the Company. The term of S R B C & CO LLP will end at the ensuing Annual General Meeting.

As per the provisions of Sections 139, 141 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, S R B C & CO LLP is eligible for re-appointment as Statutory Auditors of the Company for another term of five years.

The Board, based on recommendation of the Audit Committee, has recommended the re-appointment of S R B C & CO LLP as the Statutory Auditors for a term of five years i.e. from financial year 2019-20 to financial year 2023-24, to hold office till the conclusion of the Eightieth Annual General Meeting of the Company.

## AUDITORS' REPORT

The Auditors' Report for the financial year 2018-19 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanations/comments by the Board.

## COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), are appointed as the Cost Auditors of the Company for the financial year 2019-20 at a remuneration of ₹ 6.65 Lakhs plus taxes as applicable and reimbursement of out-of-pocket expenses.

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

## COST AUDIT REPORT

Cost Audit Report along with the Compliance Report for the financial year 2017-18, issued by M/s Kishore Bhatia & Associates, Cost auditors, was filed with the Ministry of Corporate Affairs on July 25, 2018 (due date of filing was September 27, 2018).

## INTERNAL AUDITORS

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

## SECRETARIAL AUDITOR

Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) is the Secretarial Auditor of the Company for the financial year 2018-19.

## SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661) for the financial year ended March 31, 2019 does not contain any adverse remark, qualifications, reservations or disclaimer which requires any explanation/ comments by the Board except for the observation that the name of the Company appears in the breach list displayed on the website of the Depositories and Bombay Stock Exchange for having foreign investments in excess of sectoral cap.

In the opinion of the Board, there is no breach of the sectoral cap and inclusion of the Company's name in the breach list is incorrect. The Company is in the process of writing to the Government highlighting the issues involved and seeking necessary resolution of the same.

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

## HEALTH, SAFETY AND ENVIRONMENT

### Health and Safety :

Providing a safe workplace and keeping the employees healthy is the Company's top priority. The Company has clear, consistent policies and standards to manage employee health, safety and productivity while also protecting the environment.

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

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

Suggestions from the Safety Committee, comprising representatives from the workforce and Management, are implemented promptly to resolve issues impacting Plant safety and employee health. Regular self-audits and third-party safety audits are conducted to verify compliance with the regulatory and internal safety requirements. The Plant has a record of completion of seven years without lost time injury

During the year, the site has upgraded the fire pumps and fire hydrant system making provision for sprinklers to provide site with advanced fire protection. The sprinkler system will be fully operational in 2019.

Training programs are conducted at the Plant on health and safety issues to build technical capabilities. Employees are also encouraged to attend external training programs on various topics such as regulatory requirements, ergonomics, machine guarding, hot work safety, road safety, industrial hygiene, industrial safety and so on. A cross-functional teams for emergency response and firefighting is in place. Mock drills for fire-fighting and rescue operations are conducted in association with local fire brigade to keep the staff in a state of preparedness for any emergencies. The Company has a detailed Business Continuity Plan in place. We are continuously improving on the Behavior Based Safety (BBS) program and visible improvement in safety culture is observed. Stop for Safety initiative is being practiced to support the BBS program.

Special focus is maintained on critical safe work initiatives like contractor safety, hand safety and working on heights. Additionally, we have invested in several employee engagement programs like celebration of National Safety week, World Environment day and Abbott EHS month, that help build a sustainable EHS culture.

### Environment :

A responsibility towards the environment is part of Abbott's mandate. We continuously endeavor to minimize the use of renewable resources and cut down on carbon emission. In all our initiatives, we adopt a holistic approach and make efforts to curtail the adverse environmental impact, if there is any, during product-manufacturing and its disposal either by us, our vendors or customers. The site continued to implement multiple water conservation and emission reduction projects. Examples include Effluent treatment plant upgradation for efficiency improvement, sludge reduction through skimming, HVAC condensate reuse for utilities, optimization of water chiller operation to reduce electricity and LED lighting throughout the site. The treated water from our waste water treatment plant is recycled for toilet flush and horticulture within the site.

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

Over the period of last five years, the site has achieved more than 20% absolute water reduction in usage. The rain water harvesting project was effectively continued at the Plant this year, which resulted in 600 KL of water storage during the monsoon season.

Major focus during the year was process optimization and yield improvement. Along with increasing productivity, this initiative has helped save the discharge of raw materials and solvents into the environment.

Furthermore, gas emissions from the boiler and generator stacks as well as the ambient air quality are monitored regularly by us and they are well below the limits set by the State Pollution Control Board. There is also a vermi-composting unit in place to convert canteen waste into organic manure, which is used in the lawns and on the plantation inside the factory premises. The site retains its Zero Waste to landfill certification in the purview of waste disposal. In 2018, 62% of the waste was sent for recycling, 36% for co-processing and 2% for composting. The site continued sending hazardous waste for Co-processing. With this change, we have ensured that the energy from the waste is recovered, thus contributing to the reduction of CO2 emission and global warming. 36% of site waste was incinerated with energy recovery.

## 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 III" and forms part of this Report.

## ANNUAL RETURN

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

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

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

Disclosures required in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as "Annexure V" and forms part of this Report.

Statement containing Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Companies Act, 2013, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the Statement containing Particulars of Employees, which is available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays), up to the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at the Registered Office of the Company.

## CORPORATE GOVERNANCE REPORT

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

## BUSINESS RESPONSIBILITY REPORT

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

## COMPLIANCE WITH SECRETARIAL STANDARDS

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

## DISCLOSURES OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

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

## FIXED DEPOSITS

No fixed deposits were accepted during the year.

## PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

During the year ended March 31, 2019, the loan of ₹ 200,00.00 Lakhs which was granted to Alere Medical Private Limited, India ("Alere") [a Related Party as per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)



Regulations, 2015], for a period of six months on December 26, 2017 was rolled over for a further period of six months effective June 27, 2018, at an interest rate of 10% per annum in accordance with the provisions of Section 186 of the Companies Act, 2013 and Rules made thereunder. The said loan was availed by Alere for the purpose of working capital funding requirement and was guaranteed by Abbott Laboratories, USA i.e. the ultimate holding company. The said loan was repaid by Alere on November 15, 2018 with outstanding interest up to that date.

GENERAL

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

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

AWARDS AND RECOGNITIONS

During the year, The Company was awarded as the “Company of the Year” by AWACS. The Company also received several

other prestigious awards and recognitions including the National Awards for Training and Development by World HRD Congress for Excellence in Content Development for e-detailing training – Rajni ka iPad; DMA Asia ECHO Award by Direct Marketing Association India (DMAi) for Best Marketing Campaign - #MomvsFlu; Golden Globe Tiger Award for Thyronorm; AIOCD - Brand of the Year Award for Thyronorm by AWACS and Outstanding Patient Support Award for Gutfit by CMO Asia and Leveraging Technology for Better Patient Management (for Gutfit) at the Connected Health India Summit & Awards 2018.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Munir Shaikh  
Chairman  
DIN : 00096273

Ambati Venu  
Managing Director  
DIN : 07614849

ANNEXURE I

Annual Report of CSR Activities for the financial year 2018-19

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

1. Brief outline of the Company’s CSR Policy

Policy Statement :

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

Core CSR areas identified by the Company :

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 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 framed thereunder, as amended from time to time.

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

(₹ in Lakhs)							
Sr. No.	CSR Project/Program Name	Schedule VII Category	Location	Amount Outlay (Budget)	Amount spent on the projects or programs 1) Direct 2) Overheads	Cumulative Expenditure	Amount Spent : Direct or through Implementing Agency
1	Improving Access to Healthcare through Health Clinics	Promoting Healthcare	PAN India	741.90	741.90	741.90	Direct Implementation
2	Quality and Affordable Healthcare Delivery Program with SEWA	Promoting Healthcare; Empowering Women	Mehsana and Ahmedabad (Gujarat)	3,32.10	3,32.10	3,32.10	Direct Implementation
3	Malaria Elimination Program with Malaria No More	Promoting Healthcare	Odisha	18.69	18.69	18.69	Direct Implementation
4	Administrative Expenses			35.77	35.77	35.77	
Total				11,28.46	11,28.46	11,28.46	

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.”

Krishna Mohan Sahni  
Chairman, CSR Committee  
DIN : 02103128

Anisha Motwani  
Member, CSR Committee  
DIN : 06943493

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

2. Composition of CSR Committee :

The CSR Committee, as on the date of this Report, is comprised of the following Directors :

Sr. No.	Name of the Member	Category
1.	Mr Krishna Mohan Sahni <sup>1</sup> Chairman	Independent Director
2.	Mr Ambati Venu	Managing Director
3.	Ms Anisha Motwani <sup>2</sup>	Independent Director
4.	Mr Rajiv Sonalker <sup>2</sup>	Whole-time Director

1. appointed as Chairman effective April 1, 2019.

2. appointed as Members effective April 1, 2019.

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

₹ 471,80.84 Lakhs

\*calculated on the basis of Net Profits for the financial years, 2015-16, 2016-17 and 2017-18

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

₹ 9,43.62 Lakhs

5. Details of CSR spent during the financial year :

- a) Total amount spent during the financial year – ₹ 11,28.46 Lakhs
- b) Amount unspent, if any – Nil



ANNEXURE II

Secretarial Audit Report for the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015]

To,  
The Members,  
Abbott India Limited

I, Neena Bhatia appointed as the Secretarial Auditor of the Company by the Board of Directors, 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, minute 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 here by report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2019, 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, minute book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of :

1. The Companies Act, 2013, amendments thereto and Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
3. The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment, as amended from time to time;
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, 2015, as amended from time to time; and
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 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 , as amended from time to time

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 subject to the following observation :

The name of the Company appears in the breach list displayed on the website of the Depositories and Bombay Stock Exchange for having foreign investments in excess of sectoral cap. The Company has taken a view that there is no breach and accordingly is taking necessary action.

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 Rules, 1945, as amended from time to time;
- b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954, as amended from time to time; and
- c. Drugs (Price Control) Order, 2013, as amended from time to time.

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.

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.

Decision is carried through Majority while the dissenting member’s 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.

Neena Bhatia

Practicing Company Secretary  
Membership No. FCS 9492  
Certificate of Practice No. 2661

Place : Mumbai  
Date : May 27, 2019

Annexure to the Secretarial Audit Report of Abbott India Limited for financial year ended March 31, 2019

To,  
The Members  
Abbott India Limited

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

1. Maintenance of secretarial record 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 and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, 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.

Place : Mumbai  
Date : May 27, 2019

Neena Bhatia  
Practicing Company Secretary  
Membership No. FCS 9492  
Certificate of Practice No. 2661

**ANNEXURE III****Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

[In compliance with the provisions 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**

- Installed additional steam condensate recovery pump. Condensate recovery improved from 60% to 70%.
- Replaced the existing light fixtures with power saving, energy efficient LED's. Non-critical areas are provided with lighting automation with motion sensors.
- Old non-efficient vacuum pumps replaced with energy efficient vacuum pumps.
- Automation done on air handling units by installing variable frequency drives.

Water conservation measures -

- Installation of fully automated washing machine and dryer for fluid bed dryer filter bag washing and drying.
- Installation of steam sanitizer for washing of in-process container to reduce water consumption for container washing.
- Air Handling Unit condensate recovered and used in utility process.
- Use of effluent treated water in urinals.

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

Nil

**iii. The Capital Investment on Energy Conservation Equipment**

₹ 8.00 Lakhs

**B. Technology Absorption****i. The efforts made towards Technology Absorption**

- Non-fill detection [Vision Camera Systems] installed on blister pack machines to detect and reject missing tablet blisters.
- Installed empty bottle detection systems on liquid filling lines to detect empty bottles.
- Fixed racks in warehouse and engineering replaced with compact mobile storage systems which improved storage capacity enhancement by 30% without increasing the footprint.
- Liquid manufacturing vessels upgraded by adopting latest technology of bottom driven agitators and in line homogenizers.

- Advanced technology de-scaling unit installed on the condensate water line for the chiller, in order to prevent scaling in the line, thereby further leading to improved chiller efficiency.

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

- Liquid filling machine upgraded from Roll-on Pilfer proof cap sealing to Poly Propylene cap sealing to arrest liquid leakage problem.

**iii. Details of technology imported during last three financial years**

- the details of technology imported : Nil
- the year of import : NA
- whether the technology been fully absorbed : NA
- if not fully adsorbed, areas where adsorption has not taken place, and the reasons thereof : NA

**iv. Expenditure on Research & Development**

Sr. No.	Particulars	₹ in Lakhs
(a)	Capital	0.84
(b)	Recurring	67.27
(c)	Total	68.11
(d)	Total R&D expenditure as a Percentage of total turnover	0.02%

**C. Foreign Exchange Earnings and Outgo**

Particulars	₹ in Lakhs
<b>A. Total Foreign Exchange used</b>	
a. On import of raw materials, finished goods, consumable stores and capital goods	481,89.21
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	9,95.01
<b>B. Total Foreign Exchange earned</b>	
a. Exports of goods	18,01.82
b. Service income	5,75.71
c. Recovery of expenses	1,54.12
d. Other earnings	11,58.07

**ANNEXURE IV****Extract of Annual Return as on financial year ended March 31, 2019****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, Corporate Park, Sion-Trombay Road, Mumbai – 400071 Telephone No.: +91-22-6797 8888/+91-22-38162000 Fax : +91-22-6797 8727/+91-22-38162400
Whether Listed Company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent	: Karvy Fintech Private Limited Unit – Abbott India Limited Address - Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No.: +91-40-6716 2222, Fax No.: +91-40-2300 1153

**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
1.	Abbott Capital India Limited Address : Abbott House, Vanvall Business Park, Maidenhead, Berkshire SL64XE	NA	Holding	50.45	2 (46) of the Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i Category-wise Shareholding**

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	
A. Promoters									
1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1) :	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Sub-total (A)(2) :	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	-

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>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	1130385	50	1130435	5.32	1197095	50	1197145	5.63	0.31%
b) Banks/FI	5699	408	6107	0.03	30924	308	31232	0.15	0.12%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	140042	-	140042	0.66	140042	-	140042	0.66	-
g) FIIs	26442	-	26442	0.12	31430	-	31430	0.15	0.03%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)									
Foreign Portfolio – Corp	598494	-	598494	2.82	402692	-	402692	1.90	-0.92%
<b>Sub-total (B)(1) :</b>	<b>1901062</b>	<b>458</b>	<b>1901520</b>	<b>8.95</b>	<b>1802183</b>	<b>358</b>	<b>1802541</b>	<b>8.48</b>	<b>-0.47%</b>
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	133440	3251	136691	0.64	136129	2666	138795	0.65	0.01%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2363750	473150	2836900	13.35	2566989	436241	3003230	14.13	0.78%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	125923	44928	170851	0.80	46642	-	46642	0.22	-0.58%
c) Others (specify)									
Alternative Investment Fund	104087	-	104087	0.49	118123	-	118123	0.56	0.07%
Trust	465	-	465	-	202	-	202	-	-
NRI(Rep)	26034	1400	27434	0.13	23293	1400	24693	0.12	-0.01%
Clearing Member	3811	-	3811	0.02	26471	-	26471	0.12	0.10%
NRI (Non-Rep)	50010	4906	54916	0.26	58826	3824	62650	0.29	0.03%
Foreign Corp Bodies	-	471	471	-	-	471	471	-	-
Investor Education and Protection Fund	51809	-	51809	0.24	66989	-	66989	0.32	0.08%
Unclaimed Suspense Account	24671	-	24671	0.12	23993	-	23993	0.11	-0.01%
NBFC	1628	-	1628	0.01	454	-	454	-	-0.01%
Foreign National/Bodies/OCB	-	-	-	-	-	-	-	-	-
NSDL in transit	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2) :</b>	<b>2885628</b>	<b>528106</b>	<b>3413734</b>	<b>16.06</b>	<b>3068111</b>	<b>444602</b>	<b>3512713</b>	<b>16.53</b>	<b>0.47%</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4786690</b>	<b>528564</b>	<b>5315254</b>	<b>25.01</b>	<b>4870294</b>	<b>444960</b>	<b>5315254</b>	<b>25.01</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>20720738</b>	<b>528564</b>	<b>21249302</b>	<b>100.00</b>	<b>20804342</b>	<b>444960</b>	<b>21249302</b>	<b>100.00</b>	<b>-</b>

ii. Shareholding of Promoters

Sr. 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	50.45	-	10719097	50.45	-	-
2.	Abbott Healthcare Products Limited	3744951	17.62	-	3744951	17.62	-	-
3.	British Colloids Limited	1470000	6.92	-	1470000	6.92	-	-
	<b>Total</b>	<b>15934048</b>	<b>74.99</b>	<b>-</b>	<b>15934048</b>	<b>74.99</b>	<b>-</b>	<b>-</b>

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 (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning of the year (01/04/2018)	% 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 PHARMA FUND	589881	2.78%	01.04.2018	-	-	589881	2.78%
				20.04.2018	-15138	Transfer	574743	2.70%
				27.04.2018	-25281	Transfer	549462	2.59%
				04.05.2018	-43686	Transfer	505776	2.38%
				11.05.2018	-60829	Transfer	444947	2.09%
				18.05.2018	-39479	Transfer	405468	1.91%
				25.05.2018	-7948	Transfer	397520	1.87%
				01.06.2018	-16306	Transfer	381214	1.79%
				08.06.2018	-781	Transfer	380433	1.79%
				15.06.2018	-100000	Transfer	280433	1.32%
				22.06.2018	-1785	Transfer	278648	1.31%
				07.09.2018	-7855	Transfer	270793	1.27%
				02.11.2018	99	Transfer	270892	1.27%
				14.12.2018	-787	Transfer	270105	1.27%
				21.12.2018	200000	Transfer	470105	2.21%
				21.12.2018	-209637	Transfer	260468	1.23%
				01.03.2019	-1178	Transfer	259290	1.22%
				08.03.2019	-1363	Transfer	257927	1.21%
				22.03.2019	-10000	Transfer	247927	1.17%
				29.03.2019	-35000	Transfer	212927	1.00%
				31.03.2019	-	-	212927	1.00%
2.	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA HIGH GROWTH COMPANIES FUND	409962	1.93%	01.04.2018	-	-	409962	1.93%
				06.04.2018	1051	Transfer	411013	1.93%
				06.04.2018	-4962	Transfer	406051	1.91%
				13.04.2018	894	Transfer	406945	1.92%
				20.04.2018	-6945	Transfer	400000	1.88%



Sr. No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning of the year (01/04/2018)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
				04.05.2018	20000	Transfer	420000	1.98%
				08.06.2018	272	Transfer	420272	1.98%
				15.06.2018	728	Transfer	421000	1.98%
				27.07.2018	-11000	Transfer	410000	1.93%
				31.08.2018	-10000	Transfer	400000	1.88%
				07.09.2018	-21948	Transfer	378052	1.78%
				14.09.2018	-10393	Transfer	367659	1.73%
				21.09.2018	-728	Transfer	366931	1.73%
				12.10.2018	3069	Transfer	370000	1.74%
				15.02.2019	5000	Transfer	375000	1.76%
				31.03.2019	-	-	375000	1.76%
3.	L & T MUTUAL FUND TRUSTEE LIMITED - L AND T MID CAP FUND	-	-	01.04.2018	-	-	-	-
				18.05.2018	87347	Transfer	87347	0.41%
				25.05.2018	2500	Transfer	89847	0.42%
				01.06.2018	2100	Transfer	91947	0.43%
				08.06.2018	500	Transfer	92447	0.44%
				15.06.2018	100000	Transfer	192447	0.91%
				27.07.2018	1000	Transfer	193447	0.91%
				10.08.2018	5000	Transfer	198447	0.93%
				24.08.2018	10520	Transfer	208967	0.98%
				31.08.2018	1953	Transfer	210920	0.99%
				21.09.2018	1255	Transfer	212175	1.00%
				28.09.2018	8172	Transfer	220347	1.04%
				19.10.2018	2000	Transfer	222347	1.05%
				26.10.2018	490	Transfer	222837	1.05%
				02.11.2018	2249	Transfer	225086	1.06%
				16.11.2018	2424	Transfer	227510	1.07%
				23.11.2018	6860	Transfer	234370	1.10%
				30.11.2018	2953	Transfer	237323	1.12%
				07.12.2018	1488	Transfer	238811	1.12%
				14.12.2018	1465	Transfer	240276	1.13%
				21.12.2018	1230	Transfer	241506	1.14%
				28.12.2018	720	Transfer	242226	1.14%
				25.01.2019	2419	Transfer	244645	1.15%
				01.02.2019	2181	Transfer	246826	1.16%
				08.02.2019	40919	Transfer	287745	1.35%
				15.02.2019	6558	Transfer	294303	1.39%
				22.02.2019	3342	Transfer	297645	1.40%
				15.03.2019	5600	Transfer	303245	1.43%
				22.03.2019	1000	Transfer	304245	1.43%
				29.03.2019	9102	Transfer	313347	1.47%
				31.03.2019	-	-	313347	1.47%
4.	GOLDMAN SACHS INDIA LIMITED	184987	0.87%	01.04.2018	-	-	184987	0.87%
				29.06.2018	-4714	Transfer	180273	0.85%
				06.07.2018	-6048	Transfer	174225	0.82%
				13.07.2018	-12099	Transfer	162126	0.76%
				31.03.2019	-	-	162126	0.76%

Sr. No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning of the year (01/04/2018)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
5.	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	110000	0.52%	01.04.2018	-	-	110000	0.52%
				18.05.2018	-10000	Transfer	100000	0.47%
				22.06.2018	-7504	Transfer	92496	0.44%
				29.06.2018	-3071	Transfer	89425	0.42%
				27.07.2018	-988	Transfer	88437	0.42%
				03.08.2018	-8437	Transfer	80000	0.38%
				10.08.2018	-1500	Transfer	78500	0.37%
				24.08.2018	-8500	Transfer	70000	0.33%
				31.08.2018	-8000	Transfer	62000	0.29%
				07.09.2018	-10000	Transfer	52000	0.24%
				28.09.2018	-3973	Transfer	48027	0.23%
				05.10.2018	-4855	Transfer	43172	0.20%
				08.02.2018	-16172	Transfer	27000	0.13%
				31.03.2019	-	-	27000	0.13%
6.	INDIA WHIZDOM FUND	104087	0.49%	01.04.2018	-	-	104087	0.49%
				06.04.2018	100	Transfer	104187	0.49%
				31.03.2019	-	-	104187	0.49%
7.	LIFE INSURANCE CORPORATION OF INDIA	100411	0.47%	01.04.2018	-	-	100411	0.47%
				31.03.2019	-	-	100411	0.47%
8.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH AND EMERGING MARKETS BROAD EQUITY PORTFOLIO	61555	0.29%	01.04.2018	-	-	61555	0.29%
				06.04.2018	235	Transfer	61790	0.29%
				31.03.2019	-	-	61790	0.29%
9.	KOTAK EMERGING EQUITY SCHEME	54609	0.26%	01.04.2018	-	-	54609	0.26%
				06.04.2018	146	Transfer	54755	0.26%
				20.04.2018	-62	Transfer	54693	0.26%
				27.04.2018	15000	Transfer	69693	0.33%
				11.05.2018	10000	Transfer	79693	0.38%
				29.06.2018	-3085	Transfer	76608	0.36%
				10.08.2018	-3617	Transfer	72991	0.34%
				17.08.2018	-391	Transfer	72600	0.34%
				31.08.2018	-30	Transfer	72570	0.34%
				07.09.2018	-14888	Transfer	57682	0.27%
				14.09.2018	-1185	Transfer	56497	0.27%
				05.10.2018	-570	Transfer	55927	0.26%
				08.02.2019	-21400	Transfer	34527	0.16%
				31.03.2019	-	-	34527	0.16%
10.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY, MINISTRY OF CORPORATE AFFAIRS	51809	0.24%	01.04.2018	-	-	51809	0.24%
				29.06.2018	15180	Transfer	66989	0.32%
				31.03.2019	-	-	66989	0.32%

Sr. No.	Name	Shareholding					Cumulative shareholding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning of the year (01/04/2018)	% of total shares of the Company	Date	Increase / Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the Company
11.	TATA INDIA PHARMA AND HEALTHCARE FUND	5750	0.03%	01.04.2018	-	-	5750	0.03%
				18.05.2018	2500	Transfer	8250	0.04%
				01.06.2018	796	Transfer	9046	0.04%
				22.06.2018	1155	Transfer	10201	0.05%
				29.06.2018	1000	Transfer	11201	0.05%
				06.07.2018	1000	Transfer	12201	0.06%
				27.07.2018	11500	Transfer	23701	0.11%
				03.08.2018	10500	Transfer	34201	0.16%
				21.12.2018	10000	Transfer	44201	0.21%
				11.01.2019	2500	Transfer	46701	0.22%
12.	MOTILAL OSWAL FOCUSED 25 FUND	-	-	31.03.2019	-	-	46701	0.22%
				01.04.2018	-	-	-	-
				01.02.2019	44296	Transfer	44296	0.21%
13.	COBRA INDIA (MAURITIUS) LIMITED	42705	0.20%	31.03.2019	-	-	44296	0.21%
				01.04.2018	-	-	42705	0.20%
				31.03.2019	-	-	42705	0.20%

#### 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	
	Mr R A Shah (along with relatives)*	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	6874	0.03	6874	0.03
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
3.	At the end of the year	6874	0.03	6874	0.03

\*retired as Independent Director, upon completion of his term, effective close of business hours on March 31, 2019

None of the other Directors and Key Managerial Personnel except Mr R A Shah held shares in the Company.

#### 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				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition				
Reduction				
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				
<b>Total (i+ii+iii)</b>				

NIL

#### 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
		Ambati Venu Managing Director	Rajiv Sonalker CFO and Whole-time Director	
1.	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income – tax	3,92.56	2,19.49	6,12.05
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961*	2,45.79	75.90	3,21.69
	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	-	-	-
5.	Others			
	Contribution to Provident Fund	12.40	9.37	21.77
	<b>Total (A)</b>	<b>6,50.75</b>	<b>3,04.76</b>	<b>9,55.51</b>
	Ceiling as per the Act	₹ 69,99.35 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	Anisha Motwani	Krishna Mohan Sahni	
1.	Independent Directors					
	Fee for attending Board/Committee Meetings	-	16.00	13.00	14.50	43.50
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>16.00</b>	<b>13.00</b>	<b>14.50</b>	<b>43.50</b>
2.	Other Non-Executive Directors					
	Fee for attending Board/Committee Meetings	15.00	-	-	-	15.00
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (2)</b>	<b>15.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.00</b>
	<b>Total (B)=(1+2)</b>	<b>15.00</b>	<b>16.00</b>	<b>13.00</b>	<b>14.50</b>	<b>58.50</b>
	Ceiling as per the Act	₹ 6,99.94 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 (KMP) other than Managing Director and Whole-time Director

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Krupa Anandpara, Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	54.75
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961*	11.21
	(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	-
5	Others	
	Contribution to Provident Fund	2.29
	<b>Total</b>	<b>68.25</b>

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

viii. 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
<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 V

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

- i. (a) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary of the Company and (b) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 :

Name of the Director/KMP	% Increase in the remuneration (a)	Ratio of remuneration of each Director/to median remuneration of employees (b)
Mr Munir Shaikh* (Non-Executive Chairman)	-	1.9
Mr R A Shah*# (Independent Director)	-	2.0
Mr Krishna Mohan Sahni* (Independent Director)	-	1.9
Ms Anisha Motwani* (Independent Director)	-	1.7
Mr Ambati Venu (Managing Director)	11.0	83.3
Mr Rajiv Sonalker (CFO and Whole-time Director)	21.9	39.0
Ms Krupa Anandpara (Company Secretary)	16.3	NA

\* Entitled for Sitting fees of ₹ 1,00,000 for attending each Board, Audit Committee and Independent Directors Meetings and ₹ 50,000 for attending each other Committee Meetings.

# Mr R A Shah retired as Independent Director upon completion of his term effective close of business hours on March 31, 2019.

- ii. The percentage increase in the median remuneration of employees in the financial year :  
14.2%
- iii. Number of permanent employees on the rolls of the Company :  
3,485
- iv. 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 year 2018-19 at 14.2% which is significantly in line with average percentage increase of 14.4% in managerial remuneration.
- v. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company.



# BUSINESS RESPONSIBILITY REPORT

At Abbott India, we firmly believe that innovative, responsible and sustainable business plays an important role in building a healthy, thriving society. We strive to foster economic, environmental and social well-being through our operations and in interaction with our stakeholders.

Our business is built around delivering innovative solutions that can push healthcare further. By focusing on the areas where opportunities for our business intersect with positive social and environmental impact, we aim to achieve sustainable growth, deliver life-changing technology and create value in communities around us.

Operating sustainably and responsibly is the bedrock of our impact on society. We earn trust for our brand and products through demonstrating our commitment to quality and safety, ethics, and integrity. We protect the health and well-being of our employees while operating award-winning programs to help them fulfill their potential. We work to promote and preserve healthy living environments by reducing our environmental impact, mitigating the effects of climate change and safeguarding clean water resources. We work closely with our suppliers to apply the highest standards of environmental and social responsibility throughout our supply chain, including the protection of human rights.

The Company's Board-approved Policies and Code of Conduct are available on the Company's website – <https://www.abbott.co.in/investor-relations/policies.html>

## SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN)	L24239MH1994PLC007330
2.	Registered address	3, Corporate Park, Sion-Trombay Road, Mumbai – 400 071
3.	Website	<a href="http://www.abbott.co.in">www.abbott.co.in</a>
4.	E-mail id	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a>
5.	Financial Year	2018-19
6.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 21002 (Activity : Pharmaceuticals)
7.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Duphaston Thyronorm Udiliv
8.	Total number of locations where business activity is undertaken	
	a) Number of International Locations	NIL
	b) Number of National Locations	Manufacturing plant at Goa, Registered Office and Corporate Office at Mumbai, Sales offices and distribution hubs Pan – India
9.	Markets served by the Company Local/State/National/ International	Pan - India, Sri Lanka, Nepal, Maldives and Bhutan

## SECTION B : FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid Up Capital	₹ 21,24,93,020
2.	Total Turnover	₹ 3640,30.02 Lakhs
3.	Total Profit After Tax	₹ 450,33.18 Lakhs
4.	<b>Total Spending on Corporate Social Responsibility (CSR)</b>	
	a) IN ₹	₹ 11,28.46 Lakhs
	b) As a percentage of Profit After Tax (%)	2.51% of the Profit After Tax for the financial year 2018-19
5.	List of activities in which expenditure in 4 above has been incurred	1. Improving Access to Healthcare through Health Clinics 2. Quality and Affordable Healthcare Delivery Program with SEWA 3. Malaria Elimination Program with Malaria No More

## SECTION C : OTHER DETAILS

The Company does not have any subsidiaries. Hence, the other details pertaining to subsidiary companies, as required under the section is not applicable.

## SECTION D : BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director responsible for implementation of the BR policy/policies :

Mr Ambati Venu, Managing Director

#### (b) Details of BR Head :

Particulars	Company Information
Director Identification Number	07614849
Name	Mr Ambati Venu
Designation	Managing Director
Telephone Number	+91-22-38162000
E-mail ID	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a> <a href="mailto:webmaster@abbott.co.in">webmaster@abbott.co.in</a>

### 2. Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy/Policies

National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released in July, 2011, which is essentially a set of nine principles that offer businesses an Indian understanding and approach to inculcating responsible business conduct. These Principles are :

<b>Principle 1</b>	Businesses should govern with Ethics, Transparency and Accountability.
<b>Principle 2</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
<b>Principle 3</b>	Businesses should promote the well-being of all employees.
<b>Principle 4</b>	Businesses should respect the interests of and be responsive towards all stakeholders, especially the marginalised one.
<b>Principle 5</b>	Businesses should respect and promote human rights.
<b>Principle 6</b>	Businesses should respect, protect and make efforts to restore the environment.
<b>Principle 7</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
<b>Principle 8</b>	Businesses should support inclusive growth and equitable development.
<b>Principle 9</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of Compliance (Y/N)

Question	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public policy	CSR	Customer Relations
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	N	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
Does the policy conform to any national/ international standards? If yes, specify?	These policies are aligned to/form part of Abbott Code of Business Conduct adopted globally, are in compliance with Indian laws and regulations and meet international standards.								
Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	These policies are adopted by the Board of Directors and are signed by the appropriate function heads. CSR Policy is signed by the Chairman of the CSR Committee.								
Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
Indicate the link for the policy to be viewed online?	<a href="http://www.abbott.co.in/investor-relations/policies.html">http://www.abbott.co.in/investor-relations/policies.html</a>								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholdersgrievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

b. If answer to Sr. No.1 against any principle is ‘No’, please explain why

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company has not understood the principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done within next six months	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done within next one year	NA	NA	NA	NA	NA	NA	There is no such policy formulated. The Company advocates from time to time, as a member of various trade bodies, chambers and associations to address issues related to the pharmaceutical industry.	NA	NA

3. Governance related to Business Responsibility (BR)

Information with reference to BRR framework

Sr. No.	Questions	Information
1.	Indicate the frequency of review, by the Board of Directors, Committee of the Board or CEO to assess the BR performance. Within 3 months,3-6 months, Annually, more than 1 year	Annually at the time of approving the Business Responsibility Report
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes Business Responsibility Report which forms part of the Annual Report. The same is available at <a href="https://www.abbott.co.in/investor-relations/financials.html">https://www.abbott.co.in/investor-relations/financials.html</a>

SECTION E : PRINCIPLE-WISE INFORMATION

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to conducting business in an ethical and legally compliant manner. It aims to meet the highest standards of ethical conduct in everything that it does.

As a part of a highly regulated industry, we make it a priority to ensure that all employees understand Abbott values, policies and procedures, as well as our wider legal obligations. The Code of Business Conduct (“The Code”) sets forth our commitment to ethics and compliance. It covers a wide range of principles and requirements that touch upon all aspects of our business activities and operations.

Our policies and procedures operate alongside our Code to guide employees as they conduct their day-to-day activities. They encompass all relevant laws, regulations and promotional standards. Our policies also consider industry best practices, including provisions of global and local codes for medical devices and pharmaceuticals. Our Code of Conduct is available on our website. The Company’s Board and leadership teams fully support the Code and the policies, procedures and principles it embodies.

At Abbott India, we are committed to preventing corruption in connection with our business activities and to continue working with third parties that share this commitment. The Office of Ethics and Compliance (OEC) has developed a third-party compliance process to identify potential risks when doing business with third parties, and to address such risks where they do exist. We take alleged violations very seriously, and if they are substantiated, offenders are subject to disciplinary action.

We impart ethics and compliance training for all employees, including senior executives and new employees. Training topics cover anti-corruption and anti-commercial bribery laws, corporate policies and the Abbott Code of Business Conduct. Training programs are delivered face to face and through online training platform, and results for the same are documented. In addition, Office of Ethics and Compliance issues regular, all-employee communications on our ethics and compliance policies.

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

The Company has received 29 stakeholder complaints during the financial year 2018-19. Out of these, 18 complaints were investigated in accordance with Internal Investigations Policy and Compliance Program and appropriately resolved. 11 complaints are pending investigation as on March 31, 2019.

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is committed to the protection of human health, safety and the environment where we conduct our business. It has clear, consistent global policies and standards regarding how we manage employee health, safety and productivity while also protecting the environment.

Attainment of our long-range targets to reduce employee injuries, to lower environmental emissions and to reduce use of natural resources in all aspects of product development, manufacturing and commercial operations remains a top priority.

The Company strives to enhance the health and well-being of patients and consumers by ensuring the highest standards of quality and safety in our products and in their manufacture and distribution. Consumers trust Company products which help them live their best possible lives through better health. We use the Abbott Global Quality System as a foundation for each of our business units, incorporating effective quality management practices into every aspect of our daily work and complying with all applicable regulations and standards. Protecting the authenticity

of our products is another important part of earning people’s trust. We take a proactive approach in taking action to keep counterfeit, illegally diverted and stolen Company products out of the marketplace. We provide healthcare professionals and institutions with the information they need in order to use Company products safely and effectively. We have established procedure for product actions and recalls, which require completion of a health hazard assessment, medical assessment and corrective and preventive action plan.

The Company’s manufacturing plant at Goa and commercial sites adhere to auditing and reporting requirements, which serve as a baseline for quality, health and safety performance. Each site is regularly evaluated against the following criteria :

- Health and safety policy and program
- Strategic planning
- Self-assessment/risk assessment
- Business integration
- Training and awareness
- Communication and information
- Performance measures
- Assurance reviews
- Global Environment, Health and Safety standards

We also are committed to driving our suppliers to uphold standards that align with our supply chain management and sustainability strategies. Abbott’s Supplier Guidelines outline the principles and expectations we set to establish strong business relationships and ensure our sustainability values are upheld in our purchasing process. Similarly, they define the minimum standards our suppliers and their suppliers must maintain when conducting business with the Company, including expectations for ethical behavior, business integrity and fair competition, human rights, privacy, labor rights and worker protection, animal welfare, environmental stewardship, and health and safety practices.

By striving for excellence in our supplier relationships, we seek to foster economic opportunity, shared value and sustainable market growth.

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Duphalac and Cremaffin
- Digene Gel and Tablets
- Brufen Tablets

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product :**

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Being a multiproduct facility, product-wise resource consumption is not measured, yet the plant continuously takes measures to reduce the consumption. The plant continues to increase manufacturing yields in order to reduce the wastage of precious raw materials, packaging materials and solvents.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Measuring product-wise reduction of energy and water is not feasible; however, environmental footprint reduction is a key goal at the manufacturing site. We continue to run the boilers on Biomass. As a result of 3R – Reduce, Recycle and Reuse principle, the site has been able to reduce its environmental footprint. All the waste generated is disposed off responsibly through Government approved agencies selected after robust audit process.

Below table shows water consumption, CO2 emissions and waste generated during the year 2018-19 at the plant. Despite increase in production, there is a significant reduction in overall environmental footprint as a result of the initiatives taken by the plant.

Sr. No.	Parameter	Unit	Quantity
1.	Total water used	KL	38,865
2.	Waste generated	MT	290
3.	Total CO2 equivalent emissions from purchased electricity	MT	4,000

Some of the energy conservation measures adopted at the plant during the year 2018-19 include –

- Replacement of Vacuum Pump with energy efficient pumps;
- Replacement of conventional Variable Frequency Drive (VFD) for Air Handling Units (AHU) and Cooling Towers;
- Covered entire site with LED Lighting which uses 40% less electricity than earlier for lighting;
- Automated lighting operation with occupancy sensors installed;

- Installation of High speed and energy efficient liquid filling machine;
- Effluent Treatment Plant blower efficiency enhancement.

These initiatives have resulted in annualized reduction of 5,47,186 Kwh energy usage and avoiding 410 MT of CO2 emissions.

We are committed to use water efficiently and sustainably, thus water conservation continues to be a focus area. Year 2018 water conservation initiatives include :

- Liquid manufacturing synchronization with cooling tower thereby reducing cooling tower evaporation losses;
- Alternate Water Source from GSIDC – resulting in cost reduction;
- Tablet manufacturing cleaning frequency optimization reducing the amount of cleaning water used;
- Recycling of water i.e Effluent Treated Plant water used for toilet flush; and
- Heating Ventilation Air Conditioning (HVAC) Condensate water reuse for Utility.

The water conservation initiatives helped the plant to save approximately 8,165 kl of water.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Yes, the Company has been working to increase sourcing of local packaging materials thereby reducing the transportation and the resultant vehicular emissions. We are increasingly localizing supply chain through the alternate vendor development process.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

The Company does procure goods and services from local and small producers, particularly, located near its manufacturing plant at Goa, in accordance with the established procedures and requirements. We have also identified new local sources for supplying voluminous raw material which is used in production process. Now most of the bottles used for liquid filling are procured from a supplier based in the local area. Services like housekeeping and gardening are provided by local contractors.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

Yes, wherever feasible, the wastes are recycled. There is a continuous focus on 3R’s – namely reduce, recycle and reuse. Being pharmaceuticals, the products are not recycled. Hazardous waste and sludge is disposed to cement factories which is utilised by them as a fuel for manufacturing of cement thereby recovering the energy. All the non-hazardous waste like paper, glass, metals, etc. are sent to approved vendors for recycling.

The Goa Plant retains its certification of Zero Waste to landfill in purview of waste disposal. In 2018-19, 62% of our total waste was sent for recycling, 2% was composted on site, 36% of the waste, which includes hazardous waste, was co-processed with energy recovery.

**Principle 3 : Businesses should promote the well-being of all employees**

*The Company cares about and is concerned for the health and well-being of its employees.* The Company’s success is directly dependent upon the skill, dedication and productivity of its employees. Therefore, it is incumbent upon the Company to provide means for the effective cultivation, development and utilisation to its human resources.

Everyone who works at the Company encounters a professional environment, free from intimidation and harassment. Employee performance and achievements are enhanced in an open and supportive work environment which is characterised by mutual trust and respect.

We offer a competitive, locally relevant employee value proposition, “Grow with the Leader,” that reflects our commitment to our employees. This allows employees to be the best they can be, be inspired by what they do, and be acknowledged for their work and efforts. At Abbott India, we take pride in our work and in helping our employees to maintain the highest standards of ethics and compliance. We are focused on building a highly engaged workforce on a foundation of proactive performance management, competitive pay and benefits, rewards and recognition, and open and continuous communication across all levels of the organization.

**A Diverse and Inclusive Work Place**

We foster gender partnership and collaboration to promote a truly inclusive work environment. Human Resource team works closely with leadership and line managers to create understanding and buy-in for improving gender diversity in the organization – right from the entry level. To this end, we benchmark ourselves with the industry best practices.



Women Leaders of Abbott (WLA) employee network is designed to help female employees further their careers and empower their leadership at Abbott India through structured training, development and networking events tailored to the specific needs.

Additionally, adequate support is provided to our women employees at critical stages in their lives.

#### Employee Assistance Program (EAP)

The Company is very cognizant of the fact that work and personal life can bring pressures to all. We understand that the right help at the right time can prepare to manage challenges or crises life may bring.

The EAP was started with this mind. It is an independent counselling and resource service sponsored by Abbott for its employees. Its features include :

- 24/7 availability to employees and their families – via phone, e-mail or live chat;
- All calls answered by expert psychologists;
- Assistance for personal issues that could affect health;
- Counselling for work life balance, stress management, management skills, and family support, including legal and financial information.

#### Employee Development, Training and Talent Management

We are committed to helping our people fully realize their potential. We make that possible by leveraging the scale and diversity of our businesses to support their career development. We provide unique career paths, customized learning experiences, career development programs, job-specific training and learning opportunities to help employees be successful in their current roles and to develop their potential for future career paths. All employees, from those working in commercial and operations to those in research and development, have access to these training and development opportunities.

Our Learning and Development strategy is focused on attracting and retaining the very best talent. In addition to the job-specific training and development available to every employee worldwide, we offer several area-specific programs in India. Our key training programs include Development programs and certification of managers, Capability-building Programs for sales Managers. Abbott Sales Training Academy provides structured training programs based on intensive customer research. In 2018, our sales force underwent more than 49,000 workdays of academy training across multiple programs. We also provide tiered certification programs for our sales force, which have three accreditation levels in India and are integrated into our career progression strategy.

Our robust talent management review is an ongoing process to evaluate our internal leadership pipeline, identify the critical capabilities for success and execute development plans for high potential employees.

In-Stride leadership program combines practical assignments with mentoring, one-on-one career counselling and courses on leadership to ensure future leaders have the right skills, competencies and support to advance in their careers.

“Project Respect” focuses on building Managerial Capability and creating a safe, conducive and performance-oriented work environment.

#### Compensation and Benefits

Our compensation and benefits package compares favorably with the pay programs of other leading healthcare companies, as well as other high performing companies outside of the healthcare arena. Our employees have a convenient and complete view of their compensation and benefits through their personalized Total Rewards statement. Employees also have the flexibility of making changes to their salary structure through the Flexible Compensation Plan.

#### Listening to Employees

We value the opinions of our employees and regularly seek their feedback through various employee surveys.

#### Work Life Harmony

The Company offers flexible work schedules and office timings to enable our employees to achieve balance in their work and personal responsibilities and activities. We view these initiatives not only as important tools for talent attraction and retention, but also as key components in our approach to diversity and inclusion.

#### Health and Well-being

The ability of our employees to live full and healthy lives is hugely important for the Company. The Flexible Benefits Program gives our employees the security they need to choose the benefits that matter to them. Through this program, we offer a wide selection of benefits related to insurance, lifestyles and personal development that work for employees at any stage of life. We believe in giving our employees the freedom of choice and the security that they need with the help of this program.

The Abbott Shop is an online portal that gives employees access to the Company’s medicines and nutrition products in one online location. The products are offered to employees at a discounted rate, and employees can get them delivered to a desired location. The Abbott Shop makes the Company products available, accessible and more affordable to all employees across the country.

The Company has clear, consistent global policies and standards regarding how we manage employee health, safety and productivity while also protecting the environment.

The Company’s manufacturing plant, innovation and development (I&D) center, and commercial sites adhere to auditing and reporting requirements, which serve as a baseline for health and safety performance worldwide.

1. **Please indicate the total number of employees?** – 3,485
2. **Please indicate the total number of employees hired on temporary/hired on contractual/casual basis?** – In 2019, 86 contract workers were hired.
3. **Please indicate the number of permanent women employees?** – 141.
4. **Please indicate the number of permanent employees with disabilities?** - The Company does not maintain any separate information pertaining to employees with disabilities.
5. **Do you have an employee association that is recognized by management?** – Yes.
6. **What percentage of your permanent employees is members of this recognised employee association?** – 6.7%
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?** – 2 complaints were received during the year under the Sexual Harassment Law and both were appropriately disposed off.
8. **What percentage of your above mentioned employees were given safety and skill upgradation training in the last year?** - All new joiners are imparted training as a part of their induction program.

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

*We recognise that listening to our stakeholders and responding thoughtfully to their concerns and ideas are vital to our success as a business, and to our progress.* The Company exists to help people live better, longer and healthier lives. We do so by working with governments, international healthcare organizations and community-focused NGOs, engaging consumers and leveraging the skills and passion of our own employees.

We take a partnership-based approach to improving access to healthcare : increasing the geographical reach of healthcare products, advancing understanding of emerging products and treatments, and empowering people through education, information and inspiration.

1. **Has the Company mapped its internal and external stakeholders?** – Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?** – Yes. The Company has identified and given a special focus to disadvantaged, vulnerable and marginalised stakeholders through various initiatives.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? - If so, provide details thereof.**

The Company has implemented several initiatives to engage disadvantaged, vulnerable and marginalised stakeholders. One such initiative is Abbott India’s Malaria Elimination Program, where the Company is supporting Malaria No More towards a pilot program that’s aimed at eliminating malaria in the State of Odisha and, supporting Prime Minister’s goal of malaria-free India by the year 2030. With 1 million rapid diagnostic tests (RDTs), technical expertise, and a cash grant, the Company is helping strengthen Odisha’s malaria detection and surveillance system. The program aims at improving the standard of living and providing a malaria-free environment to the marginalized population in Odisha.

In partnership with SEWA (Self-Employed Women’s Association), the Company is working at improving access to quality and affordable healthcare among low income populations through a sustainable primary and NCD (Non-Communicable Disease) care model. The program is aligned with the Prime Minister’s vision for Aayushman Bharat initiative. It is a community-based, and community-driven model, built upon a dedicated, in-clinic NCD care program focused on Diabetes, Thyroid and Cardio-Vascular diseases that will address gaps in awareness, screening, treatment and affordability. The on-ground engagement and delivery is driven through SEWA’s Health Master Trainers for effective awareness and mobilization. Novel financing mechanisms have been devised to drive program sustainability, and a tech platform will be set up for monitoring and evaluation to drive the best clinical outcomes and test financing mechanisms to achieve scale. The program has been designed to impact the disadvantaged, vulnerable and marginalised stakeholders by empowering them to work towards their own betterment.

The Company strives to improve healthcare and drive awareness building and diagnosis improvement through education and health clinics, addressing the need for better healthcare, diagnostic and sanitation facilities as part of its commitment to doing business responsibly and sustainably.

The Company works continuously towards health education, reaching out to the public at large through various channels. These initiatives are part of the Company’s continued focus and unflinching dedication to reaching out to the millions of unaware and unsuspecting patients.

Principle 5 : Businesses should respect and promote human rights

The Company believes in the dignity of every human being and respects individual rights. These principles are reflected in the Company’s mission and core values. We contribute to the fulfillment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. Our global guidelines include :

- Providing a healthy and safe working environment;
- Complying with child labour laws;
- Promoting workforce diversity and not discriminating against any employee for reasons such as race, religion, colour, age, gender, ethnicity, disability, marital status and sexual orientation, in addition to any other status protected by local law;
- Not tolerating harassment or harsh or inhumane treatment in the workplace;
- Protecting individual privacy;
- Providing compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime hours and mandated benefits;
- Encouraging open communication between management and employees.

It is the Company’s philosophy to maintain an open working environment that allows free exchange of information by way of communication channels across the organization. All employees are allowed to share their concerns, problems, questions or suggestions without any fear of retaliation and it is vital that these concerns are discussed and resolved in a timely manner.

The Company has policies on Ethics and Compliance, Diversity and Inclusion as well as on Prohibition of Harassment at Workplace.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Suppliers/Contractors/NGOs/Others?

The Company’s Code of Business Conduct covers the guidelines on human rights and the same is applicable to all the stakeholders of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

During the year, no complaints were received for violation of human rights.

Principle 6 : Businesses should respect, protect, and make efforts to restore the environment

We are committed to safeguarding a healthy environment for everyone by reducing the environmental impacts of our business. This commitment shapes the way we source, manufacture, design and distribute our products. A sustainable environment is essential for better health, stronger communities and more fulfilling lives.

Our long-term Environment, Health and Safety (EHS) strategy aims to protect our people, our planet and our value. We achieve this by delivering across a number of core areas to reduce and mitigate environmental risks; deliver cost efficiency and ensure business continuity.

We have set clear environmental goals and made rapid progress in using energy and water resources more efficiently while minimizing our waste. We support projects that generate energy from renewable sources at work and in our communities. We seek ways to reduce the environmental impact of our operations, such as through waste reduction, recycling and other activities to mitigate environmental risks. We adhere to the environmental laws and regulations applicable to our operations. We have set clear environmental goals and made rapid progress in using energy and water resources more efficiently while minimizing our waste. Our Goa plant has implemented innovative initiatives to reduce emissions, water usage and waste and to make product packaging more sustainable.

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The EHS policy of the Company covers all employees and contractors of the Company.

2. Does the Company have strategies initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N - If yes, please give hyperlink for webpage etc.

Yes. The Company is committed to environmental protection and has identified three environmental priorities. In each one, we have set world-wide ambitious goals for reducing environmental impact by 2020, compared to 2010 levels and adjusted for sales.

- Climate change : 40% reduction in carbon dioxide equivalent (CO2) emissions (i.e., greenhouse gas [GHG] emissions) associated with our business operations and the electricity we purchase (i.e., Scope 1 and 2 emissions)
- Water usage : 30% reduction in total water intake
- Waste management : 50% reduction in total waste

As we grow our business, the measures that we take to reduce our environmental impacts in this country will play a vital role in helping to achieve these worldwide goals.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, there are internal standards based on ISO 14001/OHSAS 45001. Environmental risk assessments are updated and reviewed regularly. There is a process for internal risk management audit and CAPA which also covers the potential environmental risk. We have tied up with external agencies to provide EHS regulatory intelligence. The Corporate EHS team conducts independent onsite reviews and potential environmental risks are shared with the top management for attention. No major environmental risks were identified during the year 2018 Corporate review.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental Compliance report is filed?

No projects are undertaken specifically under Clean Development Mechanism, however there is emphasis on usage of clean energy (like Biomass at Goa plant). CO2 emission reduction opportunities are formally assessed and emission reduction is a part of annual site targets and key performance indicators. During 2018, Goa plant achieved its target of environmental footprint reduction.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

Yes. The Company is committed to environmental protection. Vermicomposting and rainwater harvesting is being practiced. Goa site is Zero Waste to Landfill (ZWL) certified with more than 97% of the waste either being recycled or co-processed off-site for energy recovery. During the year, the plant achieved environment footprint of 43,223 MT, a reduction of 11% against the goal of 47,978 MT. The Heating Ventilation and Air Conditioning (HVAC) system has been installed with energy efficient components. Throughout the site the existing high power consuming lights have been replaced with energy saving LED lights. Water conservation initiatives include liquid manufacturing synchronization with cooling tower, tablet manufacturing cleaning frequency optimization and increasing the water reuse at the site. This and some other water conservation initiatives helped the site to save around 8,165 kl of water.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All the emissions/waste generated by the Company is within the permissible limits given by CPCB/SPCB for the financial year being reported. The samples are tested by independent Government approved laboratories, on a regular basis.

7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year?

No show cause/legal notices received from CPCB/SPCB are pending.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company believes in level playing field for all and advocates for fair and balanced policy decisions that are beneficial for the patients and pharmaceutical industry in India.

The Company is a member of industry bodies. The Company works with these associations regularly and actively and submits views through them, when asked by the policy makers/regulators on the existing or new policies pertaining to the pharmaceutical sector.

The Company endorses inclusive policies and sustainable development through participating in CSR forums and discussions.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Yes. The Company is a member of Federation of Indian Chambers of Commerce & Industries (FICCI).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes. Broad areas are : Pricing implementation issues; National Pharmaceuticals Policy; Taxation policies and Drug Regulatory matters.

Principle 8 : Businesses should support inclusive growth and equitable development

We aim to empower communities to take control of their living environments for fuller, healthier lives. The Company’s CSR policy is focused on fostering economic, environmental and social well-being.

We focus on philanthropic investments in areas that align with our business and our core capabilities, on opportunities to leverage our employees’ time and skills in their local communities, and



on partnerships with stakeholders that enable us to achieve sustainable change. We always start by listening to the needs of people and to the challenges that have prevented workable solutions up to now. We have used this approach to identify a number of different focus areas for our philanthropic work. In each of these areas, we are partnering with organizations that have the skills, knowledge and resources to complement our efforts. We are committed to measuring the impact of our programs, so that we can drive change sustainably and apply the lessons to helping other communities, as well.

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Quality and Affordable Healthcare Delivery Program with SEWA

The Company has partnered with SEWA, the world’s largest trade union of women employed by the informal sector to launch a comprehensive, community-based healthcare program, to improve access to quality primary, acute and NCD care among low-income populations. The program is educating SEWA members on various health conditions, while training community healthcare workers on providing consistent, community-based care. This will meet the needs of SEWA women and their families and provide new opportunities for employment to SEWA members. The program is being launched in two SEWA communities in 2019, targeting 4,000 members and their families (for a total of approx. 20,000 participants). It will provide linkages with pharmacies, stockists, super distributors, labs, hospitals and specialists. The program aims to be as cost-effective as possible, with a special focus on NCD care.

Malaria No More

With a population of nearly 42 million people, Odisha accounted for about 40 percent of India’s malaria burden and one-third of Southeast Asia’s malaria burden in 2016. In support of India’s 2015 commitment to be malaria-free by 2030, the Government of Odisha has prioritized malaria control and elimination. The Company is supporting the partnership between the government of Odisha and Malaria No More, by providing technology, expertise and funding support to advance efforts to end malaria in the state.

In collaboration with Malaria No More and the Government of Odisha, the Company is supplying 1 million rapid diagnostic tests (RDTs) and technical expertise to strengthen Odisha’s malaria detection and surveillance system. In addition, the Company will be providing cash grant over three years to Malaria No More to back its work with the

Odisha government to define and support a comprehensive state malaria elimination strategy that can be used as a model for other states to follow.

Health Clinics

Access to essential healthcare services and information is a continuing challenge for many in India. Abbott India has several programs to address this gap. Through one such effort, Abbott India supports qualified doctors and healthcare professionals to expand disease diagnosis and access to care. This includes programs to raise awareness and improve care for epilepsy and liver diseases. In year 2018-2019, these programs reached approximately 165 districts across 25 states, reaching out to over 6.3 Lakh people through 3 major campaigns.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?

SEWA - Creating a Sustainable Healthcare Delivery Model	Direct Implementation
Health Clinics - Programs to expand Awareness and Access to Healthcare	Direct Implementation
Malaria Elimination Program with Malaria No More	Direct Implementation

3. Have you done any impact assessment of your initiative?

We are committed to measuring the impact of our programs, so that we can drive change sustainably and apply the lessons to helping other communities, as well.

All our initiatives have a needs assessment, a midline review and an endline evaluation. As all the three programs are currently running, we are conducting reviews to ensure meeting of timely milestones. Impact assessments will be conducted at the end of the program.

4. What is your Company’s direct contribution to community development projects and the details of the projects undertaken)?

Community Development Projects	Contribution (in ₹ Lakhs)
Improving Access to Healthcare through Health Clinics	7,41.90
Quality and Affordable Healthcare Delivery Program with SEWA	3,32.10
Malaria Elimination Program with Malaria No More	18.69

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

For all the above projects, we have aimed at embedding sustainability into the core of our engagement with the beneficiaries. By engaging the community members upfront on planning and implementation and then handholding through continuous training and monitoring of the various interventions, we are ensuring that communities not only adopt our initiatives, but also embrace the benefits that they experienced as a result.

List of activities in which expenditure in CSR has been incurred :	- Improving Access to Healthcare through Health Clinics - Quality and Affordable Healthcare Delivery Program with SEWA - Malaria Elimination Program with Malaria No More
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Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

We prioritize the health and well-being of our patients and consumers. We are committed to working with Healthcare Professionals to provide them with timely and accurate information to assist them in making decisions and providing advice to their patients.

Our statements about our products, in all materials and communications are balanced and truthful and consistent with the approved label.

In promoting our products, we provide information that is consistent with scientific evidence, leading medical practice, and the approved product labelling requirement.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

504 Complaints (medical + non-Medical) were received by the Company and responded as per Company policies/procedures until March 31, 2019.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes. The Company displays relevant information on product labels in accordance with applicable statutory requirements.

3. Is there any case filed/pending by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof.

No cases are filed/pending against the Company alleging anti-competitive practices.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes

For and on behalf of the Board

Munir Shaikh

Chairman  
DIN : 00096273

Ambati Venu

Managing Director  
DIN : 07614849



# 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 the stakeholders of the Company, including members, 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 that 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 members and other beneficiaries for their actions.

## BOARD OF DIRECTORS

- a) As on the date of this Report i.e. May 27, 2019, the Board comprises 9 Directors including 2 Executive and 7 Non-Executive Directors, of which 3 are Independent Directors. The Directors are professionals, having 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 the Director	Category of Directorship	Total Board Meetings held in 2018-19	Attendance at		Number of Directorships in other companies <sup>1</sup>	Number of Committee positions held in other companies <sup>3</sup>
			Board Meetings held in 2018-19	Annual General Meeting (July 18, 2018)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	6	6	Yes	2 <sup>2</sup>	NIL
Mr Ambati Venu Managing Director	Executive Director	6	6	Yes	NIL	NIL
Mr Krishna Mohan Sahni	Non-Executive, Independent Director	6	6	Yes	NIL	NIL
Mr R A Shah (retired effective March 31, 2019)	Non-Executive, Independent Director	6	6	Yes	10 <sup>2</sup>	6 <sup>3</sup>
Mr Kaiyomarz Marfatia	Non-Executive Director	6	6	Yes	NIL	NIL
Mr Rajiv Sonalker Whole-time Director	Executive Director	6	6	Yes	NIL	NIL
Ms Anisha Motwani (appointed effective April 25, 2018)	Non-Executive, Independent Director	6	6	Yes	7 <sup>2</sup>	6 <sup>3</sup>
Mr Jawed Zia (appointed effective June 1, 2018)	Non-Executive Director	6	5	Yes	NIL	NIL
Mr Sudarshan Jain (appointed effective April 1, 2019)	Non-Executive, Independent Director	6	NA	NA	2 <sup>2</sup>	NIL
Mr Mark Murphy II (appointed effective April 1, 2019)	Non-Executive Director	6	NA	NA	NIL	NIL

1. Includes directorship in private companies, alternate directorship and directorship in foreign companies. However, it does not include the directorships in companies registered under Section 8 of the Companies Act, 2013.
2. Other Directorship Details :
- Mr Munir Shaikh serves as Director in Abbott Laboratories (Pakistan) Limited and Sunshine Holdings PLC, Sri Lanka.
  - Ms Anisha Motwani serves as Independent Director in Welspun India Limited, Prataap Snacks Limited, Angel Broking Limited, India Shelter Finance Corporation Limited, L&T Investment Management Limited, PNB MetLife India Insurance Company Limited and as Director in Avadh Snacks Private Limited.

- Mr Sudarshan Jain serves as Director in ZCL Chemicals Limited and Healthium Medtech Private Limited.
- As on March 31, 2019, Mr R A Shah served as Independent Director in Procter & Gamble Hygiene and Healthcare Limited (Chairman), Pfizer Limited (Chairman), BASF India Limited, The Bombay Dyeing and Manufacturing Company Limited, Colgate-Palmolive (India) Limited (Vice-Chairman) and Lupin Limited, as Non-Executive, Non-Independent Director in Godfrey Philips India Limited (Chairman) and Atul Limited; as Alternate Director in ThyssenKrupp Industrial Solutions (India) Private Limited and as Director in Jumbo World Holdings Limited (Foreign Director).

Mr R A Shah retired as Independent Director upon completion of his term effective close of business hours on March 31, 2019.

- 3 Includes Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee. The details of such Memberships/Chairmanship are given below :

- Ms Anisha Motwani holds the Membership of Audit Committee in Prataap Snacks Limited, India Shelter Finance Corporation Limited and PNB MetLife India Insurance Company Limited; Membership of Stakeholders Relationship Committee in Prataap Snacks Limited, PNB MetLife India Insurance Company Limited and Angel Broking Limited.

- As on March 31, 2019, Mr R A Shah held the Chairmanship of Audit Committee in Pfizer Limited, Colgate Palmolive (India) Limited and Procter & Gamble Hygiene and Healthcare Limited and Membership of Audit Committee in BASF India Limited, Bombay Dyeing & Manufacturing Company Limited and Godfrey Philips India Limited.

- c) During the year under review, 6 Board Meetings were held on the following dates :

May 14, 2018; July 18, 2018; August 13, 2018; November 13, 2018; February 8, 2019 and March 30, 2019.

The option for attending Board/Committee Meetings via audio-visual means is provided to the Directors.

- d) Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to the Notice convening the Annual General Meeting, which forms part of the Annual Report.

- e) There is no inter-se relationship between any of the Directors.

- f) Mr Sudarshan Jain along with his relatives, holds 250 shares in the Company. Mr R A Shah, along with his relatives, held 6,874 shares as on March 31, 2019.

- g) As required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, the Company has, from time to time, notified the BSE Limited regarding all appointments/re-appointments/cessations of Directors during the year under review.

- h) None of the Independent Directors of the Company serve as Independent Director in more than seven listed companies or as whole-time director in any listed company.

- i) All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub regulation 7 of Regulation 17 of the Listing Regulations.

- j) In the opinion of the Board and Nomination and Remuneration Committee, the Independent Directors fulfill the criteria of Independence as specified in the Companies Act, 2013 and Rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

## BOARD COMPETENCIES/EXPERTISE

The Board has a perfect mix of analytical, strategic and leadership skills. The Directors have a full understanding of the operations of the Company, industry and business environment in which the Company operates and have adequate competencies to bring value additions to the functioning of the Company.

The Board has different sets of skills and expertise, broadly in the areas of Accounting, Sales and Development, Information Technology, Public Relations, Digital Marketing, Strategy Development and Implementation, which is in alignment with the long term strategic plans of the Company.

The Board has awareness towards the increasing focus on governance and is actively working towards raising of the governance standards of the Company.

## FAMILIARISATION PROGRAMS FOR INDEPENDENT DIRECTORS

As a part of Induction and Continuing Education Program for Independent Directors, periodic presentations are made by the Managing Director/Commercial Directors/Function Heads at the Board Meetings to apprise the Directors with the Company's business strategies, long term plans, budgets, operations and performance, relevant legal/regulatory updates in the laws and regulations applicable to the Company. In addition, these presentations also provide insights into various growth opportunities for the Company, operational and environmental challenges associated with the Company's business operations, products, Management's risk mitigation plans, human resources updates, etc.

The Directors are regularly briefed on the Company's policies and procedures, with regard to distribution channels, business model, cash and treasury management, accounting systems and internal financial controls, etc. Plant visit is arranged, as and when required, for the Directors to acquaint them with the manufacturing process and the products manufactured in-house.

The Company also arranges various knowledge dissemination sessions by external faculties to keep the Directors updated with the current happenings, relevant news and legal/regulatory changes.

Details of such programs conducted by the Company for the financial year 2018-19 are available on the website of the Company at <http://www.abbott.co.in/investor-relations/policies.html>

### MEETING OF INDEPENDENT DIRECTORS

In terms of requirements of the Companies Act, 2013, Rules framed thereunder and Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of Independent Directors was held on May 14, 2018. The said Meeting was attended by all the Independent Directors.

### AUDIT COMMITTEE

The composition, role, terms of reference as well as powers of the Audit Committee of the Company are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition :

The Committee comprises 3 Independent Directors and 1 Non-Executive Director as on the date of this Report.

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

Sr. No.	Name of the Member	Category	Number of Meetings 2018-19	
			Held	Attended
1.	Ms Anisha Motwani <sup>1</sup>	Independent Director	5	4
2.	Mr Munir Shaikh	Non-Executive Director	5	5
3.	Mr Krishna Mohan Sahni	Independent Director	5	5
4.	Mr Sudarshan Jain <sup>2</sup>	Independent Director	5	NA
5.	Mr R A Shah <sup>3</sup>	Independent Director	5	5

1. appointed as Member effective May 14, 2018 and Chairperson effective April 1, 2019.
2. appointed as Member effective April 1, 2019.
3. ceased to be Chairman and Member effective close of business hours on March 31, 2019.

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 statements are 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 them;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
  - matters required to be included in the Directors' 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to the financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) 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;
- monitoring the end use of funds raised through public offers and related matters;
- 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 areas of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the functioning of the Vigil Mechanism/Whistle Blower Mechanism;
- carrying out any other functions as may be prescribed under the Companies Act, 2013, Rules framed thereunder and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or as may be delegated by the Board, from time to time.

The Committee also reviews various information prescribed under Part C of Schedule II as referred in Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Meetings :

During the year under review, the Committee met 5 times on the following dates :

May 14, 2018; July 18, 2018; August 13, 2018; November 13, 2018 and February 8, 2019.

The Chief Financial Officer remains present at all the Audit Committee Meetings. All the meetings are attended by the Statutory Auditors. Internal and Cost Auditors are invited to the Meetings, as and when required.

Mr R A Shah, the then Chairman of the Audit Committee attended the Annual General Meeting held on July 18, 2018 in compliance with the requirements of Regulation 18(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### NOMINATION AND REMUNERATION COMMITTEE

The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee of the Company are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition :

The Committee comprises 2 Independent Directors and 2 Non-Executive Directors as on the date of this Report.

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 below :

Sr. No.	Name of the Member	Category	Number of Meetings 2018-19	
			Held	Attended
1.	Mr Sudarshan Jain <sup>1</sup>	Independent Director	4	NA
2.	Mr Munir Shaikh	Non-Executive Director	4	4
3.	Ms Anisha Motwani <sup>2</sup>	Independent Director	4	4
4.	Mr Jawed Zia <sup>3</sup>	Non-Executive Director	4	NA
5.	Mr R A Shah <sup>4</sup>	Independent Director	4	4

1. appointed as Chairman and Member effective April 1, 2019.
2. appointed as Member effective April 25, 2018.
3. appointed as Member effective April 1, 2019.
4. ceased to be Chairman and Member effective close of business hours on March 31, 2019.

Ms Krupa Anandpara, Company Secretary, is the Secretary 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;
- ensuring that there is an appropriate induction programme in place for new Directors and reviewing its effectiveness;



- formulating the criteria for evaluation of performance of Board, its Committees and individual Directors and review its implementation and compliance and whether to extend or continue the term of appointment of the Independent Director on the basis of such assessment;
- to consider any other matters as may be delegated by the Board.

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.
- recommend to the Board all remuneration, in whatever form, payable to the Senior Management;
- to consider any other matters as may be delegated by the Board.

Meetings :

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

May 14, 2018; August 13, 2018; November 13, 2018 and March 30, 2019.

Mr R A Shah, the then Chairman of the Committee attended the Annual General Meeting of the Company to answer the Shareholders’ queries in compliance with the requirements of Regulation 19(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation Criteria for Independent Directors :

Performance Evaluation of Independent Directors is done by the entire Board of Directors (except the Director whose evaluation is being done). The Board also evaluates if the Independent Directors fulfill the criteria of independence as laid down in the Companies Act, 2013, Rules framed thereunder and the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

As per the aforesaid Framework, Performance Evaluation of Directors is done through self-assessment and group discussions basis the suggested set of questions/parameters such as Directors’ attendance, effective participation at Board/ Committee Meetings, their contribution at the meetings, leveraging on his/her experience to provide the necessary insights/guidance on Board discussions and display of candor in expressing views even when they are in divergence with the rest of the Board, etc.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition, role, terms of reference as well as powers of the Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition :

The Committee comprises 1 Independent Director, 1 Non-Executive Director and 1 Executive Director, as on the date of this Report.

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 below :

Sr. No.	Name of the Member	Category	Number of Meetings 2018-19	
			Held	Attended
1.	Mr Kaiyomarz Marfatia <sup>1</sup> Chairman	Non-Executive Director	4	4
2.	Mr Ambati Venu	Managing Director	4	4
3.	Mr Krishna Mohan Sahni <sup>2</sup>	Independent Director	4	NA
4.	Mr R A Shah <sup>3</sup>	Independent Director	4	4

1. appointed as Chairman effective May 14, 2018.
2. appointed as Member effective April 1, 2019.
3. ceased to be a Member effective close of business hours on March 31, 2019.

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 :

- resolving the grievances of the shareholders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Meetings :

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

May 14, 2018; August 13, 2018; November 13, 2018 and February 8, 2019.

Summary of Shareholders’ Grievances :

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

Particulars	Number
Pending at the beginning of the year	2*
Received during the year	9*
Resolved during the year	10
Pending at the end of the year	1

\* includes 1 letter received from Ministry of Corporate Affairs and 1 letter from the Securities and Exchange Board of India (SCORES).

\* includes 8 letters received from the Securities and Exchange Board of India (SCORES).

As on March 31, 2019, there were no pending share transfers.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition, role, terms of reference as well as powers of the Corporate Social Responsibility (“CSR”) Committee of the Company are in compliance with the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Composition :

The Committee comprises 2 Independent Directors and 2 Executive Directors, as on the date of this Report.

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

Sr. No.	Name of the Member	Category	Number of Meetings 2018-19	
			Held	Attended
1.	Mr Krishna Mohan Sahni <sup>1</sup> Chairman	Independent Director	4	4
2.	Mr Ambati Venu	Managing Director	4	4
3.	Ms Anisha Motwani <sup>2</sup>	Independent Director	4	NA
4.	Mr Rajiv Sonalker <sup>2</sup>	Whole-time Director	4	NA
5.	Mr Munir Shaikh <sup>3</sup>	Non-Executive Director	4	4

1. appointed as Chairman effective April 1, 2019.
2. appointed as Members effective April 1, 2019.
3. ceased to be Chairman and Member effective April 1, 2019.

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 CSR 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 the 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;
- 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 4 times on the following dates :

May 14, 2018; August 13, 2018; November 13, 2018 and March 30, 2019.

### RISK MANAGEMENT COMMITTEE

The composition, role, terms of reference as well as powers of Risk Management Committee of the Company are in compliance with provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition :

The Committee comprises 1 Independent Director, 1 Non-Executive Director and 2 Executive Directors as on the date of this Report.

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

Sr. No.	Name of the Member	Category	Number of Meetings 2018-19	
			Held	Attended
1.	Mr Ambati Venu Chairman	Managing Director	1	1
2.	Mr Kaiyomarz Marfatia	Non-Executive Director	1	1
3.	Mr Krishna Mohan Sahni	Independent Director	1	1
4.	Mr Rajiv Sonalker	Whole-time Director	1	1

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

#### Role :

The role of the Committee includes :

- monitoring and implementing Risk Management Plans;

- ensure that the adequacy of the Company's Risk Management Framework is being assessed and that action is taken if it is inadequate;
- reporting Risk Management activities and information, including top risks and mitigation, to the Audit Committee and Board;
- understand the significant or high risks affecting Company and ensuring that processes to mitigate them are effective;
- reviewing and amending Risk Management Framework from time to time;
- review of the Risk Management Plan by the Committee and such other functions as it may deem fit and shall specifically cover cyber security;
- other functions as may be delegated by the Board from time to time.

#### Meetings :

During the year under review, the Committee met once on February 8, 2019.

### REMUNERATION OF DIRECTORS

#### Non-Executive Directors

During the year under review, Mr Munir Shaikh, Mr R A Shah\*, Mr Krishna Mohan Sahni and Ms Anisha Motwani were paid sitting fees amounting to ₹ 15.00 Lakhs, ₹ 16.00 Lakhs, ₹ 14.50 Lakhs and ₹ 13.00 Lakhs respectively, for attending Board and various Committee Meetings.

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company. During the year, the Company availed various professional services from M/s Crawford Bayley & Co., in which Mr R A Shah\* is a partner and remitted ₹ 87,300/- towards the same. 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.

\*Mr R A Shah retired as Independent Director upon completion of his term effective close of business hours on March 31, 2019.

#### Executive Directors

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Companies Act, 2013 and the Remuneration Policy of the Company. Such remuneration is considered and approved by the Nomination and Remuneration Committee, the Board of Directors and the Shareholders of the Company.

Details of remuneration paid to the Executive Directors for the financial year 2018-19 are as follows :

(₹ in Lakhs)

Terms of Agreement	Mr Ambati Venu Managing Director	Mr Rajiv Sonalker CFO and Whole-time Director
Period of appointment	5 years	2 years
Date of appointment	September 29, 2016	August 8, 2017
Salary & Other Allowances	2,79.91	1,57.19
Perquisites	2,45.79	75.90
Contribution to Provident Fund	12.40	9.37
Performance Linked Incentive	1,12.65	62.30
Notice Period	Three Months	Three Months
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 and Whole-time Director are entitled to Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the perquisite value of which is included above. (Also refer Note 38 (c) of financial statements)	

### GENERAL BODY MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2017-18	July 18, 2018	3.30 p.m.	RAMA WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai – 400 020	1 (Re-appointment of Mr Munir Shaikh (DIN 00096273), who has attained the age of Seventy-five years, as Director, liable to retire by rotation)
2016-17	July 18, 2017	3.30 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai – 400 020	-
2015-16	July 18, 2016	3.30 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai – 400 020	1 (Re-appointment of Mr R A Shah (DIN 00009851) as an Independent Director for a term upto March 31, 2019)

During the year, no special resolution was passed through postal ballot.

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

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place the Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited – Procedure for Internal Investigations" in terms of the requirements of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adequate safeguards are provided against victimization of director(s) or employee(s) or any other person who raises concerns using such mechanism. No employee has been denied access to the Audit Committee.

During the year, the said Policy was amended in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ("the Insider Trading Regulations"), enabling employees to report any violations under the Insider Trading Regulations and leak of Unpublished Price Sensitive Information. The amended Policy is available on the website of the Company at <http://www.abbott.co.in/investor-relations/policies.html>

**MEANS OF COMMUNICATION**

- a) The quarterly, half-yearly and annual results are published in one English daily newspaper (Business Standard - pan India) and one Marathi newspaper (Loksatta) published from Mumbai. The quarterly results/shareholding pattern/notice of Board Meetings/official news releases are made available on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in) and on the website of the BSE Limited.
- b) During the year under review, the Company has, upon request, met a few institutional investors in one-on-one meetings and group meetings. No presentations were made in any such meetings.

**GENERAL SHAREHOLDER INFORMATION****i) Annual General Meeting**

Thursday, August 22, 2019 at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021

**ii) Financial year**

April 1, 2018 to March 31, 2019

**iii) Book Closure**

Friday, August 16, 2019 to Thursday, August 22, 2019 (both days inclusive)

**iv) E-Voting Period**

From 9.00 a.m. (IST) on Monday, August 19, 2019  
Upto 5.00 p.m. (IST) on Wednesday, August 21, 2019

**v) Dividend Payment Date**

On and from August 28, 2019

**vi) Listing on Stock Exchange**

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001  
Telephone No.: +91-22-2272 1233/4, +91-22-6654 5695  
Fax : +91-22-2272 1919  
Website : [www.bseindia.com](http://www.bseindia.com)  
Email : [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

- vii) The annual listing fees for the financial year 2018-19 was paid to the BSE Limited as per Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

INE358A01014

**ix) Stock Code (BSE)**

500488

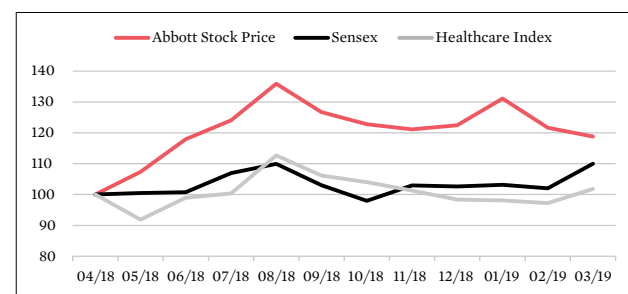
**x) Market Price Data (High/Low) on BSE**

Month	High	Low
April, 2018	6,659.00	5,457.50
May, 2018	7,353.45	6,120.00
June, 2018	7,828.00	6,225.00
July, 2018	7,829.95	6,960.80
August, 2018	8,690.00	7,511.00
September, 2018	8,834.05	7,629.00
October, 2018	7,780.00	6,900.00
November, 2018	7,986.70	7,131.00
December, 2018	7,888.55	7,284.40
January, 2019	8,343.00	7,450.00
February, 2019	8,305.00	7,151.20
March, 2019	7,490.00	7,200.05

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

April 1, 2018 to March 31, 2019

Normalised (100)

**xii) Registrar and Share Transfer Agent**

Karvy Fintech Private Limited

Unit : Abbott India Limited

Karvy Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District,  
Nanakramguda,  
Hyderabad – 500 032  
Tel No.: +91-40-6716 2222;  
Fax No.: +91-40-2300 1153

Email : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website : [www.karvyfintech.com](http://www.karvyfintech.com)

Details of various centres of Karvy are available on [www.karvyfintech.com](http://www.karvyfintech.com)

**xiii) Share Transfer System**

Share Transfer Committee comprising the Directors and officials of the Company attend to the share transfer formalities at least once in a fortnight. The said Committee also considers requests received for duplicate certificates, split/consolidation, dematerialization, rematerialization and transmission of shares.

All the requests received as specified above, are normally processed as per the prescribed timelines upon receipt of complete set of documents.

**xiv) Distribution of Shareholding as on March 31, 2019**

Distribution	No. of Shareholders	% to Total	No. of Shares held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	26,233	95.19	14,29,821	6.73
501 to 1000	703	2.55	5,05,846	2.38
1001 to 2000	341	1.24	4,88,607	2.30
2001 to 3000	110	0.40	2,70,102	1.27
3001 to 4000	54	0.20	1,89,764	0.89
4001 to 5000	37	0.13	1,68,585	0.79
5 001 to 10000	31	0.11	2,15,034	1.02
ABOVE 10000	50	0.18	1,79,81,543	84.62
<b>TOTAL</b>	<b>27,559</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

**xv) Shareholding Pattern as on March 31, 2019**

Category of Shareholders	No. of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	28,201	0.13
Financial Institutions	3,031	0.01
Foreign Institutional Investors	31,430	0.15
Foreign Portfolio Corporation	4,02,692	1.90
Insurance Companies	1,40,042	0.66
Mutual Funds	11,97,145	5.63
Domestic Companies	1,38,795	0.65
Non-Domestic Companies	471	0.00
Non-Resident Indians	87,343	0.41
Directors & Relatives*	6,874	0.03
Unclaimed Suspense Account	23,993	0.11
Investor Education and Protection Fund (IEPF) Authority	66,989	0.32
Others	31,88,248	15.01
<b>TOTAL</b>	<b>2,12,49,302</b>	<b>100.00</b>

\*held by Mr R A Shah, Independent Director, who retired, upon completion of his term effective close of business hours on March 31, 2019.

**xvi) In terms of requirements of Regulation 39(4) and Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares which remained unclaimed in the custody of the Company are required to be transferred to the Suspense Account opened by the Company.**

Accordingly, details of the unclaimed shares lying in the Company's Unclaimed Suspense Account are as follows :

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2018	191	24,671
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	4	678
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	Nil	Nil
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2019	187	23,993

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of seven years. Thereafter, the said shares including all benefits accrued thereon shall be transferred by the Company to the IEPF Authority in accordance with provisions of Section 124(5) and (6) of the Companies Act, 2013 and Rules framed thereunder. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such Equity Shares.

**xvii) In terms of requirements of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority").**

During the year, the Company has transferred 15,180 Equity Shares held by 79 Members to the IEPF Authority in June, 2018. The details of shares so transferred is available on the Company’s website under the Investor Section at <http://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

The Members whose shares/unclaimed dividends, etc. have been transferred to IEPF may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the Authority from time to time. The Member can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

During the year, 3 claims were received from shareholders, details of which are as follows :

Particulars	No. of Shareholders	No. of Shares
Aggregate number as at April 1, 2018	317	51,809
Transferred to IEPF Authority during the year	79	15,180
Claim received from Shareholders	3	812
Pending with IEPF Authority for processing	3	812
Aggregate number as at March 31, 2019	396	66,989

**xviii) Dematerialisation of Shares as on March 31, 2019 and liquidity**

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).

2,08,04,342 Equity Shares representing 97.91% of the Company’s total paid-up share capital were held in dematerialized mode, as on March 31, 2019.

**xviii) The Company has not issued any GDR/ADR or Warrants or any other convertible instruments.**

**xix) Foreign exchange risk and hedging activities**

The Company has foreign exchange exposure and hedging is done for a significant portion of the same.

**xx) Plant Location**

L-18/19, Verna Industrial Estate, Goa

**xxi) Address for correspondence**

Abbott India Limited  
CIN : L24239MH1944PLC007330

<b>Registered office :</b> Shares Department 3, Corporate Park, Sion-Trombay Road, Mumbai – 400 071 Tel No.: +91-22-6797 8888 Fax : +91-22-6797 8727	<b>Corporate Office :</b> Shares Department 16th Floor, Godrej BKC, Plot C – 68, “G” Block, Bandra Kurla Complex, Near MCA Club, Bandra (East), Mumbai – 400 051 Tel No.: +91-22-3816 2000 Fax : +91-22-3816 2400
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Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

Karvy Fintech Private Limited  
Unit : Abbott India Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel No.: +91-40-6716 2222; Fax : +91-40-2300 1153	B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai - 400 001 Tel No.: +91-22-6623 5412
Email : <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website : <a href="http://www.karvyfintech.com">www.karvyfintech.com</a>	

**■ OTHER DISCLOSURES**

- a) There were no Related Party Transactions entered into by the Company during the year that had potential conflict with the interests of the Company at large.
- b) Policies on Dealing with Related Party Transactions and Materiality and on Determination of Materiality of Event or Information for Disclosure are disclosed on the website of the Company at <https://www.abbott.co.in/investor-relations/policies.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) The Company has obtained a certificate from Ms Neena Bhatia, Practising Company Secretary (Membership No. FCS 9492 and Certificate of Practice No. 2661), confirming that none of the Directors on Board is debarred or disqualified from being appointed or continuing as Director of the Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

- f) There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or the Securities and Exchange Board of India or any statutory authority on any matters related to the capital markets during the last three years.
- g) In terms of requirement of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chief Executive Officer (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.
- h) Code of Business Conduct for Board of Directors and Senior Management lays down various principles of ethics and compliance. The Code has been posted on the Company’s website <https://www.abbott.co.in/investor-relations/policies.html>
- i) The Company has complied with all the Corporate Governance requirements specified in Regulations 17 to 23 and 25 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As the Company does not have any subsidiary, Regulation 24 is not applicable to the Company.
- j) The Company has not obtained any Credit Ratings during the year.
- k) The Company has complied with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- l) During the financial year, there was no instance where the Board has not accepted any recommendation of any Committee of the Board.
- m) Total fees paid to the Statutory auditor and all the entities in their network firm/network entities for all services rendered by them during the financial year 2018-19 is ₹ 147.02 Lakhs including all the taxes, as may be applicable.
- n) During the year, two complaints were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same were appropriately disposed off.

**Compliance with Discretionary requirements :**

- i) The quarterly and half yearly financial results are published in two newspapers as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are also available on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in) Therefore, the results were not separately circulated to all the Members.
- ii) Reporting of Internal Auditors is directly to the Audit Committee.
- iii) The Company has its financial statements with unmodified audit opinion.

**For and on behalf of the Board**

	<b>Munir Shaikh</b>	<b>Ambati Venu</b>
Mumbai	Chairman	Managing Director
May 27, 2019	DIN : 00096273	DIN : 07614849

**DECLARATION UNDER SCHEDULE V (D) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

As required under Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm 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, 2019.

March 31, 2019 Mumbai	<b>Ambati Venu</b> Managing Director DIN : 07614849
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of  
Abbott India Limited  
3, Corporate Park,  
Sion-Trombay Road,  
Mumbai – 400 071.

1. The Corporate Governance Report prepared by Abbott India Limited (hereinafter the “Company”), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (‘Applicable criteria’) with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management’s Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor’s Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held from April 01, 2018 to March 31, 2019 :
    - (a) Board of Directors Meeting;
    - (b) Audit Committee;
    - (c) Annual General Meeting;
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Independent Directors Meeting;
    - (g) Risk Management Committee;
    - (h) Corporate Social Responsibility Committee;
  - v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
  - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

Other matters and Restriction on Use

9. This report 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.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**  
Partner  
Membership Number: 49365  
UDIN : 19049365AAAAAE9821  
Place of Signature: Mumbai  
Date: May 27, 2019

# INDEPENDENT AUDITOR’S REPORT

To the Members of Abbott India Limited

## Report on the audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Abbott India Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (“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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants

of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
<b>Provision for Non-Saleable returns</b> (as described in Note 24 of the Ind AS financial statements)	
The Company makes sales to stockists who further sells products in the market. Stockists have a right of return in case goods are not sold further during shelf lives of the products. Return of these expired goods, result in deductions to gross amounts invoiced in arriving at revenue and creation of obligations for the Company to give credit for sales returns.	Our audit procedures included, amongst others, <ul style="list-style-type: none"><li>• Obtained an understanding of management process for making provision for non-saleable returns including related controls.</li><li>• Tested the Company’s key controls relating to the deductions made to gross sales for sales returns, including those controls over booking of sales and sales return process.</li><li>• We obtained management’s calculations for provisions, recalculated the amounts and validated the assumptions used by reference to historical sales returns levels and current trends.</li><li>• We considered the management’s estimates in previous years by comparing historical accrued provisions and revenue deductions recorded to the actual amounts.</li></ul>
The amounts pertaining to such sales return are estimated at the time of sale and deducted from gross sales and recorded as provisions for sales returns. These estimates are based on analysis of historical trends of sales return and shelf life of the products.	<ul style="list-style-type: none"><li>• We tested the working of discounting of non-current provisions for sales return prepared by the management.</li></ul>
The management has determined provision for sales returns amounting to ₹ 129,17.77 Lakhs which have been recorded at March 31, 2019 (including reimbursable provision for sales return amounting to ₹ 60,09.65 Lakhs)	<ul style="list-style-type: none"><li>• We understood and assessed the Company’s revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to sales returns and related disclosures.</li></ul>

## Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Ind AS Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

## Auditor’s Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the



financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) 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 Ind AS financial statements – Refer Note 39 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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/E300003  
  
per **Ravi Bansal**  
Partner  
Membership Number : 49365  
  
Place : Mumbai  
Date : May 27, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

- (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.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company, except for the following :

Sr. No.	Asset Category	Gross Block at March 31, 2019 (₹ in Lakhs)	Net Block at March 31, 2019 (₹ in Lakhs)	Remarks
1	Buildings	6,41.98	5,60.02	The title deeds are in the erstwhile name of the Company.
2	Buildings	30,50.61	27,71.63	The title deeds are in the name of the entities that was merged with the Company.

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) 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, provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(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 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 undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and services tax, cess and other statutory dues applicable to it with appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of custom, goods and services tax, cess and other 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 of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows :
- | Name of the Statute            | Nature of Dues | Amount disputed in ₹ Lakhs<br>(net of payments) | Forum where dispute is pending   | Period to which the amount relates |
|--------------------------------|----------------|---|----------------------------------|------------------------------------|
| Income Tax Act, 1961           | Income Tax     | 2,77.10   | ITAT                             | A.Y. 2006-2007 and A.Y. 2011-12    |
| Central Excise Act, 1944       | Excise Duty    | 3.20  | Commissioner (Appeals)           | 1991-1992                          |
|                                |                | 3.56  | Commissioner                     | 1994-1995                          |
|                                |                | 2.51  | Assistant Commissioner           | 1994 and 1997 to 2002              |
|                                |                | 26.72   | CESTAT                           | 2005 to 2006                       |
| The Bombay Sales Tax Act, 1959 | Sales Tax      | 39.87   | Deputy Commissioner of Sales Tax | 1999-2000                          |
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Name of the Statute	Nature of Dues	Amount disputed in ₹ Lakhs (net of payments)	Forum where dispute is pending	Period to which the amount relates
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	1.50	Additional Commissioner of Commercial Tax (Appeals)	2008 to 2010
Kerala General Sales Tax Act, 1963	Sales Tax	13.05	Sales Tax Appellate Tribunal, Additional Bench	2002-2003
Goa Value Added Tax Act, 2005	Value Added Tax	2.07	Additional Commissioner of Commercial Taxes	2006-2007
Central Sales Tax, 1956 (Goa)	Sales Tax	9,00.80	Additional Commissioner of Commercial Taxes, Panaji, Goa	2006 to 2009
		16.67	Assistant Commissioner of Commercial Taxes, Panaji, Goa	2009-2010
The Assam Central Sales Tax Act, 1956	Sales Tax	10.23	Commissioner of Taxes, Assam	2012-13
Maharashtra Value Added Tax Act, 2002	Value Added Tax	27,67.18	Deputy Commissioner of Sales Tax (Appeals)	2011-12
Customs Act, 1962	Custom Duty	4.43	Commissioner (Appeals)	1996
		75.00	CESTAT	2011 to 2013

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**  
Partner  
Membership Number : 49365

Place : Mumbai  
Date : May 27, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ABBOTT INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Abbott India Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**  
Partner  
Membership Number : 49365

Place : Mumbai  
Date : May 27, 2019

BALANCE SHEET

AS AT MARCH 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)			
	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	103,10.89	78,58.56
Capital work-in-progress	3	73.14	2,16.69
Intangible assets	4	1,85.08	2,79.60
<b>Financial assets</b>			
Loans	5	16,10.70	15,02.58
Other financial assets	6	36,65.80	22,70.67
Deferred tax assets (net)	19	13,07.39	14,59.96
Other non-current assets	7	8,39.71	14,83.65
<b>Total Non-current Assets</b>		<b>179,92.71</b>	<b>150,71.71</b>
<b>Current Assets</b>			
Inventories	8	606,78.83	585,32.72
<b>Financial assets</b>			
Trade receivables	9	276,11.43	263,44.30
Cash and cash equivalents	10	137,00.61	37,67.71
Bank balances other than cash and cash equivalents	11	1547,27.71	993,67.32
Loans	12	730.24	205,47.81
Other financial assets	13	73,34.39	40,21.24
Current tax assets (net)		6,97.10	15,73.39
Other current assets	14	106,18.14	89,58.95
		2760,98.45	2231,13.44
Asset held for sale	15	-	34,33.76
<b>Total Current Assets</b>		<b>2760,98.45</b>	<b>2265,47.20</b>
<b>TOTAL ASSETS</b>		<b>2940,91.16</b>	<b>2416,18.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	21,24.93	21,24.93
Other equity	17	1987,33.59	1671,51.12
<b>Total Equity</b>		<b>2008,58.52</b>	<b>1692,76.05</b>
<b>Non-current Liabilities</b>			
Provisions	18	75,43.30	55,34.51
<b>Total Non-current Liabilities</b>		<b>75,43.30</b>	<b>55,34.51</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	20		
Due to micro and small enterprises		12,06.78	5,83.88
Due to others		651,44.79	474,78.60
Other financial liabilities	21	51,98.49	48,66.84
Other current liabilities	22	37,43.16	33,13.15
Provisions	23	95,33.36	77,46.92
Current tax liabilities (net)		8,62.76	28,18.96
<b>Total Current Liabilities</b>		<b>856,89.34</b>	<b>668,08.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2940,91.16</b>	<b>2416,18.91</b>
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**  
Partner  
Membership No. 49365  
Place : Mumbai  
Date : May 27, 2019

For and on behalf of the Board of Directors

<b>MUNIR SHAIKH</b> Chairman DIN : 00096273	<b>AMBATI VENU</b> Managing Director DIN : 07614849
<b>RAJIV SONALKER</b> CFO and Whole-time Director DIN : 07900178 Place : Mumbai Date : May 27, 2019	<b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)			
	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
<b>INCOME</b>			
Revenue from operations	25	3678,60.30	3307,12.17
Other income	26	113,28.60	116,98.72
<b>TOTAL INCOME</b>		<b>3791,88.90</b>	<b>3424,10.89</b>
<b>EXPENSES</b>			
Cost of materials consumed	27	406,40.20	295,72.38
Purchases of stock-in-trade	28	1684,37.85	1711,22.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(2,18.48)	(102,19.94)
Excise duty on sales		-	8,61.82
Employee benefits expense	30	435,58.24	393,69.27
Finance costs	31	2,24.84	3,82.21
Depreciation and amortisation expense	32	16,92.13	16,18.54
Other expenses	33	549,68.71	475,56.35
<b>TOTAL EXPENSES</b>		<b>3093,03.49</b>	<b>2802,62.63</b>
<b>PROFIT BEFORE TAX</b>		<b>698,85.41</b>	<b>621,48.26</b>
<b>TAX EXPENSES</b>			
Current tax expense	19	248,45.92	223,51.00
Tax adjustment for earlier years	19	(2,58.43)	(1,62.69)
Deferred tax - charge/(credit)	19	2,64.74	(1,61.83)
<b>TOTAL TAX EXPENSES</b>		<b>248,52.23</b>	<b>220,26.48</b>
<b>PROFIT FOR THE YEAR</b>		<b>450,33.18</b>	<b>401,21.78</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss :			
Remeasurement of defined benefit plan	34	(3,20.99)	(1,67.72)
Income tax on above	19	1,12.17	60.08
<b>Total Other Comprehensive Income, net of tax</b>		<b>(2,08.82)</b>	<b>(1,07.64)</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>448,24.36</b>	<b>400,14.14</b>
<b>EARNINGS PER EQUITY SHARE</b>			
Basic and Diluted - ₹ (Face value of ₹ 10 each)	35	211.93	188.81
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**  
Partner  
Membership No. 49365  
Place : Mumbai  
Date : May 27, 2019

For and on behalf of the Board of Directors

<b>MUNIR SHAIKH</b> Chairman DIN : 00096273	<b>AMBATI VENU</b> Managing Director DIN : 07614849
<b>RAJIV SONALKER</b> CFO and Whole-time Director DIN : 07900178 Place : Mumbai Date : May 27, 2019	<b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536



# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

**A. EQUITY SHARE CAPITAL :**

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
<b>As at April 1, 2017</b>	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
<b>As at March 31, 2018</b>	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>2,12,49,302</b>	<b>21,24.93</b>

**B. OTHER EQUITY :**

	Reserves and Surplus (Refer Note 17)						Items of Other Comprehensive Income (Refer Note 17)	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
<b>Balances as at April 1, 2017</b>	37.82	5,22.62	2,52.48	13,32.44	296,78.98	1050,32.85	(2,87.72)	1365,69.47
Profit for the year ended March 31, 2018	-	-	-	-	-	401,21.78	-	401,21.78
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(1,07.64)	(1,07.64)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	401,21.78	(1,07.64)	400,14.14
Transfer from Profit and Loss to General Reserve	-	-	-	-	40,12.18	(40,12.18)	-	-
Dividend for the year ended March 31, 2017 (Refer Note 16)	-	-	-	-	-	(84,99.72)	-	(84,99.72)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(17,30.34)	-	(17,30.34)
Share based compensation to employees (Refer Note 30)	-	-	-	7,97.57	-	-	-	7,97.57
Transfer from Share Based Compensation Reserve to General Reserve	-	-	-	(34.79)	34.79	-	-	-
<b>Balances as at March 31, 2018</b>	37.82	5,22.62	2,52.48	20,95.22	337,25.95	1309,12.39	(3,95.36)	1671,51.12
Profit for the year ended March 31, 2019	-	-	-	-	-	450,33.18	-	450,33.18
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(2,08.82)	(2,08.82)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	450,33.18	(2,08.82)	448,24.36
Transfer from Profit and Loss to General Reserve	-	-	-	-	45,03.32	(45,03.32)	-	-
Dividend for the year ended March 31, 2018 (Refer Note 16)	-	-	-	-	-	(116,87.12)	-	(116,87.12)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(24,02.32)	-	(24,02.32)
Share based compensation to employees (Refer Note 30)	-	-	-	8,47.55	-	-	-	8,47.55
Transfer from Share Based Compensation Reserve to General Reserve	-	-	-	(1,68.13)	1,68.13	-	-	-
<b>Balances as at March 31, 2019</b>	<b>37.82</b>	<b>5,22.62</b>	<b>2,52.48</b>	<b>27,74.64</b>	<b>383,97.40</b>	<b>1573,52.81</b>	<b>(6,04.18)</b>	<b>1987,33.59</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**  
Partner  
Membership No. 49365  
Place : Mumbai  
Date : May 27, 2019

For and on behalf of the Board of Directors

**MUNIR SHAIKH**  
Chairman  
DIN : 00096273

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178  
Place : Mumbai  
Date : May 27, 2019

**AMBATI VENU**  
Managing Director  
DIN : 07614849

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

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>698,85.41</b>	621,48.26
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation of property, plant and equipment	<b>15,80.02</b>	14,50.20
Amortisation of intangible assets	<b>1,12.11</b>	1,68.34
Unrealised exchange (gain)/loss (net)	<b>(3,05.09)</b>	1,06.63
Loss on sale/write off of property, plant and equipment (net)	<b>14.21</b>	28.00
Gain on assignment of trademarks	-	(45,30.26)
Gain from sale of property classified as 'held for sale'	<b>(9,78.36)</b>	-
Interest income	<b>(101,44.74)</b>	(71,39.83)
Finance costs	<b>2,24.84</b>	3,82.21
Amortisation of deferred lease rentals	<b>1,44.04</b>	1,39.02
Allowance for credit impaired debts	<b>49.69</b>	71.44
Allowance/(write back) for credit impaired advances and deposits	<b>(48.44)</b>	81.09
Provision for likely sales returns, date expiry and damaged products (net)	<b>7,58.20</b>	7,53.69
Share based compensation expense	<b>8,47.55</b>	7,97.57
<b>Operating Profit before working capital changes</b>	<b>621,39.44</b>	544,56.36
<b>Adjustments for (increase)/decrease in :</b>		
(i) Trade receivables	<b>(13,10.00)</b>	(87,85.30)
(ii) Inventories	<b>(21,46.11)</b>	(84,69.60)
(iii) Loans, other financial assets and other assets	<b>(26,61.32)</b>	(23,29.64)
<b>Adjustments for increase/(decrease) in :</b>		
(i) Trade payables	<b>185,99.88</b>	4,77.76
(ii) Provisions, other financial liabilities and other liabilities	<b>9,58.58</b>	4,10.92
	<b>755,80.47</b>	357,60.50
Income tax paid (including TDS) (net)	<b>(256,67.40)</b>	(204,90.13)
<b>Net cash flows from operating activities (A)</b>	<b>499,13.07</b>	152,70.37
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	<b>(12,31.35)</b>	(16,74.42)
Purchase of intangible assets	<b>(17.59)</b>	(1.32)
Purchase of trademarks	-	(7,50.50)
Proceeds from assignment of trademarks	-	51,42.28
Proceeds from sale of property classified as 'held for sale'	<b>15,59.32</b>	-
Proceeds from sale of property, plant and equipment	<b>1,35.93</b>	16.90
Investment in fixed deposits maturing beyond 3 months (net)	<b>(554,09.34)</b>	(105,12.79)
Loan (given to)/repaid by a related party	<b>200,00.00</b>	(200,00.00)
Interest received on deposits (interest income)	<b>92,62.55</b>	62,96.33
<b>Net cash flows used in investing activities (B)</b>	<b>(257,00.48)</b>	(214,83.52)



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2019

	(All amounts in ₹ Lakhs, unless otherwise stated)	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018
<b>FINANCING ACTIVITIES</b>		
Interest paid	(1,90.25)	(12.66)
Payment of dividend	(116,87.12)	(84,99.72)
Dividend distribution tax	(24,02.32)	(17,30.34)
<b>Net cash flows used in financing activities (C)</b>	<b>(142,79.69)</b>	<b>(102,42.72)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>99,32.90</b>	<b>(164,55.87)</b>
Cash and cash equivalents at the beginning of the year	37,67.71	202,23.58
<b>Cash and cash equivalents at the end of the year (Refer Note 10)</b>	<b>137,00.61</b>	<b>37,67.71</b>
Significant accounting policies (Refer Note 2)		

The accompanying notes are an integral part of the financial statements.

**Note :**

Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 ‘Statement of Cash Flows’, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

As per our report of even date For <b>S R B C &amp; CO LLP</b> Chartered Accountants ICAI Firm Registration No. 324982E/E300003	For and on behalf of the Board of Directors	
per <b>RAVI BANSAL</b> Partner Membership No. 49365 Place : Mumbai Date : May 27, 2019	<b>MUNIR SHAIKH</b> Chairman DIN : 00096273	<b>AMBATI VENU</b> Managing Director DIN : 07614849
	<b>RAJIV SONALKER</b> CFO and Whole-time Director DIN : 07900178 Place : Mumbai Date : May 27, 2019	<b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536

### 1 COMPANY INFORMATION

Abbott India Limited (“The Company”) is a public limited company domiciled and incorporated in India under the provisions of the then Companies Act, 1913. The Company is listed and traded on the Bombay Stock Exchange and also traded on the National Stock Exchange. The registered office of the Company is 3, Corporate park, Sion-Trombay road, Mumbai - 400 071, India.

The Company is one of the leading multinational pharmaceutical companies in India and operates with an owned manufacturing facility in Goa and various independent contract/third party manufacturers based across the country. The Company sells its products through independent distributors primarily within India.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments thereafter and presentation requirements of division II of Schedule III of the Companies Act, 2013.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value or amortised cost.

The financial statements are approved for issue by the Company’s Board of Directors on May 27, 2019.

#### 2.2 Summary of significant accounting policies

##### a) Current and non-current classification

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification 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 into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities. An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### b) Foreign currency translation

###### Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Indian Rupee (₹), which is the Company’s functional and presentation currency.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

##### c) Fair value measurement

The Company measures financial instruments such as derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where required/appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

#### d) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risks.

The Company has assumed that recovery of excise duty flows to the Company on its own account and thus, revenue includes excise duty upto June 30, 2017 as the same got subsumed in Goods and Services Tax (GST) with effect from July 1, 2017.

However, sales tax/value added tax (VAT) and Goods and Services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### Sale of products

Revenue from sale of products (including sale of products under co-marketing agreement) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Invoices are payable within contractually agreed credit period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration (if any).

Revenue from sale of products is stated exclusive of sales tax, value added tax (VAT) (upto June 30, 2017) and Goods and Services Tax (GST). Revenues are net of sales returns, discounts, provision for anticipated returns on expiry, made on the basis of management expectations.

#### Rendering of services

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

#### Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

#### Income from assignment of trademarks

Income from assignment of trademarks is recognised in the Statement of Profit and Loss on fulfilment of obligations as per the underlying agreement with the buyer.

#### Contract balances :

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Also refer to accounting policies of financial assets in section (q) Financial instruments – recognition and subsequent measurement.

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received from customer or due whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### e) Taxes

##### Current income tax

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 income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 tax

Deferred tax is recognised using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is expected to be recovered or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised, either in other comprehensive income or in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

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.

#### f) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and

impairment in value, if any. Cost for additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance and cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the property, plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Gains or losses arising from derecognition of tangible property, plant and equipment 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.

Depreciation is provided, pro-rata for the period of use, on the straight line method, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

The management believes that useful lives currently used, which is as prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Method of depreciation	Straight line
Type of assets	Useful life in years
Leasehold Land	Over lease period i.e. 95 years
Leasehold Improvements	Over primary lease period i.e. 3 to 13 years
Buildings	
Factory Building*	29 years 11 months
Residential Buildings	50 years
Plant and Equipment*	
Anaesthetic Equipment	5 years
Others	5 to 20 years
Furniture and Fixtures	10 years
Office Equipment	
Computers*	2 to 5 years
Others	5 to 10 years
Vehicles*	5 years

\*In respect of these assets, the management estimate of useful lives, based on technical assessment is lower than the useful life prescribed under part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under ‘Other non-current assets’ and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

g) Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its indended use.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

Method of amortisation	Straight Line
Type of assets	Useful life in years
Software	5 years
Trademarks	5 years

Gains or losses arising from derecognition of an intangible asset 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.

h) Asset held for sale

Property, plant and equipment are classified as Asset held for sale, if their carrying amounts are to be recovered principally through a sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale.

Property, plant and equipment retired from actual use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under ‘Current assets’. Once classified as held for sale, these assets are not depreciated.

Property, plant and equipment that ceases to be classified under ‘Asset held for sale’ is measured at lower of carrying amount before it was classified under ‘Asset held for sale’ or its recoverable amount at the date of subsequent decision of not to sell.

i) 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.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate :

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

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 ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and depreciation.

j) Leases

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

Leases where lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating lease. The Company is a lessee under such arrangements. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on straight line basis over lease term, unless the payments to the lessor are structured to increase in line with expected general inflation.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of an asset are classified as operating lease. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the year in which they are earned.

k) Inventories

Inventories consists of raw materials, 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 raw materials and packing materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable.

Cost of finished goods further includes excise duty and other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost, if the finished products in which they will be used are expected to be sold at or above cost.

l) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective



evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

- a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- b) Other financial assets which are measured at amortised cost

The Company follows simplified approach for recognition of impairment loss allowance on Trade receivables. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve month ECL.

ECLs are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

#### Non-financial assets

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount

is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

#### m) Provisions and contingencies

##### Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

##### Provision for sales return and date expiry :

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience, market conditions and specific contractual terms and are provided for.

##### Contingencies

A contingent liability is :

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

#### n) Employee benefits

##### Short-term employment benefits :

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligation within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave benefit is provided at undiscounted amount during the accounting period based on the service rendered by employees.

##### Defined contribution plan :

Contributions to defined contribution schemes such as State governed Provident Fund and Employee Pension Scheme, Employees' State Insurance Scheme, Superannuation, Employees' Deposit Linked Insurance and Group Life Insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes and the Company has no further defined obligations beyond the contributions.

If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

##### Defined benefit plan :

The Company has defined benefit plan in the form of Gratuity, Long Service Benefits and Post Retirement Medical Benefits as per policies of the Company. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset/(liability), which need to be accounted for in the books of accounts of the Company.

As required by Ind AS 19 'Employee Benefits', the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the Balance Sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

The Company recognises remeasurements of actuarial gains and losses in post retirement benefit plans immediately in other comprehensive income and all the other expenses related to post retirement benefit plans as employee benefit expenses in the Statement of Profit and Loss. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent period.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the Statement of Profit and Loss when the plan amendment or when a curtailment or settlement occurs.

##### Other employee benefits :

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### o) Earnings per equity share

Basic Earnings Per equity Share ('EPS') is computed by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all

dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the equity shares been actually issued at fair value (i.e. the average market value of the equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

**p) Share based compensation**

Abbott Laboratories, USA, being the Ultimate Holding Company, has given restricted stock option plan to the employees of the Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognises an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

**q) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as 'Financial assets measured at amortised cost'.

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial assets at amortised cost
- Financial assets at fair value

A financial asset is measured at amortised cost net of impairment, if the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through Statement of Profit and Loss.

**Derecognition**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

**Financial liabilities**

**Recognition and measurement**

Financial liabilities are classified, at initial recognition, as either 'Financial liabilities at fair value through profit or loss' or 'Other financial liabilities'.

- Financial liabilities are classified as 'Financial liabilities at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognised in profit or loss.
- Other financial liabilities, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**r) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and

short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

**s) Dividend distribution to equity shareholders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity in the year of approval.

**2.3 Summary of significant accounting policies**

**New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard are described below.

The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

**Ind AS 115 Revenue from contracts with customers**

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 18 'Revenue' and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Company adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard does not have any significant impact on revenue recognition or measurement compared to past practice.

(All amounts in ₹ Lakhs, unless otherwise stated)

**3 PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Land	Leasehold Improvements	Buildings (Refer Note (b) and (e))	Plant and Equipment (Refer Note (a))	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross carrying value</b>								
<b>As at April 1, 2017</b>	37.55	35.37	55,01.80	62,34.53	3,93.38	12,80.35	54.67	135,37.65
Additions (Refer Note (c) below)	-	49.01	1,67.19	14,41.13	60.11	3,04.92	-	20,22.36
Other adjustments (Refer Note (d) below)	-	-	(36,68.10)	-	-	-	-	(36,68.10)
Disposals	-	-	(1.55)	(85.24)	(1.65)	(11.60)	-	(1,00.04)
<b>As at March 31, 2018</b>	37.55	84.38	19,99.34	75,90.42	4,51.84	15,73.67	54.67	117,91.87
Additions (Refer Note (c) below)	-	-	58.62	8,11.59	51.96	4,07.52	-	13,29.69
Other adjustments (Refer Note (d) below)	-	-	30,34.11	-	-	-	-	30,34.11
Disposals	-	(22.10)	(0.16)	(2,39.69)	(12.56)	(42.50)	(37.67)	(3,54.68)
<b>As at March 31, 2019</b>	<b>37.55</b>	<b>62.28</b>	<b>50,91.91</b>	<b>81,62.32</b>	<b>4,91.24</b>	<b>19,38.69</b>	<b>17.00</b>	<b>158,00.99</b>
<b>Accumulated depreciation</b>								
<b>As at April 1, 2017</b>	1.00	7.71	3,40.06	14,91.56	2,02.10	6,81.90	48.26	27,72.59
Depreciation charge for the year	0.50	12.11	1,38.84	9,30.96	36.45	3,26.25	5.09	14,50.20
Other adjustments (Refer Note (d) below)	-	-	(2,34.34)	-	-	-	-	(2,34.34)
Disposals	-	-	(0.15)	(46.01)	(0.89)	(8.09)	-	(55.14)
<b>As at March 31, 2018</b>	1.50	19.82	2,44.41	23,76.51	2,37.66	10,00.06	53.35	39,33.31
Depreciation charge for the year	0.50	12.89	1,83.88	9,56.85	42.12	3,82.46	1.32	15,80.02
Other adjustments (Refer Note (d) below)	-	-	1,81.31	-	-	-	-	1,81.31
Disposals	-	(9.78)	(0.06)	(1,14.73)	(11.94)	(30.36)	(37.67)	(2,04.54)
<b>As at March 31, 2019</b>	<b>2.00</b>	<b>22.93</b>	<b>6,09.54</b>	<b>32,18.63</b>	<b>2,67.84</b>	<b>13,52.16</b>	<b>17.00</b>	<b>54,90.10</b>
<b>Net carrying Value</b>								
<b>As at March 31, 2019</b>	<b>35.55</b>	<b>39.35</b>	<b>44,82.37</b>	<b>49,43.69</b>	<b>2,23.40</b>	<b>5,86.53</b>	<b>-</b>	<b>103,10.89</b>
<b>As at March 31, 2018</b>	36.05	64.56	17,54.93	52,13.91	2,14.18	5,73.61	1.32	78,58.56

**Details of Capital work-in-progress**

	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	<b>73.14</b>	2,16.69
	<b>73.14</b>	2,16.69

**Notes :**

- a) 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	Net Block	
	As at March 31, 2019	As at March 31, 2018
Plant and Equipment	<b>3,87.74</b>	4,20.92

- b) Included in Buildings is an amount of ₹ **0.00\* Lakhs** (March 31, 2018 : ₹ 0.00\* Lakhs) representing value of shares in co-operative housing society.
- c) Additions include capital expenditure of ₹ **0.84 Lakhs** (March 31, 2018 : ₹ 1.71 Lakhs) incurred at Company's inhouse R&D facility at Goa.
- d) Other adjustments represents assets that were classified as 'Asset held for sale' under 'Current assets' in previous year, now reclassified to property, plant and equipment in the current year (Also Refer Note 15).
- e) The title deed of building having net book value of ₹ **33,31.64 Lakhs** (March 31, 2018 : ₹ 40,29.19 Lakhs) are in erstwhile name of the Company or in the name of the entity that got merged with the Company.
- f) The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 39(b).

\* below ₹ 500/-

(All amounts in ₹ Lakhs, unless otherwise stated)

**4 INTANGIBLE ASSETS**

	Software	Trademarks	Total
<b>Gross carrying value</b>			
<b>As at April 1, 2017</b>	4,31.73	-	4,31.73
Additions	1,14.80	7,50.50	8,65.30
Disposals	-	(6,63.66)	(6,63.66)
<b>As at March 31, 2018</b>	5,46.53	86.84	6,33.37
Additions	17.59	-	17.59
Disposals	(0.43)	-	(0.43)
<b>As at March 31, 2019</b>	<b>5,63.69</b>	<b>86.84</b>	<b>6,50.53</b>
<b>Accumulated amortisation</b>			
<b>As at April 1, 2017</b>	2,37.07	-	2,37.07
Amortisation for the year	1,04.85	63.49	1,68.34
Disposals	-	(51.64)	(51.64)
<b>As at March 31, 2018</b>	3,41.92	11.85	3,53.77
Amortisation for the year	94.74	17.37	1,12.11
Disposals	(0.43)	-	(0.43)
<b>As at March 31, 2019</b>	<b>4,36.23</b>	<b>29.22</b>	<b>4,65.45</b>
<b>Net carrying value</b>			
<b>As at March 31, 2019</b>	<b>1,27.46</b>	<b>57.62</b>	<b>1,85.08</b>
<b>As at March 31, 2018</b>	2,04.61	74.99	2,79.60

**5 NON-CURRENT FINANCIAL ASSETS - LOANS**

	As at March 31, 2019	As at March 31, 2018
Deposits with body corporates and others :		
For premises with a related party (Refer Note 41(D))	<b>13,28.99</b>	12,12.28
For premises with others	<b>87.19</b>	1,58.94
Against tenders (Refer (a) below)	<b>1,94.52</b>	1,31.36
	<b>16,10.70</b>	15,02.58

**(a) Break up for security details :**

	As at March 31, 2019	As at March 31, 2018
<b>Deposits against tenders :</b>		
Secured, considered good	-	-
Unsecured, considered good	<b>1,94.52</b>	1,31.36
Credit impaired advances and deposits	<b>3,47.68</b>	3,96.12
	<b>5,42.20</b>	5,27.48
Less : Allowance for credit impaired advances and deposits	<b>(3,47.68)</b>	(3,96.12)
	<b>1,94.52</b>	1,31.36

**6 NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2019	As at March 31, 2018
Deposits with banks with maturity of more than 12 months@	<b>4,46.88</b>	3,66.07
Expected reimbursement towards likely sales return - reimbursable (Refer Note 18)	<b>32,18.92</b>	19,04.60
	<b>36,65.80</b>	22,70.67

@ Represents time deposits at fixed rates maintained with various banks by the Company.



(All amounts in ₹ Lakhs, unless otherwise stated)

**7 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2019	As at March 31, 2018
Capital advances	45.45	4.21
VAT deposits	1,87.86	2,14.25
Deposits against co-marketing agreement	5,50.00	11,00.00
Deferred lease assets*	56.40	1,65.19
	<b>8,39.71</b>	14,83.65

\* Includes ₹ 40.77 Lakhs (March 31, 2018 : ₹ 1,38.87 Lakhs) towards deposit given to a related party (Refer Note 41(D)).

**8 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)**

	As at March 31, 2019	As at March 31, 2018
Raw materials and packing materials#	96,09.38	76,81.75
Work-in-progress	40,55.43	3,67.31
Finished goods	62,60.27	62,37.72
Stock-in-trade@	407,53.75	442,45.94
	<b>606,78.83</b>	585,32.72

# Includes goods in transit ₹ 22,01.56 Lakhs (March 31, 2018 : ₹ 40,88.53 Lakhs)

@ Includes goods in transit ₹ 22,12.37 Lakhs (March 31, 2018 : ₹ 3,20.40 Lakhs)

During the year ended March 31, 2019, ₹ 11,33.57 Lakhs (March 31, 2018: ₹ 11,51.89 Lakhs) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

**9 TRADE RECEIVABLES**

	As at March 31, 2019	As at March 31, 2018
Trade receivables	221,66.39	240,71.64
Receivables from related parties (Refer Note 41(D))	54,45.04	22,72.66
	<b>276,11.43</b>	263,44.30

**Break-up for security details :**

	As at March 31, 2019	As at March 31, 2018
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	276,11.43	263,44.30
Credit impaired	11,19.09	11,38.53
	<b>287,30.52</b>	274,82.83
Less : Allowance for credit impaired debts	(11,19.09)	(11,38.53)
	<b>276,11.43</b>	263,44.30

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 41.

For information on financial risk management objectives and policies, refer Note 44.

(All amounts in ₹ Lakhs, unless otherwise stated)

**10 CASH AND CASH EQUIVALENTS**

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current accounts	107,00.61	37,67.25
Deposits with original maturity of less than three months@	30,00.00	-
Cash on hand	-	0.46
	<b>137,00.61</b>	37,67.71

@ Represents time deposits at fixed rates maintained with various banks by the Company.

**11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2019	As at March 31, 2018
Margin deposit and deposit against guarantees and tenders	1,70.02	3,14.09
Earmarked bank balance towards dividend*	3,50.09	3,18.23
Term deposits with original maturity of more than three months but less than twelve months@	1542,07.60	987,35.00
	<b>1547,27.71</b>	993,67.32

# These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

@ Represents time deposits at fixed rates maintained with various banks by the Company.

**12 CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2019	As at March 31, 2018
Loans		
Loan to a related party (Refer Note 41(D) and Note 42)	-	200,00.00
Deposits with body corporates and others		
For premises	7,30.24	5,47.81
	<b>7,30.24</b>	205,47.81

**13 CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on bank deposits	27,13.79	15,05.12
Receivables from related parties (Refer Note 41(D))	6,13.94	5,94.80
Expected reimbursement towards likely sales return - reimbursable (Refer Note 23)	27,90.73	16,48.41
Other receivables	12,15.93	2,72.91
	<b>73,34.39</b>	40,21.24

**14 OTHER CURRENT ASSETS**

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	6,22.27	5,44.13
Advances to employees and suppliers	31,62.94	29,46.29
Balance with customs and excise on current account	14.88	12,53.12
GST receivables	65,47.63	39,11.80
Deferred lease assets*	1,08.84	1,42.03
Others	1,61.58	1,61.58
	<b>106,18.14</b>	89,58.95

\* Includes ₹ 97.91 Lakhs (March 31, 2018 : ₹ 1,18.71 Lakhs) towards deposit given to a related party (Refer Note 41(D)).

(All amounts in ₹ Lakhs, unless otherwise stated)

**15 ASSETS HELD FOR SALE**

	As at March 31, 2019	As at March 31, 2018
Assets held for sale (At lower of carrying amount and fair value)	-	34,33.76
	-	34,33.76

During the previous year, the Company had planned to dispose off two office premises having a net carrying value of ₹ 34,33.76 Lakhs and accordingly, classified the same as 'Assets held for sale' under the 'Current assets'.

During the current year, the Company, through bidding process, disposed off one of the office premise having a net carrying value of ₹ 5,80.95 Lakhs, at a profit of ₹ 9,78.36 Lakhs.

Since the sale for the remaining unsold 'Assets held for sale' having the net carrying value of ₹ 28,52.80 Lakhs could not be concluded before March 31, 2019, the same is reclassified to 'Property, Plant and Equipment' as per the Ind AS 105 'Non-Current Assets held for sale and discontinued operations' and an additional depreciation of ₹ 95.59 Lakhs is charged on the same.

The title deed of these assets are in erstwhile name of the Company or in the name of the entity that got merged with the Company.

**16 EQUITY SHARE CAPITAL****Authorised share capital :**

Equity shares of ₹ 10 each

	Number of shares	Amount
<b>As at April 1, 2017</b>	2,75,00,000	27,50.00
Changes during the year	-	-
<b>As at March 31, 2018</b>	2,75,00,000	27,50.00
Changes during the year	-	-
<b>As at March 31, 2019</b>	<b>2,75,00,000</b>	<b>27,50.00</b>

**Terms/rights attached to equity shares**

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 in the ensuing Annual General Meeting. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

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.

**Issued, Subscribed and Paid up capital :**

Equity shares of ₹ 10 each fully paid

	Number of shares	Amount
<b>As at April 1, 2017</b>	2,12,49,302	21,24.93
Changes during the year	-	-
<b>As at March 31, 2018</b>	2,12,49,302	21,24.93
Changes during the year	-	-
<b>As at March 31, 2019</b>	<b>2,12,49,302</b>	<b>21,24.93</b>

**Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the Ultimate Holding Company :**

	As at March 31, 2019	As at March 31, 2018
i) <b>1,07,19,097</b> (March 31, 2018 : 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 31, 2018 : 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 31, 2018 : 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.		

(All amounts in ₹ Lakhs, unless otherwise stated)

**Details of shareholders holding more than 5% shares in the Company :**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
i) Abbott Capital India Ltd., U.K.	<b>1,07,19,097</b>	<b>50.45%</b>	1,07,19,097	50.45%
ii) Abbott Healthcare Products Ltd., U.K.	<b>37,44,951</b>	<b>17.62%</b>	37,44,951	17.62%
iii) British Colloids Ltd., U.K.	<b>14,70,000</b>	<b>6.92%</b>	14,70,000	6.92%
	<b>1,59,34,048</b>	<b>74.99%</b>	1,59,34,048	74.99%

**Dividend paid and proposed :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Dividend on equity shares declared and paid :</b>		
Final dividend for the year ended March 31, 2018 : ₹ 50 per share (March 31, 2017 : ₹ 40 per share)	<b>106,24.65</b>	84,99.72
Special dividend for the year ended March 31, 2018 : ₹ 5 per share (March 31, 2017 : NIL)	<b>10,62.47</b>	-
Dividend distribution tax on final and special dividend	<b>24,02.32</b>	17,30.34
Date of approval (date of Annual General Meeting)	<b>July 18, 2018</b>	July 18, 2017
<b>Proposed dividend on equity shares :</b>		
Final dividend for the year ended March 31, 2019 : ₹ 50 per share (March 31, 2018 : ₹ 50 per share)	<b>106,24.65</b>	106,24.65
Special dividend for the year ended March 31, 2019 : ₹ 15 per share (March 31, 2018 : ₹ 5 per share)	<b>31,87.40</b>	10,62.47
Dividend distribution tax on proposed dividend	<b>28,39.11</b>	24,02.32

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2019 and March 31, 2018.

**17 OTHER EQUITY**

	Reserves and Surplus						Items of Other Comprehensive Income	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plan	
<b>As at April 1, 2017</b>	37.82	5,22.62	2,52.48	13,32.44	296,78.98	1050,32.85	(2,87.72)	1365,69.47
Profit for the year ended March 31, 2018	-	-	-	-	-	401,21.78	-	401,21.78
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(1,07.64)	(1,07.64)
Transfer from Profit and Loss to General Reserve	-	-	-	-	40,12.18	(40,12.18)	-	-
Dividend for the year ended March 31, 2017 (Refer Note 16)	-	-	-	-	-	(84,99.72)	-	(84,99.72)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(17,30.34)	-	(17,30.34)
Share based compensation to employees (Refer Note 30)	-	-	-	7,97.57	-	-	-	7,97.57
Transfer from Share Based Compensation Reserve to General Reserve*	-	-	-	(34.79)	34.79	-	-	-
<b>As at March 31, 2018</b>	37.82	5,22.62	2,52.48	20,95.22	337,25.95	1309,12.39	(3,95.36)	1671,51.12
Profit for the year ended March 31, 2019	-	-	-	-	-	450,33.18	-	450,33.18
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(2,08.82)	(2,08.82)
Transfer from Profit and Loss to General Reserve	-	-	-	-	45,03.32	(45,03.32)	-	-
Dividend for the year ended March 31, 2018 (Refer Note 16)	-	-	-	-	-	(116,87.12)	-	(116,87.12)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(24,02.32)	-	(24,02.32)
Share based compensation to employees (Refer Note 30)	-	-	-	8,47.55	-	-	-	8,47.55
Transfer from Share Based Compensation Reserve to General Reserve*	-	-	-	(1,68.13)	1,68.13	-	-	-
<b>As at March 31, 2019</b>	<b>37.82</b>	<b>5,22.62</b>	<b>2,52.48</b>	<b>27,74.64</b>	<b>383,97.40</b>	<b>1573,52.81</b>	<b>(6,04.18)</b>	<b>1987,33.59</b>

\* On account of cancellation of share options awarded to employees

(All amounts in ₹ Lakhs, unless otherwise stated)

**Nature and purpose of reserves :****1. Amalgamation Reserve**

This was created on amalgamation of Beem Healthcare Limited and Valencia Pharmaceuticals Limited, wholly owned subsidiary of the Company with appointed date as July 1, 1998. All assets and liabilities of erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were cancelled. The amalgamation was accounted under 'Pooling of Interests method' as prescribed in then Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

**2. Capital Reserve**

This was created on amalgamation of Lenbrook Pharmaceuticals Limited, a wholly owned subsidiary of the Company with the appointed date as October 1, 2003. All the assets and liabilities of erstwhile Lenbrook Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in the erstwhile Lenbrook Pharmaceuticals Limited were cancelled. The amalgamation was accounted under the 'Purchase Method' as prescribed in then applicable Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

**3. Capital Redemption Reserve**

This was created according to Section 77A of the Companies Act, 1956 by transferring the face value of shares bought back during the period 2003 to 2008 from free reserves.

**4. Share Based Compensation Reserve**

The Company's employees are awarded Restricted Stock Units (RSUs) of the Ultimate Holding Company, Abbott Laboratories, USA. The Share Based Compensation Reserve is used to recognise the fair value of the RSUs awarded to the employees. The award represents in substance equity contributions by the Ultimate Holding Company.

**5. General Reserve**

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of 'Other Comprehensive Income' (OCI).

**6. Retained Earnings**

Retained Earnings are the profits the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

**7. Remeasurement of defined benefit plan**

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in OCI and subsequently not reclassified to the Statement of Profit and Loss.

**18 NON-CURRENT PROVISIONS**

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits :		
Post retirement medical benefits	2,44.01	1,19.21
Long service benefits	1,62.59	1,30.10
Others :		
For likely sales returns and date expiry (Refer Note 24)	39,17.78	33,80.60
For likely sales returns - reimbursable (Refer Note 24)	32,18.92	19,04.60
	75,43.30	55,34.51

**19 INCOME TAXES**

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

Extract of Statement of Profit and Loss :

Profit and Loss section :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax :		
Current tax expense	248,45.92	223,51.00
Tax adjustment for earlier years	(2,58.43)	(1,62.69)
Deferred tax :		
Relating to origination and reversal of temporary differences	2,64.74	(1,61.83)
Income tax expense reported in the Statement of Profit and Loss	248,52.23	220,26.48

(All amounts in ₹ Lakhs, unless otherwise stated)

**Other Comprehensive Income (OCI) section - Deferred tax related to items recognised in OCI during the year :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net loss on remeasurement of defined benefit plan	1,12.17	60.08
Income tax expense charged to OCI	1,12.17	60.08

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before income tax	698,85.41	621,48.26
Less : Long-term capital gains taxed separately	-	(8,38.43)
	698,85.41	613,09.83
At India's statutory income tax rate of 34.944% (March 31, 2018 : 34.608%)	244,20.76	212,18.11
Adjustments in respect of current income tax of previous years	(2,58.43)	(1,62.69)
Impact of change in income tax rate on deferred tax	-	(34.40)
Non-deductible expenses for tax purposes	6,89.90	8,81.67
	248,52.23	219,02.69
Income tax on long-term capital gains on assignment of trademarks	-	1,23.79
At the effective income tax rate of 35.561% (March 31, 2018 : 35.442%)		
Income tax expense reported in the Statement of Profit and Loss	248,52.23	220,26.48

**Deferred tax :**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2019	As at March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax assets				
Provision for compensated absences	10,08.59	8,87.14	(1,21.45)	26.85
Gratuity and other employee benefits	4,05.10	3,99.09	(6.01)	(1,81.64)
Allowance for credit impaired debts	3,91.05	3,97.85	6.80	9.59
Other items of disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	8,30.05	8,31.03	0.98	(4,03.52)
Other items giving rise to temporary differences	62.84	1,11.74	48.90	93.14
Deferred tax liabilities				
Depreciation	(11,73.98)	(9,25.24)	2,48.74	1,23.10
Other items giving rise to temporary differences	(2,16.26)	(2,41.65)	(25.39)	1,10.57
Net deferred tax assets	13,07.39	14,59.96		
Deferred tax income			1,52.57	(2,21.91)
Deferred tax income credited to Profit and Loss			2,64.74	(1,61.83)
Deferred tax income credited to OCI			(1,12.17)	(60.08)
			1,52.57	(2,21.91)

**Reflected in the Balance Sheet as follows :**

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	26,97.63	26,26.85
Deferred tax liabilities	(13,90.24)	(11,66.89)
Deferred tax assets (net)	13,07.39	14,59.96



(All amounts in ₹ Lakhs, unless otherwise stated)

**Reconciliation of deferred tax assets (net) :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening balance as of April 1</b>	<b>14,59.96</b>	12,38.05
Tax income/(charge) during the period recognised in Profit or Loss	<b>(2,64.74)</b>	1,61.83
Tax income during the period recognised in OCI	<b>1,12.17</b>	60.08
<b>Closing balance as at March 31</b>	<b>13,07.39</b>	14,59.96

**20 TRADE PAYABLES**

	As at March 31, 2019	As at March 31, 2018
Due to micro and small enterprises (Refer (a) below)	<b>12,06.78</b>	5,83.88
Due to related parties (Refer Note 41(D))	<b>127,75.77</b>	73,07.83
Due to others	<b>523,69.02</b>	401,70.77
	<b>663,51.57</b>	480,62.48

For terms and conditions relating to related party payables, refer Note 41.

For information on financial risk management objectives and policies, refer Note 44.

**(a) Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)\* :**

	As at March 31, 2019	As at March 31, 2018
(i) The principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	<b>12,06.78</b>	5,83.88
(ii) Interest due on above remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

\* The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**21 CURRENT FINANCIAL LIABILITIES - OTHERS**

	As at March 31, 2019	As at March 31, 2018
Deposits from a customer	<b>60.35</b>	60.35
Payables for capital expenditure	-	3.97
Unpaid dividend <sup>#</sup>	<b>3,50.09</b>	3,18.23
Salaries, wages, incentives and bonus payable to employees	<b>41,98.70</b>	41,20.89
Deposit from a related party (Refer Note 41(D))	<b>44.66</b>	44.66
Others	<b>5,44.69</b>	3,18.74
	<b>51,98.49</b>	48,66.84

<sup>#</sup> 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, 2019 and March 31, 2018.

(All amounts in ₹ Lakhs, unless otherwise stated)

**22 OTHER CURRENT LIABILITIES**

	As at March 31, 2019	As at March 31, 2018
Statutory dues including provident fund and tax deducted at source	<b>11,85.71</b>	6,31.44
GST payable	<b>9,05.41</b>	10,67.27
Advances from customers (Refer Note 25(d))	<b>5,35.00</b>	2,37.21
Others (mainly provision against disputed cases)	<b>11,17.04</b>	13,77.23
	<b>37,43.16</b>	33,13.15

**23 CURRENT PROVISIONS**

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits :		
Compensated absences	<b>28,86.31</b>	25,38.74
Post retirement medical benefits	<b>23.03</b>	10.60
Long service benefits	<b>19.90</b>	34.40
Gratuity	<b>7,09.75</b>	8,47.78
Superannuation	<b>1,13.30</b>	1,06.30
Provision for likely sales returns and date expiry (Refer Note 24)	<b>29,90.34</b>	25,60.69
Provision for likely sales returns - reimbursable (Refer Note 24)	<b>27,90.73</b>	16,48.41
	<b>95,33.36</b>	77,46.92

**24 DISCLOSURE PURSUANT TO IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS' TOWARDS PROVISIONS FOR SALES RETURN, DATE EXPIRY AND DAMAGED PRODUCTS**

	Likely Sales returns and date expiry	Likely Sales returns - reimbursable	Total
<b>Carrying amount as at April 1, 2017</b>	49,92.09	33,96.36	83,88.45
Add : Net amount provided/(written back) during the year <sup>@</sup>	9,49.20	1,56.65	11,05.85
<b>Carrying amount as at March 31, 2018*</b>	59,41.29	35,53.01	94,94.30
Add : Net amount provided/(written back) during the year <sup>@</sup>	9,66.83	24,56.64	34,23.47
<b>Carrying amount as at March 31, 2019*</b>	<b>69,08.12</b>	<b>60,09.65</b>	<b>129,177.77</b>

<sup>@</sup> Includes unwinding of discount and effect of changes in discount rate on provision of ₹ **2,08.63 Lakhs** (March 31, 2018 : ₹ 1,95.51 Lakhs) (Refer Note 31).

\* Carrying amount comprises of :

	As at March 31, 2019	As at March 31, 2018
<b>Non-current provision :</b>		
For likely sales returns and date expiry (Refer Note 18)	<b>39,17.78</b>	33,80.60
For likely sales returns - reimbursable (Refer Note 18)	<b>32,18.92</b>	19,04.60
<b>Current provision :</b>		
For likely sales returns and date expiry (Refer Note 23)	<b>29,90.34</b>	25,60.69
For likely sales returns - reimbursable (Refer Note 23)	<b>27,90.73</b>	16,48.41
	<b>129,177.77</b>	94,94.30

**Nature of Provision :**

The provision is for anticipated returns on expiry which is made on the basis of management expectation taking into account historical experience and market conditions.

The expected timing of any resulting outflows of economic benefits ranges from 1 month to 39 months.

**25 REVENUE FROM OPERATIONS**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products (including excise duty) (Refer (a) and (c) below)	<b>3640,30.02</b>	3273,90.01
Rendering of services (Refer (b) below)	<b>22,01.71</b>	21,54.06
	<b>3662,31.73</b>	3295,44.07
Other operating revenue		
Sale of scrap	<b>69.04</b>	86.97
Insurance, customs and carriers claims	<b>2,15.31</b>	1,20.65
Miscellaneous income		
Duty drawback	<b>22.57</b>	26.35
Others	<b>13,21.65</b>	9,34.13
Total other operating revenue	<b>16,28.57</b>	11,68.10
	<b>3678,60.30</b>	3307,12.17

**(a) Sale of products :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Tablets	<b>1421,76.71</b>	1271,21.34
Injectables	<b>1507,14.24</b>	1336,25.89
Liquids	<b>512,56.44</b>	483,97.32
Capsules	<b>130,25.44</b>	115,61.44
Ointments	<b>15,92.34</b>	14,21.44
Granules	<b>9,56.65</b>	8,09.78
Powder	<b>7,58.01</b>	13,70.85
Others	<b>35,50.19</b>	30,81.95
	<b>3640,30.02</b>	3273,90.01

**(b) Service income includes :** (Refer Note 41(C))

	For the year ended March 31, 2019	For the year ended March 31, 2018
Shared and support services rendered to Abbott Healthcare Private Ltd., India	<b>16,26.00</b>	16,27.73
Shared and support services rendered to Abbott Products Operations AG., Switzerland	<b>5,08.51</b>	5,26.33
Shared and support services rendered to Abbott Laboratories S.A., Dubai	<b>33.60</b>	-
Shared and support services rendered to Abbott Laboratories (Singapore) Pte Ltd., Singapore	<b>33.60</b>	-
	<b>22,01.71</b>	21,54.06

- (c)** For the year ended March 31, 2018, sale of products included excise duty collected from customers of ₹ 8,61.82 Lakhs (sale of products net of excise duty ₹ 3265,28.19 Lakhs). Revenue from operations for period up to June 30, 2017 includes excise duty. From July 1, 2017 onwards, excise duty and most indirect taxes in India have been replaced by Goods and Services Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable with that of the previous year.

(All amounts in ₹ Lakhs, unless otherwise stated)

**(d) Revenue from contracts with customers :**

	For the year ended March 31, 2019
India	<b>3609,66.80</b>
Outside India	<b>52,64.93</b>
<b>Total revenue from contracts with customers</b>	<b>3662,31.73</b>
<b>Timing of revenue recognition</b>	
Goods transferred at a point in time	<b>3640,30.02</b>
Services transferred at a point in time	<b>22,01.71</b>
<b>Total revenue from contracts with customers</b>	<b>3662,31.73</b>
<b>Contract balances</b>	
Trade receivables (Refer Note 9)	<b>276,11.43</b>
Contract assets	-
Contract liabilities (Refer Note 22)	<b>(5,35.00)</b>
<b>Net contract balances</b>	<b>270,76.43</b>
Contract liabilities include short-term advances received from customers for sale of products/ services.	
<b>Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price :</b>	
Revenue as per contracted price	<b>3744,63.09</b>
Less : Adjustments	
- Sales Returns	<b>71,80.31</b>
- Discounts	<b>10,51.05</b>
<b>Net revenue from sale of products and rendering to services</b>	<b>3662,31.73</b>

**26 OTHER INCOME**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest income on financial assets carried at amortised cost :</b>		
Interest income on loan to a related party (Refer Note 41(C))	<b>12,54.80</b>	5,20.55
Interest income on fixed deposits	<b>87,16.86</b>	64,56.85
Interest income on others (from employees and other receivables)	<b>31.07</b>	33.99
<b>Other non-operating income :</b>		
Income from assignment of trademarks <sup>#</sup>	-	45,30.26
Gain from sale of property, previously classified as 'held for sale' (Refer Note 15)	<b>9,78.36</b>	-
Rental income from a related party (Refer Note 41(C))	<b>1,14.53</b>	28.63
Interest income on security deposits	<b>1,42.01</b>	1,28.44
Others (includes octroi refund)	<b>90.97</b>	-
	<b>113,28.60</b>	116,98.72

<sup>#</sup> Represents gain from assignment of certain trademarks, which were sold as part of overall product strategy of the Company.

(All amounts in ₹ Lakhs, unless otherwise stated)

**27 COST OF MATERIALS CONSUMED**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	76,81.75	94,32.09
Add : Purchases during the year	425,67.83	278,22.04
Less : Inventory at the end of the year	(96,09.38)	(76,81.75)
	406,40.20	295,72.38

**28 PURCHASES OF STOCK-IN-TRADE**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Tablets	169,88.24	203,85.21
Injectables	1302,07.49	1301,17.89
Liquids	155,75.09	147,83.31
Capsules	8,34.74	7,11.31
Ointments	5,43.91	4,29.91
Granules	3,72.25	3,87.76
Powder	2,37.09	7,62.88
Others	36,79.04	35,43.73
	1684,37.85	1711,22.00

**29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock		
Finished goods	62,37.72	66,78.06
Stock-in-trade	442,45.94	329,57.03
Work-in-progress	3,67.31	9,95.94
Less : Closing Stock		
Finished goods	(62,60.27)	(62,37.72)
Stock-in-trade	(407,53.75)	(442,45.94)
Work-in-progress	(40,55.43)	(3,67.31)
	(2,18.48)	(102,19.94)

**30 EMPLOYEE BENEFITS EXPENSE**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	394,37.48	349,65.69
Contribution to provident and other funds	25,20.59	29,10.99
Share based compensation to employees	8,47.55	7,97.57
Staff welfare expense	7,52.62	6,95.02
	435,58.24	393,69.27

(All amounts in ₹ Lakhs, unless otherwise stated)

**31 FINANCE COSTS**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense (on various statutory payments)	16.21	1,86.70
Unwinding of discount and effect of changes in discount rate on provisions (Refer Note 24)	2,08.63	1,95.51
	2,24.84	3,82.21

**32 DEPRECIATION AND AMORTISATION EXPENSE**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (Refer Note 3)	15,80.02	14,50.20
Amortisation of intangible assets (Refer Note 4)	1,12.11	1,68.34
	16,92.13	16,18.54

**33 OTHER EXPENSES**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores	5,53.57	4,06.43
Power and fuel	12,60.86	10,26.24
Rent (Refer Note 39(a))	47,68.52	46,12.37
Repairs to buildings	34.65	45.48
Repairs to plant and machinery	5,19.23	2,24.79
Repairs (others)	3,34.98	4,75.23
Insurance	2,76.02	3,14.77
Rates and taxes	20,20.23	17,16.22
Advertising, publicity and sales promotion	118,20.21	91,57.20
Freight and forwarding charges	25,46.97	30,59.15
Travelling and business meetings	110,15.86	99,98.93
Commission to carrying and forwarding agents	47,47.87	34,77.85
Exchange loss (net)	4,29.25	5,02.35
Bad debts written off	69.13	1,10.21
Less : Adjusted against earlier year's provision	(69.13)	(1,10.21)
	-	-
Allowance for credit impaired debts	49.69	71.44
Professional fees and other services	84,94.13	71,32.64
Loss on sale/write off of property, plant and equipment (net)	14.21	28.00
Excise duty (Refer Note (c) below)	-	(4,31.10)
Payment to auditors (Refer Note (a) below)	1,39.74	1,31.32
CSR expenditure (Refer Note (b) below)	11,28.46	9,12.22
Miscellaneous expenses	48,14.26	46,94.82
	549,68.71	475,56.35



(All amounts in ₹ Lakhs, unless otherwise stated)

**(a) Payment to auditors**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>As auditor</b>		
Audit fees	67.00	63.80
Tax audit fees	15.00	13.75
Limited review	27.00	25.50
<b>In other capacity</b>		
Other services (including certification fees)	25.35	21.13
Reimbursement of expenses	5.39	7.14
	<b>1,39.74</b>	<b>1,31.32</b>

**(b) Details of Corporate Social Responsibility (CSR) expenditure :**

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

As a part of its CSR obligations, the Company undertook following initiatives during the year :

(i) Quality and affordable healthcare delivery program with Self Employed Women's Association (SEWA), to launch a comprehensive, community based healthcare program, to improve access to quality primary, acute and non-communicable disease (NCD) care among low income populations

(ii) Malaria elimination program with Malaria No More, in partnership with Government of Odisha, Abbott is supporting the program with technical expertise, diagnostic products and funding support to advance efforts to end malaria in the state

(iii) Improving access to healthcare through health clinics.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	<b>9,43.62</b>	7,87.21

Amount spent during the year ending on March 31, 2019 :	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) Others			
On various programmes to expand awareness and access to healthcare	4,45.89	2,96.01	7,41.90
On SEWA	3,32.10	-	3,32.10
On Malaria No More	18.69	-	18.69
Administrative expenses related to CSR activities	35.77	-	35.77
	<b>8,32.45</b>	<b>2,96.01</b>	<b>11,28.46</b>

Amount spent during the year ending on March 31, 2018 :	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) Others			
On various programmes to expand awareness and access to healthcare	4,54.87	88.23	5,43.10
On iCare Road Safety Awareness drive	62.18	6.63	68.81
On Nirmal Dhara Dairy Project	1,19.82	-	1,19.82
On SEWA	1,46.35	-	1,46.35
Administrative expenses related to CSR activities	34.14	-	34.14
	<b>8,17.36</b>	<b>94.86</b>	<b>9,12.22</b>

(c) In previous year, Excise duty included under 'Other expenses' represents 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

**34 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of post employment benefits : (Refer Note 37)		
Gratuity	(1,70.38)	(1,53.93)
Post retirement medical benefit scheme	(1,50.61)	(13.79)
	<b>(3,20.99)</b>	<b>(1,67.72)</b>

**35 EARNINGS PER EQUITY SHARE (EPS)**

The following reflects the income and share data used in the Basic and Diluted EPS computations :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders for Basic/Diluted earnings	<b>450,33.18</b>	401,21.78
Weighted average number of equity shares for Basic/Diluted EPS*	<b>2,12,49,302</b>	2,12,49,302
<b>Basic/Diluted EPS ₹ (Face value of ₹ 10 per share)</b>	<b>211.93</b>	188.81

\* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

**36 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

**ESTIMATES AND ASSUMPTIONS**

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Provision for sales return and date expiry**

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience and market conditions and are provided for accordingly. Also refer Note 24.

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2(f) for management estimate of useful lives.

**Defined benefit plans (Gratuity benefits)**

The cost of the defined benefit gratuity plan and other post employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

(All amounts in ₹ Lakhs, unless otherwise stated)

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates in the country.

Further details about gratuity obligations are given in Note 37.

Share based compensation to employees

The fair value of restricted stock units plan is measured at the date of grant using the Black Scholes option pricing model. The estimate also requires determination of the most appropriate inputs to the valuation model, including the volatility, dividend yield, risk free interest rates, expected life of share option etc., which are disclosed in the Note 38.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Also refer Note 43.

Provision for inventories

Provision is made in the financial statements for slow and non-moving items based on estimates regarding their usability. Further for finished goods and stock-in-trade, all inventories expiring within six months and not expected to be sold, have been fully provided for. Also refer Note 8.

Impairment of trade receivables

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 9.

Impairment of other financial assets

The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 6 and 13.

37 EMPLOYEE BENEFITS

(a) Defined contribution plans

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

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Included in contribution to Provident and Other Funds (Refer Note 30)		
Employer’s contribution to Provident Fund/Employees’ Pension Fund	15,91.09	14,84.71
Employer’s contribution to Superannuation Fund	3,02.57	3,08.97
Included in staff welfare expenses (Refer Note 30)		
Employer’s contribution to Employees’ Deposit Linked Insurance Scheme	43.54	44.37
Premium paid in respect of Group Life Insurance Cover	51.36	41.08
Premium paid in respect of Employees’ State Insurance Scheme	12.93	27.13

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Defined Benefit Plans

- i. **Gratuity :** (Included as part of contribution to provident and other funds in Note 30 - 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 employees’ salary and tenure of employment with the Company.
- ii. **Post Retirement Medical Benefits (PRMB) :** (Included as part of staff welfare expenses in Note 30 - Employee benefits expense)  
Under this scheme, select group of senior employees and their spouse 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.
- iii. **Long Service Benefits (LSB) :** (Included as part of salaries and wages in Note 30 - Employee benefits expense)  
Under this scheme, long service benefits accrues to the employee, while in service and is payable upon completion of stipulated service with the Company.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
I) Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	58,47.13	45,65.20	1,29.81	1,17.23
Interest cost	4,06.14	3,16.27	9.65	8.18
Current service cost	5,45.70	4,17.80	-	1.22
Past service cost	-	6,64.26	-	-
Benefits paid	(6,39.36)	(2,97.23)	(23.03)	(10.61)
Actuarial changes arising from changes in demographic assumptions	(62.66)	57.39	(10.71)	-
Actuarial changes arising from changes in financial assumptions	3,17.89	(42.16)	8.83	(5.48)
Actuarial changes arising from changes in experience adjustments	(54.84)	1,65.60	1,52.49	19.27
Present value of defined benefit obligation at the end of the year	63,60.00	58,47.13	2,67.04	1,29.81
II) Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	49,99.35	41,53.33	-	-
Interest income	3,52.06	2,97.28	-	-
Contributions paid by the employer	9,08.19	8,19.07	23.03	10.61
Benefits paid from the fund	(6,39.36)	(2,97.23)	(23.03)	(10.61)
Return on plan assets excluding interest income	30.01	26.90	-	-
Fair value of plan assets at the end of the year	56,50.25	49,99.35	-	-

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>III) Net (asset)/liability recognised in the Balance Sheet</b>				
Present value of defined benefit obligation at the end of the year	63,60.00	58,47.13	2,67.04	1,29.81
Fair value of plan assets at the end of the year (unquoted insurer managed funds)	(56,50.25)	(49,99.35)	-	-
<b>Amount recognised in the Balance Sheet/ Net funded obligation</b>	<b>7,09.75</b>	<b>8,47.78</b>	<b>2,67.04</b>	<b>1,29.81</b>
<b>Net liability - current</b> (Refer Note 23)	<b>7,09.75</b>	<b>8,47.78</b>	<b>23.03</b>	<b>10.60</b>
<b>Net liability - non-current</b> (Refer Note 18)	-	-	<b>2,44.01</b>	<b>1,19.21</b>
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>IV) Expenses recognised in the Statement of Profit and Loss for the year</b>				
Current service cost	5,45.70	4,17.80	-	1.22
Past service cost	-	6,64.26	-	-
Interest cost on benefit obligation (net)	54.08	18.99	9.65	8.18
One Year Renewable Term Assurance (OYRTA) Premium	31.07	29.71	-	-
<b>Total expenses included in Employee benefits expense</b>	<b>6,30.85</b>	<b>11,30.76</b>	<b>9.65</b>	<b>9.40</b>
<b>V) Recognised in other comprehensive income for the year</b>				
Actuarial changes arising from changes in demographic assumptions	(62.66)	57.39	(10.71)	-
Actuarial changes arising from changes in financial assumptions	3,17.89	(42.16)	8.83	(5.48)
Actuarial changes arising from changes in experience adjustments	(54.84)	1,65.60	1,52.49	19.27
Return on plan assets excluding interest income	(30.01)	(26.90)	-	-
<b>Recognised in other comprehensive income for the year</b> (Refer Note 34)	<b>1,70.38</b>	<b>1,53.93</b>	<b>150.61</b>	<b>13.79</b>
<b>VI) Maturity profile of defined benefit obligation</b>				
Within the next 12 months (next annual reporting period)	10,34.41	12,13.21	23.03	10.61
Between 2 and 5 years	27,57.99	29,14.54	93.64	43.87
Between 6 and 9 years	21,63.54	19,16.95	92.90	44.89
For 10 years and above	58,23.23	40,97.12	3,32.56	2,00.26

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>VII) Sensitivity analysis for significant assumption is as below :</b>				
<b>1. Increase/(decrease) on present value of defined benefits obligation at the end of the year</b>				
Impact of 50 bps increase in discount rate	(3.28%)	(2.75%)	(3.66%)	(3.91%)
Impact of 50 bps decrease in discount rate	3.49%	2.90%	3.92%	4.22%
Impact of 100 bps increase in healthcare cost	-	-	8.16%	8.84%
Impact of 100 bps decrease in healthcare cost	-	-	(7.23%)	(7.74%)
Impact of increase by 1 year in life expectancy	-	-	4.47%	3.64%
Impact of decrease by 1 year in life expectancy	-	-	(4.42%)	(3.64%)
Impact of 50 bps increase in rate of salary increase	3.08%	2.73%	-	-
Impact of 50 bps decrease in rate of salary increase	(3.02%)	(2.65%)	-	-

**2. Sensitivity analysis method**

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>VIII) The major categories of plan assets as a percentage of total</b>				
Insurer managed funds	100%	100%	-	-

The Trustees have taken policy from Life Insurance Corporation of India (LIC) and pays premium. LIC in turn manages the assets which is within the permissible limits prescribed in the insurance regulations. The Company does not foresee any material risk from these investments.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>IX) Actuarial assumptions</b>				
Discount rate	7.30%	7.75%	7.30%	7.75%
Salary escalation	10% until year 2 inclusive, and 7% thereafter	10% until year 2 inclusive, and 7% thereafter	-	-
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	-	-
Rate of leaving service	Age related	Age related	-	-
Mortality post retirement rate	-	-	PA (90) Mortality table	PA (90) Mortality table
Annual increase in healthcare costs	-	-	6%	6%
Expected retirement age of employees (years)	58/60 years, as applicable	58/60 years, as applicable	60 years	60 years

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period is ₹ **7,10.00 Lakhs** (March 31, 2018 : ₹ 8,48.00 Lakhs)



(All amounts in ₹ Lakhs, unless otherwise stated)

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is **6.76 years** (March 31, 2018 : 5.65 years) and for PRMB is **7.58 years** (March 31, 2018 : 8.12 years).

**Notes :**

- (i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- (iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors such as, demand and supply in employment market.

**38 SHARE BASED COMPENSATION TO EMPLOYEES****a) International Stock Ownership Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

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 (i.e. basic salary for officers and basic salary and dearness allowance for staff category) towards purchase of shares on a monthly basis over the purchase cycle of six months.

The maximum that an employee can contribute to the plan is US \$ 12,500 per purchase cycle or US \$ 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.

During the year ended March 31, 2019, **15,088 shares** (March 31, 2018 : 17,811 shares) were purchased by employees at weighted average fair value of **US \$ 53.98** (March 31, 2018 : US \$ 38.71) per share.

**b) Employees Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

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. All the options under this scheme have vested before April 1, 2015, and hence, as per the exemption availed in Ind AS 101 'First-time adoption of Indian Accounting Standards', no options compensation expenses are incurred by the Company during the year. 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.

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options	Weighted average exercise price US \$	Number of options	Weighted average exercise price US \$
Outstanding at the beginning of the year	-	-	7,700	27.80
Less : Exercised during the year	-	-	(7,700)	(27.80)
Less : Expired during the year	-	-	-	-
Less : Transfer out during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ NIL** (March 31, 2018 : US \$ 76.57) and weighted average remaining contractual life is **NIL year** (March 31, 2018 : NIL year).

The average exercise price for options outstanding at the end of the year was **US \$ NIL** (March 31, 2018 : US \$ NIL).

During the year, ₹ **NIL Lakhs** (March 31, 2018 : ₹ 83.03 Lakhs) withholding taxes has been deposited with tax authorities against exercised options.

(All amounts in ₹ Lakhs, unless otherwise stated)

**c) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

Abbott Laboratories, USA as part of the 'Long-Term Incentive Program' has offered Restricted Stock Units (RSUs) 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. Pursuant to Ind AS 102 'Share-based Payment', the fair value of the RSUs have been recorded by the Company. The fair value of the RSUs is estimated at the grant date using Black Scholes Option Pricing Model, taking into account the terms and conditions upon which such RSUs were granted.

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of options	Weighted average exercise price US \$	Number of options	Weighted average exercise price US \$
Outstanding at the beginning of the year	57,127	NA	55,667	NA
Add : Granted during the year	19,957	NA	28,749	NA
Add : Transfers in during the year	355	NA	-	NA
Less : Exercised during the year	(23,521)	NA	(22,176)	NA
Less : Cancelled/Expired during the year	(7,228)	NA	(2,863)	NA
Less : Transfers out during the year	(1,294)	NA	(2,250)	NA
<b>Outstanding at the end of the year</b>	<b>45,396</b>	<b>NA</b>	57,127	NA

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 74.92** (March 31, 2018 : US \$ 59.77).

The following table lists the inputs to the models used for the Restricted Stock Option plan for the years ended March 31, 2019 and March 31, 2018, respectively :

	As at March 31, 2019	As at March 31, 2018
Dividend yield (%)	0%	0%
Expected volatility (%)	20.11%	18.76%
Risk-free interest rate (%)	2.46%	2.10%
Expected life of Restricted Stock Units (years)	3 years	2 years
Weighted average share price (₹)	₹ 5,368.06	₹ 3,787.18
Model used	Black Scholes	Black Scholes

The expected life of the RSUs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year, ₹ **4,32.79 Lakhs** (March 31, 2018 : ₹ 2,91.71 Lakhs) withholding taxes has been deposited with tax authorities against exercised options.

**39 COMMITMENTS AND CONTINGENCIES****a. Leases****(i) Operating lease commitments - Company as lessee**

The Company has obtained various residential/office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These generally 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. Some of the lease agreements have price escalation clause. The Company has given refundable interest free security deposits in accordance with the agreed terms. There are no restrictions imposed by these arrangements.

Lease payments are recognised in the Statement of Profit and Loss under 'Rent'.

(All amounts in ₹ Lakhs, unless otherwise stated)

**Disclosures with respect to operating leases :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Operating lease payments recognised in the Statement of Profit and Loss under 'Rent' (Refer Note 33)	47,68.52	46,12.37
ii) Future minimum lease rental payables under non-cancellable operating leases :		
Within one year	34,36.64	45,85.38
After one year but not more than five years	5,18.32	54,83.04
More than five years	-	-

There are no sub-leases.

**(ii) Operating lease commitments - Company as lessor**

The Company has recognised rent income from leasing of a property amounting to ₹ **1,14.53 Lakhs** (March 31, 2018 : ₹ 28.63 Lakhs) in the Statement of Profit and Loss under 'Other income' (Refer Note 26). The lease agreement is of cancellable nature.

**b. Commitments**

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	4,30.77	5,69.73

**c. Contingent liabilities****Claims against Company not acknowledged as debts**

- (i) 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 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 ₹ **1,15.68 Lakhs** (March 31, 2018 : ₹ 1,11.78 Lakhs) including interest liability till date.

	As at March 31, 2019	As at March 31, 2018
(ii) Sales Tax	35,13.86	35,00.22

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

- (iii) There are various interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on provident fund. Though the Company has made a provision on a prospective basis from the date of the SC order, it will update its provision on receiving further clarity on the subject.

**40 SEGMENT REPORTING**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and the Company has only one reportable business segment i.e. 'Pharmaceuticals'.

(All amounts in ₹ Lakhs, unless otherwise stated)

**41 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 year :****I) Fellow subsidiaries :**

British Colloids Ltd., U.K.

Abbott Healthcare Products Ltd., U.K.

Abbott Healthcare Private Ltd., India

Abbott International LLC, USA

Abbott Products Operations AG., Switzerland

Abbott Laboratories (Singapore) Pte Ltd., Singapore

Abbott Manufacturing Pte Ltd., Singapore

Abbott GmbH &amp; Co. K.G., Germany

Alere Medical Private Limited, India

Abbott Laboratories S.A., Switzerland

Abbott Laboratories S.A., Dubai

**II) Key management personnel :**

Mr. Ambati Venu, Managing Director

Mr. Rajiv Sonalker, Whole-time Director (w.e.f. August 8, 2017)

Mr. Munir Shaikh, Chairman

Mr. Rajendra Shah, Independent Director (ceased to be the Director effective close of business hours on March 31, 2019)

Mr. Ranjan Kapur, Independent Director (ceased to be the Director effective January 27, 2018 due to demise)

Mr. Krishna Mohan Sahni, Independent Director

Ms. Anisha Motwani, Independent Director (w.e.f. April 25, 2018)

**C) Transactions during the year :****I) Transactions with the holding company during the year**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Capital India Ltd., U.K.</b>		
Remittance of dividend	58,95.50	42,87.64

**II) Transactions with fellow subsidiaries during the year****i) Remittance of dividend :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>British Colloids Ltd., U.K.</b>		
Remittance of dividend	8,08.50	5,88.00
<b>Abbott Healthcare Products Ltd., U.K.</b>		
Remittance of dividend	20,59.72	14,97.98

(All amounts in ₹ Lakhs, unless otherwise stated)

## ii) Sales to fellow subsidiaries :

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Healthcare Private Ltd., India</b>		
Sales of stock-in-trade	56,24.56	53,65.79
Sales of raw materials	46,79.97	54,94.81
Sales of capital goods	32.99	-

## iii) Purchases from fellow subsidiaries :

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Healthcare Private Ltd., India</b>		
Purchases of raw materials	4,93.78	4,57.99
Purchases of stock-in-trade	120,73.92	138,76.53
<b>Abbott Products Operations AG., Switzerland</b>		
Purchases of raw materials	296,21.37	185,78.10
Purchases of stock-in-trade	35,46.38	39,34.76

## iv) Purchase of trademarks/capital goods from Ultimate Holding Company and fellow subsidiaries :

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Laboratories, USA</b>		
Purchase of trademarks	-	2,83.14
<b>Abbott GmbH &amp; Co. K.G., Germany</b>		
Purchase of trademarks	-	4,27.65
<b>Alere Medical Private Limited, India</b>		
Purchases of capital goods	12.09	-

## v) Other expenses to fellow subsidiaries :

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Healthcare Private Ltd., India</b>		
Promotional Expenses	1,54.74	1,84.84
Conversion charges	9,15.63	2,39.65
<b>Alere Medical Private Limited, India</b>		
Promotional Expenses	2.22	-

## vi) Loan/deposit and interest to/from fellow subsidiaries :

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Healthcare Private Ltd., India</b>		
Interest free security deposit paid	-	14,79.87
Interest free security deposit received	-	44.66
<b>Alere Medical Private Limited, India</b>		
Loan given (Refer Note 42)	-	200,00.00
Interest income on above loan (Refer Note 26)	12,54.80	5,20.55

(All amounts in ₹ Lakhs, unless otherwise stated)

## vii) Reimbursements to and from fellow subsidiaries :

	Reimbursement to		Reimbursement from	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Healthcare Private Ltd., India</b>				
Shared and support services	10,14.00	10,52.03	-	-
Rent expenses	33,60.60	32,93.22	-	-
Market research and other expenses	-	-	13.15	16.42
Excise duty payment/cenvat recovery on Loan Licensee manufacturing	-	38.10	-	1,78.89
<b>Abbott International LLC, USA</b>				
Employee benefits expense, travel and other expenses	34.04	36.98	-	-
<b>Abbott Manufacturing Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	-	-	8.47	22.45
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	12.52	24.62	19.01	-
<b>Abbott Products Operations AG., Switzerland</b>				
Employee benefits expense, travel and other expenses	-	-	1,20.35	1,77.80
<b>Abbott Laboratories S.A., Switzerland</b>				
Employee benefits expense, travel and other expenses	-	-	6.30	-

## viii) Income from fellow subsidiaries :

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Abbott Healthcare Private Ltd., India</b>		
Shared and support services (Refer Note 25(b))	16,26.00	16,27.73
Rent income (Refer Note 26)	1,14.53	28.63
<b>Abbott Products Operations AG., Switzerland</b>		
Shared and support services (Refer Note 25(b))	5,08.51	5,26.33
<b>Abbott Laboratories S.A., Dubai</b>		
Shared and support services (Refer Note 25(b))	33.60	-
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>		
Shared and support services (Refer Note 25(b))	33.60	-

## ix) Key management personnel remuneration\* :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Ambati Venu, Managing Director	6,50.75	5,85.89
Mr. Rajiv Sonalker, Whole-time Director (w.e.f. August 8, 2017)	3,04.76	1,61.64

\* During the year, as a part of the 'Long-Term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ 2,69.88 Lakhs (March 31, 2018 : ₹ 1,23.72 Lakhs) have been granted to the above employees. (Also refer Note 38(c)).

Also, provision for post employment benefits as contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall company basis are not included in remuneration to key management personnel.



(All amounts in ₹ Lakhs, unless otherwise stated)

**x) Non-Executive, Other Directors' sitting fees :**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Munir Shaikh, Chairman	15.00	13.50
Mr. Rajendra Shah, Independent Director (ceased to be the Director effective close of business hours on March 31, 2019)	16.00	17.00
Mr. Ranjan Kapur, Independent Director (ceased to be the Director effective January 27, 2018 due to demise)	-	10.50
Mr. Krishna Mohan Sahni, Independent Director	14.50	15.00
Ms. Anisha Motwani, Independent Director (w.e.f. April 25, 2018)	13.00	-

**D) Outstanding :**

	As at March 31, 2019	As at March 31, 2018
<b>Trade payables to fellow subsidiaries</b> (Refer Note 20)		
Abbott Products Operations AG., Switzerland	109,66.44	56,34.60
Abbott Healthcare Private Ltd., India	18,05.45	16,73.23
Alere Medical Private Limited, India	3.88	-
	127,75.77	73,07.83
<b>Other payables to fellow subsidiaries</b> (Refer Note 21)		
Abbott Healthcare Private Ltd., India	44.66	44.66
	44.66	44.66
<b>Trade receivables from fellow subsidiaries</b> (Refer Note 9)		
Abbott Healthcare Private Ltd., India	54,45.04	22,72.66
	54,45.04	22,72.66
<b>Other receivables from fellow subsidiaries</b> (Refer Note 13)		
Abbott Products Operations AG., Switzerland	47.68	90.39
Abbott Healthcare Private Ltd., India	1,17.97	35.92
Alere Medical Private Limited, India (Refer Note 42)	-	4,68.49
Abbott International LLC, USA	3,98.31	-
Abbott Laboratories S.A., Switzerland	6.13	-
Abbott Laboratories S.A., Dubai	32.99	-
Abbott Laboratories (Singapore) Pte Ltd., Singapore	10.86	-
	6,13.94	5,94.80
<b>Loan and deposit to fellow subsidiaries</b>		
Abbott Healthcare Private Ltd., India (Refer Note 5, 7 and 14)	14,67.67	14,69.86
Alere Medical Private Limited, India (Refer Note 12)*	-	200,00.00

\* The above loan is guaranteed by Abbott Laboratories, USA i.e. the Ultimate Holding Company.

**Terms and conditions of transactions with related parties :**

All transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

(All amounts in ₹ Lakhs, unless otherwise stated)

**42 DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) AND SECTION 186 (4) OF THE COMPANIES ACT, 2013 :**

During the year ended March 31, 2019, the Company had rolled over the loan of ₹ **200,00.00 Lakhs** which was granted to Alere Medical Private Limited, India, a fellow subsidiary on December 26, 2017, for a further period of six months effective June 27, 2018, at an interest rate of 10% per annum in accordance with the provisions of Section 186 of the Companies Act, 2013 and Rules made thereunder, for the purpose of working capital funding requirement. The same was guaranteed by Abbott Laboratories, USA i.e. the Ultimate Holding Company. The said loan was repaid by Alere Medical Private Limited, India, on November 15, 2018 with outstanding interest up to that date.

Nature of transaction	Purpose for which the loan is proposed to be utilised by recipient	As at March 31, 2019	Maximum balance outstanding during the year ended March 31, 2019 <sup>#</sup>	As at March 31, 2018 <sup>@</sup>	Maximum balance outstanding during the year ended March 31, 2018 <sup>@</sup>
<b>Loan given to fellow subsidiary :</b>					
Alere Medical Private Limited, India	Funding working capital requirement	-	208,92.60	204,68.49	204,68.49

<sup>#</sup> Including accrued interest ₹ **9,91.78 Lakhs**, net of TDS ₹ **8,92.60 Lakhs** for the year ended March 31, 2019.

<sup>@</sup> Including accrued interest ₹ **5,20.55 Lakhs**, net of TDS ₹ **4,68.49 Lakhs** for the year ended March 31, 2018 (Refer Note 41(D)).

**43 FAIR VALUE DISCLOSURE****A. The carrying value and fair value of financial assets/liabilities by categories are as follows :**

	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial assets/liabilities at amortised cost</b>				
<b>Financial assets at amortised cost (non-current) :</b>				
Loans (Refer Note 5)	16,10.70	15,02.58	16,10.70	15,02.58
Other financial assets (Refer Note 6)	36,65.80	22,70.67	36,65.80	22,70.67
<b>Financial assets at amortised cost (current) :</b>				
Trade and other receivables (Refer Note 9)	276,11.43	263,44.30	276,11.43	263,44.30
Cash and cash equivalents (Refer Note 10)	137,00.61	37,67.71	137,00.61	37,67.71
Bank balances other than cash and cash equivalents (Refer Note 11)	1547,27.71	993,67.32	1547,27.71	993,67.32
Loans (Refer Note 12)	7,30.24	205,47.81	7,30.24	205,47.81
Other financial assets (Refer Note 13)	73,34.39	40,21.24	73,34.39	40,21.24
<b>Financial liabilities at amortised cost (current) :</b>				
Trade payables (Refer Note 20)	663,51.57	480,62.48	663,51.57	480,62.48
Other financial liabilities (Refer Note 21)	48,63.78	48,35.25	48,63.78	48,35.25
<b>Financial assets/liabilities at fair value through Profit or Loss</b>				
<b>Financial assets at fair value through Profit or Loss (current) :</b>				
Forward contract receivable	-	31.59	-	31.59
<b>Financial liabilities at fair value through Profit or Loss (current) :</b>				
Forward contract payable	3,34.71	-	3,34.71	-

(All amounts in ₹ Lakhs, unless otherwise stated)

**B. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values :**

	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2019	As at March 31, 2019	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Loans (non-current)					
Deposits given to fellow subsidiary (Refer Note 5)	13,28.99	13,28.99	-	-	13,28.99
Deposits for premises (Refer Note 5)	87.19	87.19	-	-	87.19
Against tenders (Refer Note 5)	1,94.52	1,94.52	-	-	1,94.52
Other financial assets (Refer Note 6)	36,65.80	36,65.80	-	-	36,65.80
	52,76.50	52,76.50	-	-	52,76.50
<b>Financial liabilities at fair value through Profit or Loss</b>					
Forward contract payable	3,34.71	3,34.71	-	3,34.71	-
	3,34.71	3,34.71	-	3,34.71	-

	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2018	As at March 31, 2018	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Loans (non-current)					
Deposits given to fellow subsidiary (Refer Note 5)	12,12.28	12,12.28	-	-	12,12.28
Deposits for premises (Refer Note 5)	1,58.94	1,58.94	-	-	1,58.94
Against tenders (Refer Note 5)	1,31.36	1,31.36	-	-	1,31.36
Other financial assets (Refer Note 6)	22,70.67	22,70.67	-	-	22,70.67
	37,73.25	37,73.25	-	-	37,73.25
<b>Financial assets at fair value through Profit or Loss</b>					
Forward contract receivable	31.59	31.59	-	31.59	-
	31.59	31.59	-	31.59	-

**The following methods and assumptions were used to estimate the fair values :**

Fair value of cash and bank balances, short-term loans, trade and other short-term receivables, trade payables, other financial current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

During the reporting period ending March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

(All amounts in ₹ Lakhs, unless otherwise stated)

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :**

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.

**Description of significant unobservable inputs to valuation (Level 3) :**

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value :

	As at March 31, 2019	As at March 31, 2018
(a) Deposits for premises	<b>Discounted cashflow method using interest rate for similar financial instrument</b>	Discounted cashflow method using interest rate for similar financial instrument
(b) Financial assets/liabilities other than (a) above	<b>Expected cashflows for the financial instruments</b>	Expected cashflows for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

**44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables.

The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below :

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks.

Particulars	Carrying Amount	
	As at March 31, 2019	As at March 31, 2018
<b>Fixed rate instruments</b>		
Financial assets	1572,07.61	987,35.00

**Fair value sensitivity analysis for fixed rate instruments :**

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

(All amounts in ₹ Lakhs, unless otherwise stated)

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

The Company's exposure to foreign currency risk is as follows :

Particulars (₹ Lakhs)	As at March 31, 2019		As at March 31, 2018			
	USD	Euro	USD	Euro	GBP	CHF
Trade receivables	4,05.84	-	742.60	-	-	-
Other financial assets	4,94.13	9,86.38	92.08	-	0.63	13.64
Trade payables	130,14.19	9,86.38	82,56.89	6.80	-	13.37

**Foreign currency sensitivity**

The following table demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, being the most transacted currencies with all other variables held constant. The exchange rate between Rupee and other foreign currencies have changed substantially in the recent years and may fluctuate substantially in the future. Consequently the results of the Company's operations could be affected as the Rupee appreciates/depreciates against these currencies.

Currency	As at March 31, 2019		As at March 31, 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(1,21.14)	1,21.14	(74.22)	74.22
Euro	-	-	(0.07)	0.07
Increase/(Decrease) in Profit or Loss	(1,21.14)	1,21.14	(74.29)	74.29

**b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balance with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 2093,80.87 Lakhs as at March 31, 2019 (March 31, 2018 : ₹ 1578,21.18 Lakhs). Customer credit risk is managed for each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Further, significant sales of the Company are against advance payment/collection on delivery terms. Outstanding customer receivables are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The ageing of trade receivables and allowance for credit losses is as follows :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gross	Allowance for credit losses	Gross	Allowance for credit losses
Not yet due	202,84.17	0.34	229,49.52	-
Past due 1 - 30 days	36,40.08	8.03	21,30.99	23.75
Past due 31 - 60 days	12,26.64	4.57	3,61.20	4.43
Past due 61 - 90 days	7,52.40	8.29	4,33.66	46.45
Over 90 days	28,27.23	10,97.86	16,07.46	10,63.90
	287,30.52	11,19.09	274,82.83	11,38.53

(All amounts in ₹ Lakhs, unless otherwise stated)

**Movement in loss allowance for trade receivables and other financial assets :**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	15,34.65	14,92.33
Allowance for credit impaired debts	49.69	71.44
Allowance for credit impaired advances	(48.44)	81.09
Bad debts written off	(69.13)	(1,10.21)
<b>Balance at the end of the year</b>	<b>14,66.77</b>	15,34.65

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivables balances.

The credit risk on liquid funds such as balances with banks in current and deposit accounts is limited because the counter parties are banks with reasonably high credit ratings.

Financial assets other than trade receivables and bank balances are not exposed to any material credit risk.

**c) Liquidity risk**

Liquidity risk is the risk that company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

**The details of the contractual maturities of significant liabilities as at March 31, 2019 are as follows :**

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer note 20)	663,51.57	663,51.57	-	-	-	663,51.57
Other current financial liabilities (Refer note 21)	51,98.49	51,98.49	-	-	-	51,98.49
	715,50.06	715,50.06	-	-	-	715,50.06

**The details of the contractual maturities of significant liabilities as at March 31, 2018 are as follows :**

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer note 20)	480,62.48	480,62.48	-	-	-	480,62.48
Other current financial liabilities (Refer note 21)	48,66.85	48,66.85	-	-	-	48,66.85
	529,29.33	529,29.33	-	-	-	529,29.33



(All amounts in ₹ Lakhs, unless otherwise stated)

45 CAPITAL MANAGEMENT

For the purpose of the Company’s capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company’s capital management is to safeguard the Company’s ability to remain as a going concern and maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2019 and March 31, 2018.

46 RECENT ACCOUNTING PRONUCEMENTS

The standards issued, but not yet effective upto the date of issuance of the Company’s financial statements is disclosed below. The Company shall adopt this standard when it becomes effective.

Ind AS 116 Leases :

Ind AS 116 Leases was notified by Ministry of Corporate Affairs (“MCA”) on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying lease is of low value. Currently, operating lease expenses are charged to Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Lessor accounting under Ind AS 116 is substantially unchanged from today’s accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases : operating and finance leases.

Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition :

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognised at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and right of use asset either as :

- Its carrying amount as if standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is proposing to use the “Modified retrospective Approach” for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of application of Standard. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. Based on the preliminary evaluation, the adoption of this standard is not likely to have a material impact in the financial statements.

Appendix C to Ind AS 12 Uncertainty over income tax treatments :

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified Ind AS 12 Appendix C, Uncertainty over income tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(All amounts in ₹ Lakhs, unless otherwise stated)

The standard permits two possible methods of transition :

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019.

The Company believes there would be no impact on its financial statements on adoption of Ind AS 12 Appendix C.

Amendment to Ind AS 12 Income taxes :

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) issued amendments to the guidance in Ind AS 12 ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

Amendment to Ind AS 19 plan amendment, curtailment or settlement :

On March 30, 2019, Ministry of Corporate Affairs (“MCA”) issued amendments to Ind AS 19 ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity :

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

47 The Company has bank overdraft arrangement secured by hypothecation of all stocks and book debts, against which there are no borrowings.

48 Previous year’s figures have been regrouped/reclassified to conform to the current year’s classification.

As per our report of even date  
For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**  
Partner  
Membership No. 49365  
Place : Mumbai  
Date : May 27, 2019

For and on behalf of the Board of Directors

**MUNIR SHAIKH**  
Chairman  
DIN : 00096273

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178  
Place : Mumbai  
Date : May 27, 2019

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

# NOTICE

Notice is hereby given that the Seventy-fifth Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Thursday, August 22, 2019 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, 2019 together with the Reports of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 50/- and special dividend of ₹ 15/- per Equity Share for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr Jawed Zia (DIN : 00191276), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Kaiyomarz Marfatia (DIN : 03449627), who retires by rotation and being eligible, offers himself for re-appointment.
5. Re-appointment of S R B C & CO LLP, Chartered Accountants as the 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, S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/E300003), be and are hereby re-appointed as the Statutory Auditors of the Company for a term of 5 (five) years i.e. from the conclusion of this Annual General Meeting till the conclusion of Eightieth Annual General Meeting of the Company, at a remuneration of ₹ 99.10 Lakhs plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, for the financial year 2019-20.

**RESOLVED Further That** the Audit Committee/Board of Directors of the Company, be and are hereby authorized to revise/alter/modify/amend the terms and conditions and/or remuneration, from time to time, as may be mutually agreed with the Auditors, during the tenure of their appointment.

## SPECIAL BUSINESS :

### 6. Ratification of remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, for the financial year 2019-20

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 ₹ 6.65 Lakhs plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, as approved by the Audit Committee and Board of Directors of the Company, payable to M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294) for conducting the Cost Audit of the Company for the financial year 2019-20, be and is hereby ratified.

### 7. Appointment of Mr Sudarshan Jain (DIN : 00927487) 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, read with Schedule IV 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) (“the Act”) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr Sudarshan Jain (DIN : 00927487), who was appointed as Additional Director by the Board of Directors effective April 1, 2019 in terms of the provisions of Section 161 of the Companies Act, 2013 read with Article 113 of the Articles of Association, to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director and who has submitted the declaration that he meets the requisite criteria of independence, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) years effective April 1, 2019.

### 8. Appointment of Mr Mark Murphy II (DIN : 08385393) as Director, liable to retire by rotation

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

**RESOLVED That** Mr Mark Murphy II (DIN : 08385393), who was appointed as Additional Director of the Company by the Board of Directors effective April 1, 2019 in terms of the provisions of Section 161 of the Companies Act, 2013 and Rules

framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Article 113 of the Articles of Association to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

### 9. Re-appointment of Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director

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

**RESOLVED That** in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director, not liable to retire by rotation, for a period effective August 8, 2019 upto June 30, 2021, at a remuneration and upon such terms and conditions as set out in explanatory statement annexed hereto.

**RESOLVED Further That** the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall deem to include any Committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the said appointment and/or remuneration, from time to time, as it may deem fit.

### 10. 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 an Ordinary Resolution :

**RESOLVED That** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors to enter into agreements, transactions or arrangements with

Abbott Products Operations AG., Switzerland, [a ‘Related Party’ as per the provisions of the Companies Act, 2013 (“the Act”) and the Listing Regulations], for purchase, sale, import and transfer of products, goods, raw materials, active pharmaceutical ingredients and stock-in-trade; availing or rendering of services; reimbursement of expenses; recovery of costs or any 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 ₹ 650 Crores (Rupees Six Fifty Crores) in each financial year.

**RESOLVED Further That** the Audit Committee/Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things, to finalize the terms and conditions, 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

Krupa Anandpara

Company Secretary

Membership No.: ACS 16536

Mumbai  
July 17, 2019

## Registered Office :

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071  
Telephone No.: +91-22-6797 8888/+91-22-3816 2000  
Fax : +91-22-6797 8727/+91-22-3816 2400  
Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
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 INSTEAD OF HIMSELF/HERSELF 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, 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 Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorized to attend and vote on their behalf at the Meeting. Proxies submitted on behalf of Corporate Members must be supported by a Board Resolution.
- iii. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Business to be transacted from Item Nos. 5 to 10 is annexed hereto.
- iv. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, are annexed hereto.
- v. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 16, 2019 to Thursday, August 22, 2019 (both days inclusive).
- vi. Final dividend of ₹ 50/- and special dividend of ₹ 15/- per Equity Share of ₹ 10/- each, as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid on and from August 28, 2019 to the Members whose names appear on the Register of Members as on August 22, 2019 and to the Beneficial Owners of the Shares as on August 15, 2019, as per the details furnished by the Depositories for this purpose.
- vii. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, Members holding shares in electronic form are requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/Registrar and Share Transfer Agent.
- 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 change, if any, in their registered address or bank particulars to their Depository Participants with whom they have Demat accounts. The Company or Registrar and Share Transfer Agent 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 change, if any, in their registered address or bank particulars to the Company/Registrar and Share Transfer Agent.

- x. Members holding shares in physical form are advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH – 13) is made available on the website of the Company at <https://www.abbott.co.in/investor-relations.html>

Members holding shares in electronic form are required to contact their Depository Participants to register/change their nomination.

- xi. The Company has transferred the amount lying in 54<sup>th</sup> Unpaid Dividend Account for the year 2011 to the Investor Education and Protection Fund (IEPF) since the date of last Annual General Meeting.

Members who have not encashed their dividend warrants from the year 2012 or thereafter are requested to write to the Company/Registrar and Transfer Agent for issue of new demand drafts. Members are requested to note that the unclaimed dividends will be transferred to the IEPF after the below mentioned due dates :

Dividend and Year	Dividend per share (in ₹)	Date of Transfer to IEPF
55 <sup>th</sup> Dividend 2012	17	24.05.2020
56 <sup>th</sup> Dividend 2013-14	23	30.08.2021
57 <sup>th</sup> Dividend 2014-15	31	27.08.2022
58 <sup>th</sup> Dividend 2015-16	35	16.08.2023
59 <sup>th</sup> Dividend 2016-17	40	16.08.2024
60 <sup>th</sup> Dividend 2017-18	55	16.08.2025

In terms of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the required information in respect of dividend remaining unpaid/unclaimed (as on date of the last Annual General Meeting held on July 18, 2018) on the Company's website under the Investor Section at <https://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

- xii. In terms of requirements of Regulation 39(4) and Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares which remained unclaimed in the custody of the Company are required to be transferred to the Suspense Account opened by the Company.

Accordingly, details of the unclaimed shares lying in the Company's Unclaimed Suspense Account are as follows :

Particulars	No. of Shareholders	No. of Shares
Aggregate number as at April 1, 2018	191	24,671
Number of shares claimed and transferred from the Unclaimed Suspense Account to the Shareholders during the year	4	678
Aggregate number as at March 31, 2019	187	23,993

All benefits accruing on such shares shall be credited to Unclaimed Suspense Account for a period of seven years. Thereafter, the said shares including all benefits accrued thereon shall be transferred by the Company to IEPF Authority in accordance with the provisions of Section 124(5) and (6) of the Companies Act, 2013 and Rules framed thereunder. The voting rights in respect of such shares shall remain frozen till the rightful owner claims such shares.

- xiii. As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent, Karvy Fintech Private Limited for assistance in this regard.
- xiv. In terms of requirements of Section 124 (6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more are required to be transferred to the Investor Education and Protection Fund Authority ("IEPF Authority").
- During the year, the Company has transferred 15,180 Equity Shares held by 79 Members to the IEPF Authority in June, 2018. The details of shares so transferred is available on the Company's website under the Investor Section at <http://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>
- The Members whose shares/unclaimed dividends, etc. have been transferred to IEPF may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by

the Authority from time to time. A Member can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

During the year, 3 claims were received from shareholders, details of which are as follows :

Particulars	No. of Shareholders	No. of Shares
Aggregate number as at April 1, 2018	317	51,809
Transferred to IEPF Authority during the year	79	15,180
Claim received from Shareholders	3	812
Pending with IEPF Authority for processing	3	812
Aggregate number as at March 31, 2019	396	66,989

- xv. Members seeking any information or clarifications on the Annual Report are requested to send their queries in writing to the Company at least one week prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- xvi. In case all the joint holders are 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.
- xvii. Members are requested to bring their copy of the Annual Report to the Meeting, as the same will not be distributed at the Meeting.
- xviii. Annual Report for the financial year 2018-19 along with the Notice of Seventy-fifth Annual General Meeting, remote e-voting form, proxy form and attendance slip will be sent through electronic mode to the Members whose email addresses are available with the Company/Depositories. Physical copy of Annual Report along with the aforesaid documents will be sent by the permitted mode to those Members whose email ids are not available with the Company/Depositories or to those Members who have requested for the same.

Members are requested to register/update their email address with the Company/Depository Participants for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc. electronically. The aforesaid documents can also be downloaded from the Company's website at <https://www.abbott.co.in/investor-relations/financials.html>

- xix. The relevant documents referred to in the accompanying Notice and 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 this Annual General Meeting. The aforesaid documents will also be available for inspection by Members at the Meeting.



xx. **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) Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, 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 Meeting”).

The facility for voting through Insta Poll shall be provided at the Meeting. 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 Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Meeting.

The cut-off date for the purpose of remote e-voting and voting at the Meeting is August 15, 2019.

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

Commencement of remote e-voting	: From 9 a.m. (IST) on Monday, August 19, 2019
End of remote e-voting	: Upto 5 p.m. (IST) on Wednesday, August 21, 2019

Complete instructions on 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.

Mr Taizoon M. Khumri, Practicing Company Secretary (CP No. 88) (Membership No. FCS 993) 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 person authorized by him in writing within forty-eight hours from the conclusion of this Meeting. The results declared along with the consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in) and on the website of Karvy Fintech Private Limited at <https://evoting.karvy.com> The voting results shall simultaneously be forwarded to the BSE Limited, Mumbai.

xxi. Attendance Slip, Proxy Form and the Route Map showing directions to reach the venue of the Seventy-fifth Annual General Meeting are annexed herewith.

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

**Item No. 5**

S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/E300003), were appointed as the Statutory Auditors, at the Seventieth Annual General Meeting of the Company held on August 1, 2014 for a period of five years i.e. from financial year 2014-15 to the financial year 2018-19, to hold office till the conclusion of the Seventy-fifth Annual General Meeting of the Company. The current term of S R B C & CO LLP will end at the ensuing Annual General Meeting.

As per the provisions of Sections 139, 141 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, S R B C & CO LLP is eligible for re-appointment as Statutory Auditors of the Company for another term of five years.

The Board, based on recommendation of the Audit Committee, recommended the re-appointment of S R B C & CO LLP, as the Statutory Auditors for a term of five years i.e. from financial year 2019-20 to the financial year 2023-24, to hold office till the conclusion of the Eightieth Annual General Meeting of the Company, at a remuneration of ₹ 99.10 Lakhs plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses, for the financial year 2019-20.

In accordance with the provisions of Section 142 of the Companies Act, 2013, the aforesaid remuneration is for conducting the audit for the financial year 2019-20 and the same does not include fees payable for any other services that may be availed by the Company during the year.

S R B C & CO LLP is a member firm in India of Ernst & Young Global Limited and is a part of S. R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

The Audit Committee and the Board while recommending the re-appointment of S R B C & CO LLP considered various parameters such as ongoing experience with the firm, their in-depth technical knowledge of accounting and auditing standards, market standing and clientele served, etc.

The Company has received consent and necessary confirmations from S R B C & CO LLP as required under Sections 139 and 141 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014.

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. 5.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

**Item No. 6**

The Board, based on the recommendation of the Audit Committee, approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year 2019-20 at a remuneration of ₹ 6.65 Lakhs plus taxes as applicable and reimbursement of reasonable out-of-pocket expenses.

Pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, remuneration payable to M/s Kishore Bhatia & Associates, 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 the Nomination and Remuneration Committee, appointed Mr Sudarshan Jain (DIN : 00927487) as Additional Director of the Company effective April 1, 2019, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder (“the Act”) read with Article 113 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

Further, the Board as per the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) and based on the recommendations of the Nomination and Remuneration Committee, appointed Mr Jain as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) years effective April 1, 2019, subject to approval of the Members at the Annual General Meeting of the Company.

Mr Jain has given his consent to act as a Director of the Company. Also, as per confirmations received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meets the criteria of Independence as prescribed under the applicable provisions of the Act and the Regulations. In the opinion of the Nomination and Remuneration Committee and the Board, Mr Jain is independent of the Management.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr Jain for the office of Director of the Company, not liable to retire by rotation.

Mr Jain has over 35 years of extensive experience in field force management, brand building and overall business operations in Healthcare companies. He has been associated with over 30 brands which are among the top 300 in the Indian Pharmaceutical Industry. He has experience across pharmaceuticals, OTC, hospital, diagnostics and nutrition businesses. He has played an active role in shaping the Healthcare policy and improving access to healthcare in India.

Mr Jain is a veteran in the Healthcare Industry and has worked with several leading pharma companies such as Abbott Healthcare Private Limited, Piramal Healthcare Limited, Johnson & Johnson Private Limited and Lupin Limited.

Mr Jain is the Secretary General of the Indian Pharmaceutical Alliance (IPA). He has also served as Vice President of Organization of Pharmaceuticals Producers of India (OPPI) representing research based pharmaceutical companies. He is currently a Board member of Healthium Medtech Private Limited (Apax portfolio company), ZCL Chemicals Limited, PharmEasy, Indian Institute of Health Management Research, Jaipur, member of the Advisory Board of Narsee Monjee University, Mumbai (NMIMS), Board Member of Indian Education Society (IES) and Charter Member of The Indus Entrepreneurs, Mumbai (TiE). He is a Certified Executive Coach from Coaching Foundation of India.

Mr Jain holds B.Sc. Degree in Physics from St. Stephens College, Delhi University and MBA from the Indian Institute of Management (IIM), Ahmedabad.

The additional details of Mr Jain as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. Mr Jain, along with his relatives, holds 250 shares in the Company.

The letter of appointment of Mr Jain containing terms 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).

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Jain, 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**

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Mark Murphy II (DIN : 08385393) as Additional Director of the Company effective April 1, 2019, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder (“the Act”) read with Article 113 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

Mr Murphy II has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr Murphy II for the office of Director of the Company, liable to retire by rotation.

Mr Murphy II has been associated with Abbott Laboratories, USA since January 2017 and currently designated as Vice-President-Business & Technology Services and serves as a Corporate Officer for Abbott Laboratories.

Mr Murphy II has held several leadership positions at Abbott Laboratories and legacy St. Jude Medical since 2003. Prior to joining St. Jude Medical, Mr Murphy II held IT Management positions in retail, financial services and medical technology, including the cardiac rhythm management business unit of Boston Scientific (formerly Guidant).

Mr Murphy II is a Member of the Twin Cities American Heart Association, Heart Walk Executive Team and a Board Member and Executive Committee Member of Fairview Hospital Foundation.

Mr Murphy II holds a B.S. in electrical engineering from Purdue University and M.B.A. from Indiana University.

The additional details of Mr Murphy II as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. He does not hold any shares in the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Murphy II, 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**

Mr Rajiv Sonalker (DIN : 07900178), was appointed as Whole-time Director of the Company for a period of 2 years from August 8, 2017 upto August 7, 2019. The Board, based on the

recommendation of Nomination and Remuneration Committee, re-appointed Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director, not liable to retire by rotation, for a period effective August 8, 2019 upto June 30, 2021, subject to the approval of the Members at the Annual General Meeting of the Company.

Mr Sonalker has been the Chief Financial Officer of the Company since 2006. Besides in-depth knowledge of the Company, he has over 30 years of experience in the finance stream in Pharmaceutical, FMCG and Engineering industries. Prior to joining the Company, he had worked with Bristol-Myers Squibb as Director – Finance and in positions of varying responsibility in Voltas, Johnson & Johnson, Sanofi – Aventis in India and Germany.

Mr Sonalker was awarded the Best CFO in MNC, Mid Enterprise Category, by Business World in the year 2016.

Mr Sonalker holds B. Sc. from Elphinstone college, Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.

The significant terms and conditions of appointment of Mr Sonalker are as under :

1. Period of Appointment is effective August 8, 2019 upto June 30, 2021;
2. Mr Sonalker shall perform such duties and exercise such powers as are entrusted to him from time to time by the Board of Directors (hereinafter called “the Board”), subject to the superintendence, control and directions of the Board;
3. Mr Sonalker shall devote sufficient time to enable him to discharge his duties to the Company diligently and to the best of his abilities and shall in all respects comply with the Abbott Code of Business Conduct and other Abbott India Policies and Procedures;
4. During the period of his employment with the Company, Mr Sonalker shall, whenever required to by the Board, undertake to travel in India and elsewhere as the Board may direct;
5. In consideration of the performance of his duties to the Company, Mr Sonalker shall be entitled to the following remuneration subject to applicable taxes :
  - a) Salary and perquisites - upto a ceiling of ₹ 2.5 Crores per annum; to be paid monthly/annually, as may be approved by the Board;
  - b) Performance Linked Incentive or Bonus : as may be approved by the Board upto a ceiling of ₹ 1 Crore per annum.

In addition to the above, Mr Sonalker shall be entitled to Medical Reimbursement, Mobile Phone, Telephone at residence (official calls) and such other perquisites/benefits such as group insurance, provident fund and gratuity in accordance with the Company’s Rules. Mr Sonalker will also be entitled to Restricted Stock Units/any other stock options of Abbott Laboratories, USA as per his eligibility;

6. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013 and Rules framed thereunder, the Board shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr Sonalker may be entitled as aforesaid;
7. Where in any financial year during the tenure of Mr Sonalker as Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Sonalker shall be subject to the provisions of Section 197 and Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force;
8. Mr Sonalker shall not directly or indirectly, engage himself in any other business or occupation or employment whatsoever, without the approval of the Board. PROVIDED HOWEVER, that it shall be permissible to Mr Sonalker to hold share(s) of any other company(ies);
9. So long as Mr Sonalker functions as Whole-time Director, he shall not become interested or otherwise concerned directly or through any of his relatives, if any, in any selling agency of the Company, without the prior approval of the Board;
10. Mr Sonalker shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and he shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be contravention of this Clause;
11. The employment of Mr Sonalker shall forthwith be determined if he shall become insolvent or make any composition or arrangement with his creditors or if he is guilty of any misconduct or otherwise violates the Abbott Code of Business Conduct;
12. In case of the demise of Mr Sonalker during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole and uncontrolled discretion may determine;
13. Either party shall be entitled to determine the Agreement by giving not less than three months’ notice in writing

in that behalf to the other party without the necessity of showing any cause. However, the Company shall have the option to terminate the employment by giving 3 (three) months’ remuneration including salary, allowances, benefits/ perquisites in lieu of notice.

Mr Sonalker is the Key Managerial Personnel of the Company and a Member of Risk Management, Corporate Social Responsibility and Finance Committees.

The additional details of Mr Sonalker as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. Mr Sonalker does not hold any shares in the Company.

A copy of the agreement between Mr Sonalker and the Company and other documents referred in this Notice shall be made available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays).

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

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

**Item No. 10**

The Company enters into various transactions, contracts, arrangements with various Abbott affiliates including Abbott Products Operations AG, Switzerland [“Related Party” as per the provisions of the Companies Act, 2013 (“the Act”) and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“the Regulations”)].

The transactions with Abbott Products Operations AG, interalia include import of various products and active pharmaceutical ingredients. The Company also has some service transactions with the said company. These transactions are in the ordinary course of business and on arm’s length basis.

The shareholders of the Company, at the Annual General Meeting of the Company held on July 29, 2015 had approved the transactions with Abbott Products Operations AG., Switzerland upto an aggregate limit of ₹ 350 Crores in each financial year.

Considering the future business projections, the Company envisages that the transactions with Abbott Products Operations AG., Switzerland may exceed the aforesaid approved limits. Thus, in terms of explanation (i) to Regulation 23 of the Regulations, by way of abundant caution, approval of the shareholders is being sought.



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 and transfer of products, goods, raw materials, active pharmaceutical ingredients and stock-in-trade; availing or rendering of services; reimbursement of expenses; recovery of costs or any other obligations.
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 materials from Abbott affiliate
Aggregate amount of transactions to be entered with related party	₹ 650 Crores in each financial year

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Audit Committee and Board are of the opinion that the above transactions are entered 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 the resolution set out at Item No. 10.

The Board recommends the resolution set forth in Item No. 10 for the approval of Members as Ordinary Resolution.

By Order of the Board

Krupa Anandpara

Company Secretary

Membership No.: ACS 16536

Mumbai

July 17, 2019

Registered Office :

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3, Corporate Park, Sion-Trombay Road,  
Mumbai - 400 071  
Telephone No.: +91-22-6797 8888/+91-22-3816 2000  
Fax : +91-22-6797 8727/+91-22-3816 2400  
Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE SEVENTY-FIFTH ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of Director	Mr Jawed Zia	Mr Kaiyomarz Marfatia	Mr Sudarshan Jain	Mr Mark Murphy II	Mr Rajiv Sonalker
Date of Birth	October 3, 1963	November 22, 1956	June 6, 1955	March 10, 1968	June 19, 1959
Date of Appointment	June 1, 2018	March 1, 2011	April 1, 2019	April 1, 2019	August 8, 2017
Expertise in Specific Functional Area	Mr Zia has over 31 years of experience in various functions and geographies across the globe. He has a deep knowledge and extensive experience of building businesses from inception.	Mr Marfatia has over 39 years of diverse experience in the Legal and Secretarial streams, of which about 23 years have been with Abbott.	Mr Jain has over 35 years track record in building businesses, brands and teams across pharmaceuticals, over the counter (OTC) products, hospital care, diagnostics and nutrition space.	Mr. Murphy II possesses vast knowledge in IT Management positions relating to Retail, Financial Services and Medical Technology.	Mr Sonalker has over 30 years of strong financial and management experience, having worked in Pharmaceutical, FMCG and Engineering industries in Indian and International environments.
Qualifications	Graduate in Clinical Pharmacology from All India Institute of Medical Sciences, New Delhi and Master's in Business Administration from Trinity College, Dublin (Ireland)	B.Com. from Lala Lajpat Rai College and Law degree from Government Law College, Mumbai	B.Sc. in Physics and Post Graduate in Business Administration from Indian Institute of Management, Ahmedabad.	B.S. in Electrical Engineering from Purdue University and M.B.A. from Indiana University.	B.Sc. from Elphinstone College, Mumbai and a Fellow Member of the Institute of Chartered Accountants of India.
No. of Shares held in the Company	NIL	NIL	250	NIL	NIL
Directorships in other Indian Companies	None	None	2	None	None
Membership of Committees in other Indian Companies	None	None	None	None	None
Relationship between Directors inter-se	None	None	None	None	None



ROUTE MAP

**Venue :** Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021  
**Landmark :** Opposite Mantralaya  
**Distance from Churchgate Station :** around 2 km  
**Distance from Chatrapati Shivaji Terminus :** around 2.2 km  
**Distance from Marine Lines Station :** around 2.5 km



ABBOTT INDIA LIMITED

Corporate Identification Number (CIN) : L24239MH1944PLC007330  
Registered Office : 3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071  
Tel.: +91-22-6797 8888/+91-22-3816 2000 Fax : +91-22-6797 8727/+91-22-3816 2400  
Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) Website : [www.abbott.co.in](http://www.abbott.co.in)

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint Shareholders may obtain additional slip at the venue of the Meeting

No. of shares held : ..... Folio No./DP ID/Client ID\* : .....

I certify that I am a Member/Proxy for the Member of the Company.

I hereby record my presence at the Seventy-fifth Annual General Meeting of the Company held on Thursday, August 22, 2019 at 3.30 p.m. at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai – 400 021

.....  
Name of the Member/Proxy (in BLOCK letters) Signature of the Member/Proxy

\*Applicable for Members holding shares in electronic form.

ABBOTT INDIA LIMITED

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Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) Website : [www.abbott.co.in](http://www.abbott.co.in)

PROXY FORM

FORM-MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ..... Folio No./DP ID/Client ID\* : .....

Registered address : .....

E-mail Id : .....

\* Applicable for Members holding shares in electronic form.

I/We, being the Member(s) of ..... shares of Abbott India Limited, hereby appoint :

- Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... , or failing him/her
- Name : .....  
Address : .....  
E-mail ID : ..... Signature : ..... , or failing him/her
- Name : .....  
Address : .....  
E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventy-fifth Annual General Meeting of the Company, to be held on Thursday, August 22, 2019 at 3:30 p.m. at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as indicated overleaf.

Resolution No.	Particulars	For	Against
ORDINARY RESOLUTIONS			
1.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of Directors and Auditors thereon.		
2.	Declaration of final dividend of ₹ 50/- and special dividend of ₹ 15/- per equity share for the financial year ended March 31, 2019		
3.	Appointment of Mr Jawed Zia (DIN : 00191276) as Director, liable to retire by rotation.		
4.	Appointment of Mr Kaiyomarz Marfatia (DIN : 03449627) as Director, liable to retire by rotation.		
5.	Re-appointment of S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/E300003) as the Statutory Auditors of the Company for a term of 5 (five) years.		
6.	Ratification of remuneration of ₹ 6.65 Lakhs payable to M/s Kishore Bhatia & Associates, (Registration No. 00294), Cost Auditors for the financial year 2019-20.		
7.	Appointment of Mr Sudarshan Jain (DIN : 00927487) as Independent Director for a term of 3 (three) years effective April 1, 2019, not liable to retire by rotation.		
8.	Appointment of Mr Mark Murphy II (DIN : 08385393) as Director effective April 1, 2019, liable to retire by rotation.		
9.	Re-appointment of Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director for a period effective August 8, 2019 upto June 30, 2021, not liable to retire by rotation.		
10.	Approval of Transactions with Abbott Products Operations AG., Switzerland ("Related Party") for an amount not exceeding ₹ 650 Crores in each financial year.		

Signed this ..... day of ..... 2019

Affix  
Revenue  
Stamp

Signature of Member

Signature of Proxy Holder(s)

Notes:

- This form of proxy, in order to be effective should be duly signed, completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting.
- A Proxy need not be a Member of the Company.
- A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% 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.
- Appointing a proxy does not prevent a Member from attending the Meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- Proxy shall not have right to speak at the Meeting and shall not be entitled to vote except on a Poll.

The background of the entire page is a light blue-grey color. It is covered with a repeating pattern of various geometric shapes, including triangles, chevrons, and zig-zags, all rendered in a slightly darker shade of the background color. These shapes are scattered across the page, creating a textured, modern look.

# Abbott

**ABBOTT INDIA LIMITED**  
CIN : L24239MH1944PLC007330  
3, CORPORATE PARK, SION-TROMBAY ROAD,  
MUMBAI - 400 071, INDIA

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