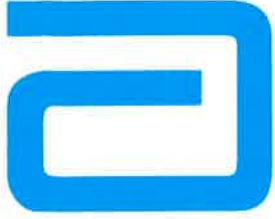


Abbott India Limited  
271, Business Park, 6th Floor,  
Model Industrial Colony,  
Off Aarey Road, Goregaon (E)  
Mumbai 400063

Registered Office:  
3-4. Corporate Park,  
Sion Trombay Road,  
Mumbai 400 071. India

Tel : (91-22) 2871 7462  
Fax : (91 22) 2871 7499  
E-mail : webmaster@abbott.co.in  
Site : www.abbott.co.in  
CIN : L24239MH1944PLC007330



To,

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

July 19, 2016

**Scrip Code: 500488**

Dear Sir,

**Sub: Submission of Annual Report for the year ended March 31, 2016 as per Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015**

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report of the Company for the year ended March 31, 2016.

You are requested to take the same on your record and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,  
**Abbott India Limited**

  
Krupa Anandpara  
Company Secretary  
Membership No.: ACS 16536



Encl: a/a



Abbott

# IN GOOD HANDS

Abbott India Limited  
Annual Report 2015-16



GROWTH IN  
SALES

15.3%



GROWTH  
IN PAT

13.4%



DIVIDEND  
FOR THE YEAR

₹ 35/Share

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In Good  
Hands

Forward Looking Statements

In this Annual Report, we might have disclosed forwarding-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 realized, 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.

# ABBOTT GLOBAL

Our solutions—across the spectrum of care and for all stages of life—help people live their best lives through better health.

**\$20.4 BN**

TOTAL SALES

**10,000+**

PRODUCTS

**150+**

NUMBER OF COUNTRIES PRESENT



Abbott is a global, diversified healthcare company devoted to improving life through the development of products and technologies that span the breadth of healthcare. With a portfolio of leading, science-based offerings in diagnostics, medical devices, nutritionals and branded generic pharmaceuticals, Abbott is well positioned for sustained success, delivering consistent growth, expanding margins, strong cash flow and steadily increasing returns to shareholders.

## PORTION OF TOTAL ABBOTT SALES\*



31% United States  
12% Western Europe  
9% China  
5% India  
4% Japan

\* Based upon country of final sale

# THIS IS ABBOTT INDIA

Bettering the lives of people,  
improving the health of all.

## UNIQUELY BALANCED

At Abbott India, we're all about helping people live their best and fullest lives through better health. Every day and across India, we're discovering new ways to make life better.



**110+**  
BRANDS

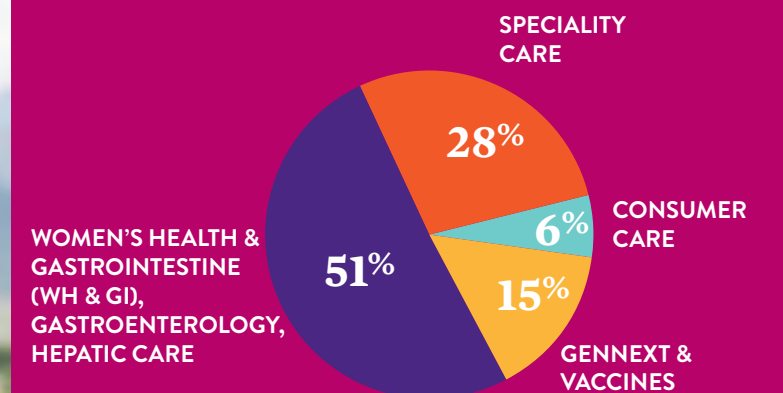


**2,580 Cr**  
NET SALES



**2,900+**  
NUMBER OF EMPLOYEES

### OUR PATIENT FOCUS\*



\* Based on core business.

# IN GOOD HANDS

At Abbott India, we always believe in outdoing ourselves. We grew our Sales by 15.3% and Profit After Tax by 13.4%. Our PEOPLE give us the ability to execute our strategies. Our high-science PRODUCTS help generations of Indians lead better, healthier lives. Together, these deliver a PERFORMANCE that outpaces the market, our goals and your expectations.

## IN GOOD HANDS



## OUTPERFORMANCE OUTPACING COMPETITION AND SUSTAINABLE RESULTS

Abbott India is shaping the market, pushing operational and financial performance forward. Our core business Sales growth has been at 15.1% vs Indian Pharmaceutical Market growth at 14.4%. Our divisions GenNext & Vaccines grew at 27.7% and Women's Health & Gastrointestine, Gastroenterology & Hepatic Care grew at 20.6% enabling us to deliver outstanding results. Most of our business divisions have outperformed in their respective participated markets.



## PRODUCTS BROAD RANGE WITH A DNA FOR INNOVATION

From life-enhancing to life-saving, we're there for you at every stage. Growing our product portfolio in ways that help improve the quality of life. We have 6 brands\* in the top 100 brands of the IPM. 13 brands\* are ranked 1<sup>st</sup> in their market. 70% of our core business comes from our top 10 brands.



## PEOPLE A RELENTLESS PURSUIT OF EXCELLENCE AND A VIBRANT CULTURE

Turning team-players into leaders, matching skills with targets, keeping the best minds engaged with challenging projects – these are some of the ways in which we attract, develop and retain the best people in the Indian pharmaceutical industry. The outcomes speak for themselves - Abbott India has one of the lowest attrition rates in the industry.

\* Source: IMS

# OUTPERFORMING THROUGH SOUND STRATEGY AND STRONG EXECUTION

Abbott India is continuing its tradition of financial and business outperformance. Our robust set of established processes and systems ensure resilience and continued acceleration.

Innovative business strategies combined with financial prudence has enabled Abbott India to deliver exceptional performance across multiple parameters in the year 2015-16. Our agility in the marketplace combined with cutting edge marketing has enabled us to stay one step ahead of the competition.

## KEY FINANCIAL PARAMETERS





**MUNIR SHAIKH**  
 CHAIRMAN

Dear Shareholders,

**I am happy to report that for the year ended March 31, 2016, Sales growth was 15.3% and Profit after Tax was 13.4% over prior year. We have grown faster than the market, sustaining the trend of outperforming the industry.**

The Indian economy remains a bright spot in comparison to the Global scenario, with the Government taking multiple steps to stimulate the economy. The pharmaceutical industry is also growing in double digits, while facing regulatory challenges, especially on price regulations and fixed dose combinations.

Notwithstanding this turbulence, your Company has remained steadfast in its commitment, and delivered excellent performance. Your Board has recommended a dividend of ₹ 35 per share compared to ₹ 31 last year.

For the last several years now, your Company has been growing faster than the industry. Most of the business units showed a good growth with Women's Health & Gastrointestine, Gastroenterology and Hepatic Care growing by 20.6%, GenNext & Vaccines by 27.7% and Specialty Care, which was significantly impacted by Government mandated price reduction, by 10.1% over the previous year.

This consistent performance is a result of your Company's focused investment in People, Products and Processes.

Our two-pronged strategy of leveraging innovation in brand building and effective execution is clearly generating the desired effects and continues to drive sustainable growth year after year. During the year, our top 10 brands grew at 14.4% accounting for 70% of the core business Sales of the Company. 13 brands\* remain market leaders in their respective market segments. We also launched 17 new products during the year.

Our strong portfolio of over 110 brands continues to lead the Indian Pharmaceutical Market (IPM). This year, 6 of our brands\* were featured among the top 100 brands in the IPM, while 6 brands individually crossed Sales of ₹ 100 Crores.

Today, your Company's 2,900+ family is diverse in composition and harmonious in outlook.

We are not only attracting talent from the pharma sector but have a healthy mix of differentiated non-pharma talent from leading companies and top universities across the world to enable cross-pollination of ideas from across industries and sectors.

With a strong performance during 2015-16, your Company has been recognized with many prestigious awards like Porter Prize award for

2015 and Star MNC of the Year by Business Standard.

Your Company's Annual Report for the year ended March 31, 2015 has been awarded the most prestigious Silver Shield Award from The Institute of Chartered Accountants of India for Excellence in Financial Reporting.

Your Company was recognized for Best CSR Program of the Year (2014-15), by the Department of Pharmaceuticals, Government of India and also won Golden Peacock Award for Corporate Social Responsibility (2015), by the Institute of Directors for a robust approach in its CSR programs that were aimed at addressing critical social needs and helping people live healthier, fuller lives.

Several of our brands, campaigns and marketing initiatives were recognised at various forums and received awards from most reputed bodies, nationally and internationally.

Mr Rehan A. Khan, Managing Director, resigned effective April 30, 2016. We appreciate his valuable contributions and services and are in the process of finalising his successor.

As I look ahead, I am confident about our future. The Indian economy will remain an attractive

growth market and we will take advantage of the strong economy to deliver superior performance. The Government is continuously pushing on reforms and efforts to promote business and we remain committed to various Government initiatives in this direction.

As an organization, our commitment remains unshakeable - to bring affordable healthcare to millions of Indians in line with our global mission of helping people live their best lives.

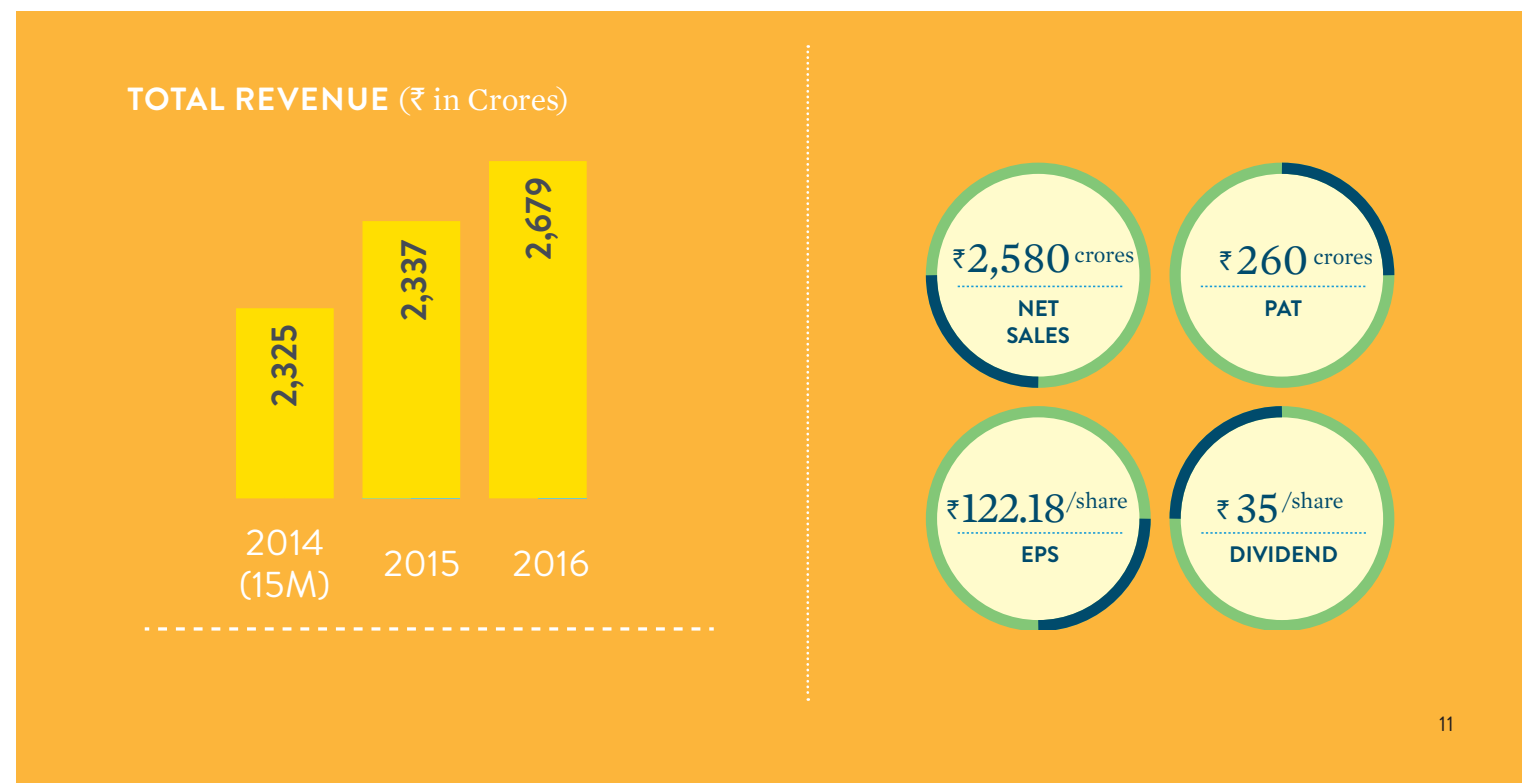
On behalf of the entire Board, I take this opportunity to thank all our partners especially the doctors, pharmacists, vendors and bankers for their sustained faith and continued support. I would like to thank all our employees for their commitment, dedication and determination.

I also express my gratitude to all our shareholders for their continued trust in the Company and the Board of Directors for their invaluable guidance.

Yours sincerely,

Munir Shaikh  
 Chairman

\* Source: IMS







# BUSINESS PERFORMANCE

## MEETING EVERY CHALLENGE, KEEPING EVERY PROMISE

As the world changes at an unprecedented speed, it is imperative for us to rethink, realign and respond with equal agility and openness. To stay ahead is to stay alert, equipped and evolved. We've made "Outperformance" the mantra for our growth strategy.

At Abbott India we've embraced new ideas and innovations, superior processes and methods, improved products and services, developing modern strategies and tools to our advantage.

### SOME OF OUR KEY INITIATIVES DRIVING BUSINESS PERFORMANCE:

#### Innovative customer marketing programs

Initiatives such as 'Constipasana' (a simple lifestyle change that can help patients in constipation), Women's First (through which we share our commitment to improve women's health from menarche to menopause and beyond) have set the benchmark for physician and patient education and won numerous awards such as DMA Asia Echo award and Effie bronze award.

#### Building the OTC business through better distribution

Abbott India is innovating to sustain its OTC distribution across India. In the year 2015-2016, we expanded retail reach by more than 20%, appointed new distributors and made our products available in the remote parts of India.

#### Realignment of internal resources for better coverage and focus

We are constantly evaluating our internal resources to increase efficiencies. We combined two of our Neurology field force divisions to create one of the largest CNS field forces in the country to expand doctor coverage.

#### Operational efficiencies through process simplification

Abbott India has continued to simplify processes to improve efficiencies in business operations. As an example we have split financial responsibilities

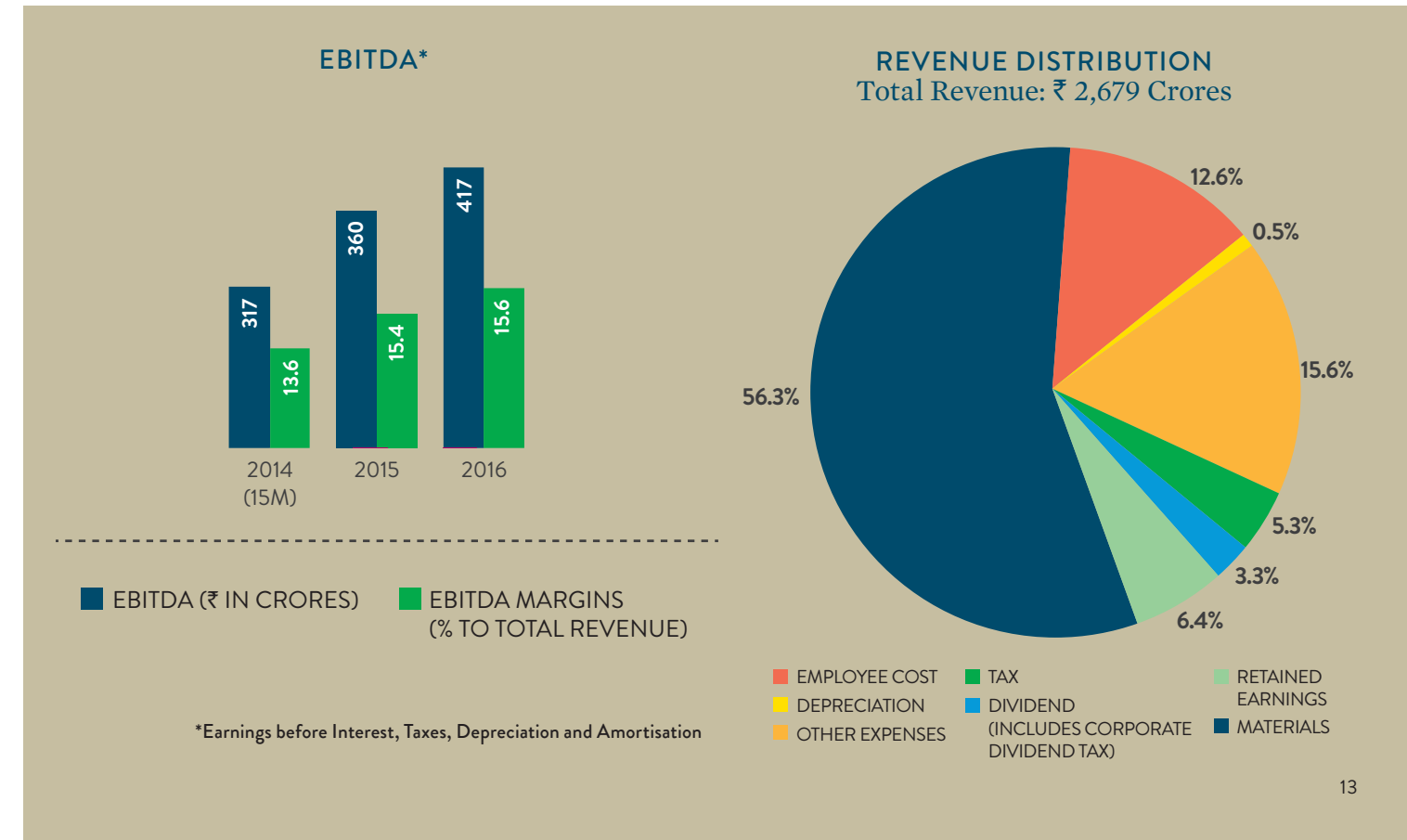
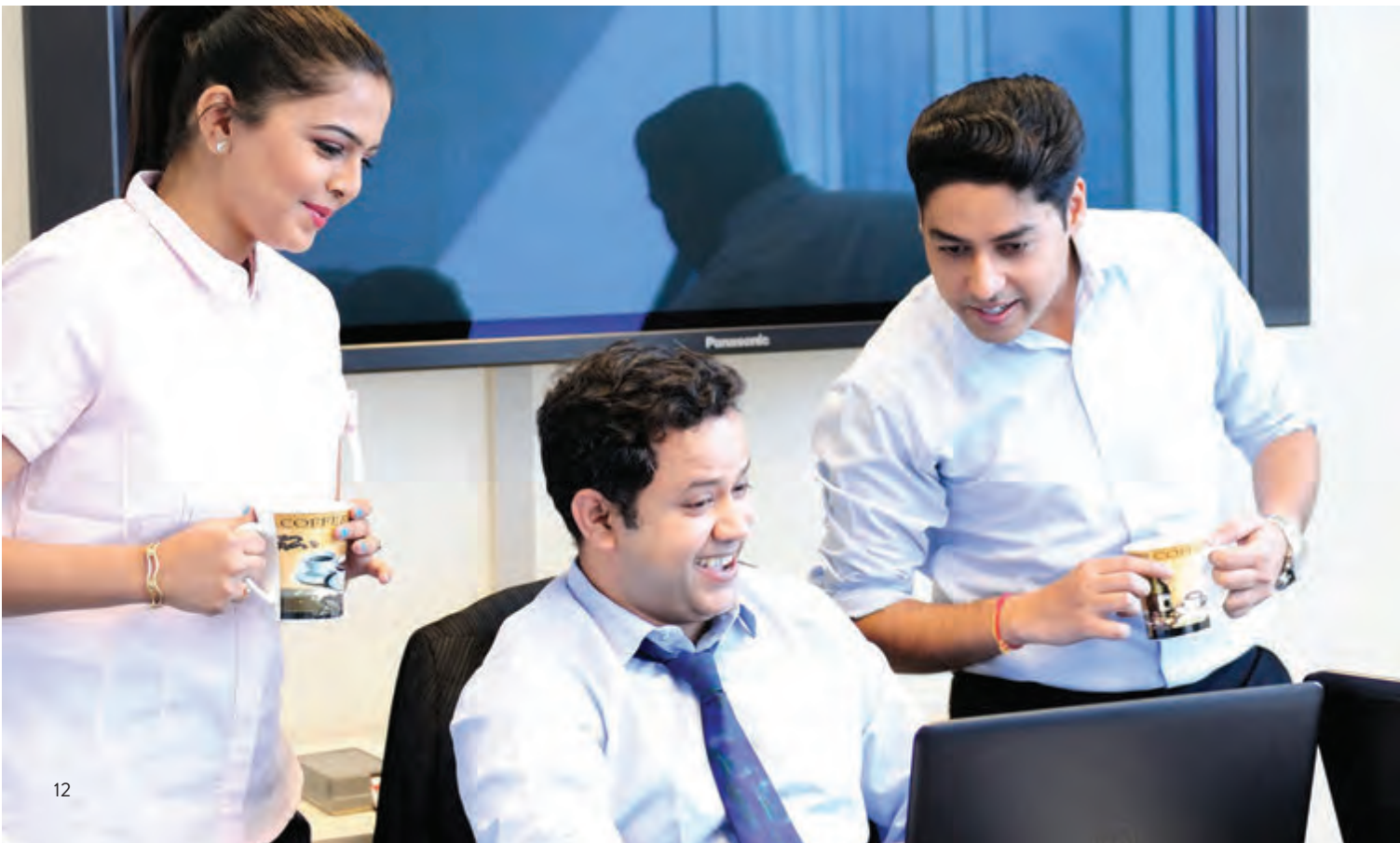
between head office and field personnel for quicker empowered decision making through an initiative called 'mPower'.

#### Use of digital and new technologies to engage doctors and patients

Mobile technology is being leveraged to engage with both doctors and patients. Our "Liver Is Life" app and Thyroid app feature among the top 50 apps in healthcare in India. Another innovative program called Abbott India Radio - AIR-was launched for quick field communication and training through the use of mobile phones.

#### Leveraging products across divisions for wider doctor reach

Our ability to cross-market products across divisions has resulted in stronger business performance. We continually shuffle products among divisions to optimise reach and tap field-force expertise.



# 10 YEAR FINANCIAL HIGHLIGHTS



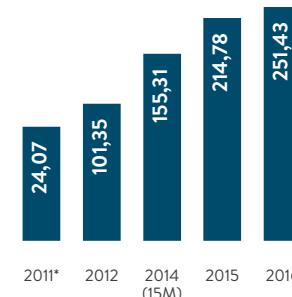
₹ in Lakhs

	2006	2007	2008	2009	2010 (13m)	2011*	2012	2014 (15m)	2015	2016
<b>OPERATING RESULTS</b>										
TOTAL REVENUE	530,78	620,29	691,43	790,21	1025,87	1509,89	1675,00	2325,19	2336,87	2678,86
MATERIAL COST	353,33	408,46	454,62	504,17	647,30	861,21	971,65	1297,41	1311,96	1508,07
EMPLOYEE BENEFITS EXPENSE	28,19	35,35	48,92	62,37	111,20	167,35	206,20	299,74	305,40	336,99
OTHER EXPENSES	57,27	68,93	86,54	97,08	161,93	286,14	273,04	411,48	359,71	416,83
DEPRECIATION AND AMORTISATION	4,44	5,66	6,98	9,01	11,25	15,00	19,49	21,93	14,94	14,44
FINANCE COST	12	2	2	20	4	3	2	8	50	81
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	87,43	101,87	94,35	117,38	94,15	180,16	204,60	294,55	344,36	401,72
EXCEPTIONAL ITEMS	-	-	-	-	-	-	10,39	-	-	-
PROVISION FOR TAXATION	27,57	33,44	31,49	39,87	33,21	59,77	70,29	96,10	115,40	142,10
PROFIT AFTER TAX AND EXCEPTIONAL ITEM	59,86	68,43	62,86	77,51	60,94	120,39	144,70	198,45	228,96	259,63
RETAINED EARNINGS	29,37	39,66	40,47	50,31	33,83	78,55	102,72	140,99	149,68	170,11
EARNINGS PER SHARE - BASIC & DILUTED (₹)	39.18	46.01	43.62	56.68	44.56	56.66	68.10	93.39	107.75	122.18
DIVIDEND PER SHARE (₹)	17.50	17.50	14.00	17.00	17.00	17.00	17.00	23.00	31.00	35.00
<b>ASSETS EMPLOYED</b>										
FIXED ASSETS (Net)	31,53	36,31	50,63	49,15	50,57	80,02	109,18	99,52	99,95	111,29
OTHER ASSETS (Net)	215,69	195,74	171,38	222,41	254,82	464,12	537,68	688,33	837,58	996,35
TOTAL ASSETS	247,22	232,05	222,01	271,56	305,39	544,14	646,86	787,85	937,53	1107,64
<b>FINANCED BY</b>										
SHARE CAPITAL	15,28	14,47	13,68	13,68	13,68	21,25	21,25	21,25	21,25	21,25
RESERVES AND SURPLUS	230,53	216,55	207,57	257,88	291,71	522,89	625,61	766,60	916,28	1086,39
TOTAL SHAREHOLDERS' FUNDS	245,81	231,02	221,25	271,56	305,39	544,14	646,86	787,85	937,53	1107,64
BORROWINGS	1,41	1,03	76	-	-	-	-	-	-	-
<b>NUMBER OF SHAREHOLDERS</b>	14,905	14,152	13,689	13,422	14,461	19,354	20,826	18,270	19,407	21,250
<b>HEADCOUNT</b>	894	1042	1150	1308	1767	2425	2667	2766	2867	2956

\* Post merger with Solvay Pharma India Limited.

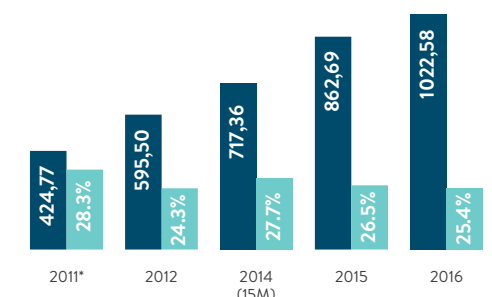
# FINANCIAL RATIOS

NET CASH GENERATED FROM OPERATIONS **₹251,43**



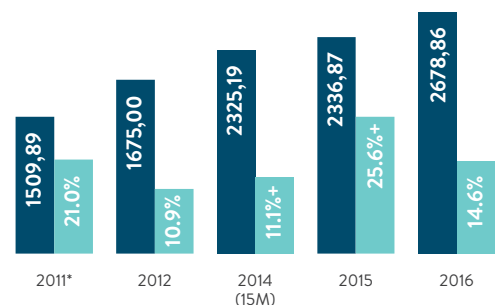
(₹ IN LAKHS)

CAPITAL EMPLOYED Return on Avg. Capital Employed **25.4%**



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

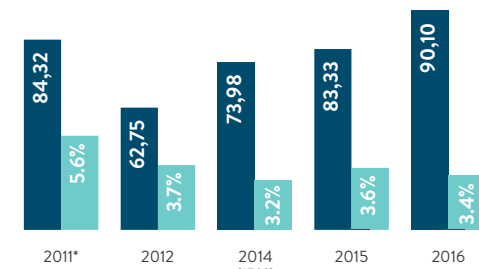
TOTAL REVENUE % Revenue Growth **14.6%**



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

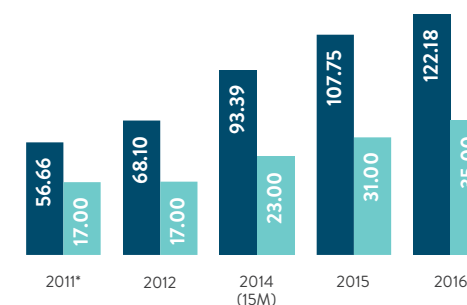
+ Annualised percentage

ADVERTISEMENT & PROMOTIONAL EXPENSE % to Total Revenue **3.4%**



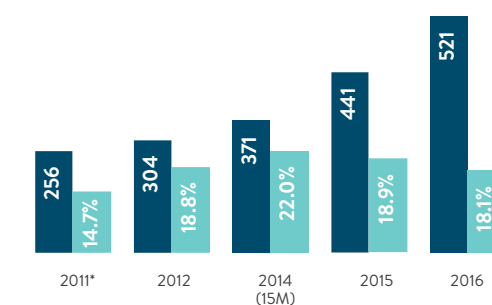
■ ADVERTISEMENT & PROMOTIONAL EXPENSES (₹ IN LAKHS) ■ % TO TOTAL REVENUE

DIVIDEND Per Share **₹35**



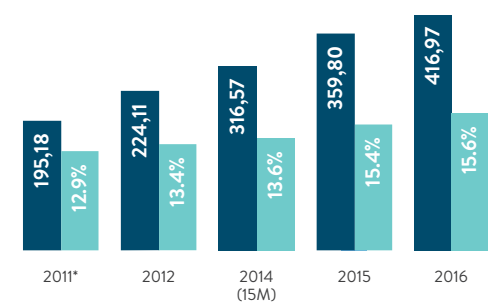
■ EARNINGS PER SHARE (₹) ■ DIVIDEND (₹)

BOOK VALUE Per Share **₹521**



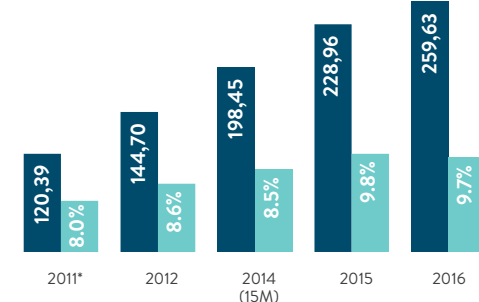
■ BOOK VALUE PER SHARE (₹) ■ YOY GROWTH (%) (NOT ANNUALISED)

EBITDA MARGINS % to Total Revenue **15.6%**



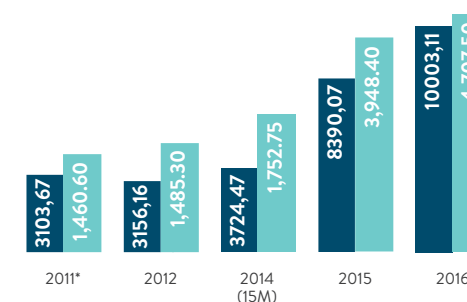
■ EBITDA (₹ IN LAKHS) ■ EBITDA MARGINS (% TO TOTAL REVENUE)

PAT MARGINS % to Total Revenue **9.7%**



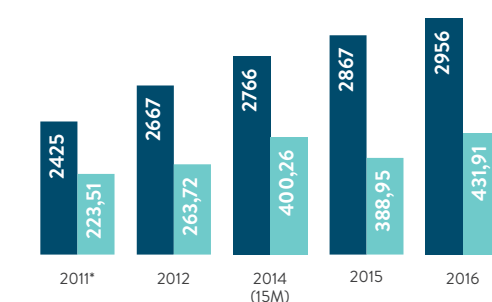
■ PROFIT AFTER TAX (₹ IN LAKHS) ■ PROFIT AFTER TAX MARGINS (% TO TOTAL REVENUE)

MARKET CAPITALISATION Share Price **₹4,707.50**



■ MARKET CAPITALISATION (₹ IN LAKHS) ■ SHARE PRICE (₹)

HEADCOUNT Employee and Travel Cost



■ HEADCOUNT (NOS.) ■ EMPLOYEE AND TRAVEL COST (₹ IN LAKHS)

\* Post merger with Solvay Pharma India Limited

# PRODUCTS - BASED ON INNOVATION, BACKED BY STRONG SCIENCE

State-of-the-art plant at Goa is housed on a land base of 35,000 square meters and produces more than 20 products.



## HERE'S THE STORY AT A GLANCE:

Abbott India develops and distributes over 110 brands for healthcare professionals that promote health and well-being for Indians in all stages of life. We're helping people across India by bringing them high-quality branded generic pharmaceuticals that have been successfully treating patients for years.

OUR TOP 10 KEY BRANDS CONTRIBUTE

**70%**

OF ABBOTT INDIA'S CORE BUSINESS

WE LAUNCHED

**17**

NEW PRODUCTS IN 2015 OUT OF WHICH 6 PRODUCTS ARE IN THE PEDIATRIC CATEGORY

**6**

BRANDS FEATURED AMONG THE TOP 100 IN THE INDIAN PHARMACEUTICAL MARKET\*

**13**

BRANDS RANKED #1 IN THEIR REPRESENTED PARTICIPATED MARKET\*

\* Source: IMS

# KEY BRANDS

## ABBOTT INDIA – PROUD TO BE A HOUSEHOLD NAME WITH OUR WELL-KNOWN, MUCH-LOVED BRANDS

Women’s Health, Gastroenterology, Neurology, Thyroid, Diabetes, Pain Management, General Care, Vitamins and Vaccines – name it, and we’re there with next-gen products and services that are actively, empathetically and sensitively helping Indians become aware of how to manage critical illnesses, and recover quickly and safely.

Our relationships with a wide network of distributors enable us to reach both urban and rural areas.

Our Indian R&D center develop breakthrough healthcare products and solutions. Our products are produced locally through state-of-the-art, manufacturing sites meeting the current GMP standards & local regulatory requirements. Some of existing plants also are internationally accredited by regulatory agencies.

### 2015-16 BUSINESS HIGHLIGHTS FOR KEY BRANDS

- GenNext products such as Brufen, Surbex XT and Duvadilan continued their growth trajectory.

- Thyronorm, with a growth of 20.4%\* continued to grow faster than the market.
- Women’s Health portfolio grew rapidly. Duphaston (Women’s Health Hormone), flagship brand, grew by 13.1%\*.
- Neurology portfolio consisting of Vertin, the No.1 anti-vertigo brand holding 30.7%\* market share, grew by 9.2%\*.
- Products such as Prothiaden (Antidepressant), and Zolfresh (Sleep Management) from CNS portfolio, achieved double digit growth of 25.2% \*and 15.5%\* respectively.
- Cremaffin (Laxative), a key brand from Gastroenterology portfolio, achieved a growth of 10.8%\*.
- Digene, Abbott India’s flagship OTC product, continued to focus on gaining share of antacid powder segment. Digene Fizz registered a growth of 43.3%\*.
- Influvac, our largest Vaccines product, registered a growth of 5.1%\*.
- Another Vaccine product, Enteroshield, reached ₹ 10 Crores of sales within 6 months of launch.
- Abbott India continued its expansion in the subcontinent with brands like Thyronorm achieving the #1 rank in Nepal while Vertin achieved a 51% market share in Sri Lanka.

\*Source: IMS  
 Based on respective participated markets



### PERFORMANCE OF OUR TOP BRANDS\*

NAME	MARKET SHARE	RANK IN PM#
THYRONORM	53.4	1
DUPHASTON	19	1
UDILIV	10.5	2
VERTIN	30.7	1
DIGENE	14.5	2
DUPHALAC	13	1
CREMAFFIN	11	2
ZOLFRESH	23.6	1
PROTHIADEN	6.9	2
CREON	34.3	1

\* Source: IMS  
 # Participated Market

# NEW PRODUCT INTRODUCTIONS

## EXPANDING OUR PORTFOLIO, REACHING MORE PATIENTS, TARGETING MORE DISEASES

Abbott India continues to make a determined effort to keep millions of Indians in better health, enabling them to live safer, fuller and happier lives. To this end we've entered new and adjacent therapy areas, as well as launched new molecules within existing ones. Each new product is our way of reaching out to patients across the entire continuum of care.

- A key product initiative for the year 2015-16 was the launch of a new division focused specifically on Vaccines. 4 new Vaccines were introduced as part of this project, giving our mission a vital shot in the arm: Enteroshield, JE Shield, Rotasure and Pentashield in the Pediatric segment.

- Established a tie up with Johnson & Johnson for marketing a tissue adhesive – Dermabond, a product for the wound care segment.
- Strengthened the Arachitol Nano brand by launching Arachitol Nano Drops for the Pediatric segment.
- Launched Estrabet - the only oral 17 beta estradiol in India for post - menopausal women.
- Expanded our portfolio through the inclusion of an antibiotic for diarrhea of mixed infections, Entamizole-O; a probiotic for renewing the gutflora in IBS, Gut-Renew and Librax, a well-known therapy in IBS management.

- Hepatic care launched Ledviclear for Genotype 1 CHC infection, Dalsiclear in Genotype 3 CHC infection along with Viroclear in the hepatic C portfolio and also launched Tenfoclear in Hepatitis B portfolio.
- Other new products launched include Lacoixa for epilepsy; PreCrea for diabetes management; Inderal LA for prophylaxis of migraine and Benegut for digestive health.



### NEW PRODUCTS LAUNCHED

IN GOOD HANDS

OUTPERFORMANCE

PRODUCTS

PEOPLE

# PEOPLE – A LEADERSHIP FACTORY

We attract the best talent. Over the last few years, Abbott India has developed one of the finest talent pools in the Indian Pharmaceutical Market (IPM). We recruit the best, we maximize their potential and we groom them to become leaders. Here are some of the highlights of the year.



## 24,900

MAN-DAYS OF TRAINING  
DELIVERED



## 106

PROMOTIONS  
THROUGH OUR INTERNAL  
CAREER DEVELOPMENT  
FRAMEWORK



## 63

MANAGERIAL ROLES  
WERE FILLED BY INTERNAL  
CAREER PROGRESSION



OVER

## 2,000

SUCCESSFUL CERTIFICATIONS  
UNDER THE THREE TIER “FIELD  
CERTIFICATION PROGRAM”  
(PRIMA, MAGNA AND MAXIMA)  
TO ENABLE TRANSITION  
ACROSS THE CAREER PATH  
FOR SALES TEAM.

# TALENT STRATEGY

## GROOMING INDIA'S BEST PHARMACEUTICAL TALENT

At Abbott India, every employee shares the core commitment to patients, and a deep sense of corporate obligation to create public good. To this end, our people are tireless in inventing scientific solutions to unmet medical challenges.

With one of the brightest talent pools within the Indian Pharmaceutical Market, we can safely say that the Company's growth curve can only get better and better. To maintain our leadership position in the industry, we have established a number of programs for our employees across

all functions within the organization. These help groom internal talent for further growth and maintain continuity in operations. Some of the key talent programs implemented are:

### FIELD TRAINING PROGRAMS

#### ONBOARDING - GENESIS

An onboarding program for sales representatives using virtual reality and future ready tools such as digital kiosks.

#### ASTA ONLINE

Our eLearning platform offering various online courses for the field force. This portal is used by 95%+ field force every month to sharpen their knowledge.

#### LEVEL NEXT

Managerial on-boarding program designed with a view to support the newly promoted managers to transition effectively from a representative role to a managerial role.

#### ONE DAY UPSKILLING WORKSHOP

Through the one day ASK (Advancing Skills and Knowledge) workshops we touch 93%+ of our field force every quarter.

### FIELD TALENT DEVELOPMENT PROGRAMS

#### THREE TIER CERTIFICATION PROGRAM

Three tier certification program for sales force (field personnel) development aimed at grooming talent and identifying managers for promotions in the field.

#### SALES FORCE CAREER DEVELOPMENT (TRACKS)

An internal career development program to source

talent internally and establish career path for key functions / roles.

### HEAD OFFICE TALENT ACCELERATION PROGRAMS

#### LEADERSHIP DEVELOPMENT PROGRAM

MBA's from premier business schools in India and internationally bring a fresh and international perspective to our business.

#### BUSINESS ANALYSTS PROGRAM

Business Analysts with consulting background spend 2 years at Abbott India before joining top business schools. They play a key role in implementing critical projects.

#### FUTURE LEADER PROGRAM

Freshers from leading local engineering schools (IITs) and MBA's from leading business schools are groomed to take on managerial positions.





# CITIZENSHIP AT ABBOTT INDIA

## BEING A CITIZEN OF INDIA – INVESTING IN A SUSTAINABLE FUTURE

At Abbott India we believe that responsible, innovative and sustainable business plays an important role in building a healthy and thriving society. The CSR policy of Abbott India is focused on fostering economic, environmental and social well-being.

### COMMUNITY-LED TOTAL SANITATION PROJECT – A DAILY NEED

The goal of this initiative was to overcome the rural sanitation problem by constructing 450 toilets and developing behavioural changes as

an important step to curbing communicable diseases, thereby making a positive impact on health, safety for women and attendance in schools. This project is impacting the lives of over 3000 people in 2 villages in Gujarat.

### iCARE ROAD SAFETY AWARENESS DRIVE – SAVING LIVES EVERY DAY IN EVERY WAY

India has one of the worst records of road safety in the world. Abbott India partnered with the American Association of Physicians of Indian Origin (AAPI) and the distinguished Indian actor, Amitabh Bachchan, to lead an awareness campaign in road safety. Our employees reached out to more than 5,00,000 people with 3,18,445 signing pledge cards, which led Abbott in India being recognized by the Guinness World Records for ‘Receiving Most Pledges for a Safety Campaign’.

### NIRMAL DHARA DAIRY FARMER PROGRAM – OUTPERFORMING GOALS, OPTIMIZING POTENTIAL

Abbott India’s Nirmal Dhara program for Dairy Farmer Development is an initiative to improve the quality and quantity of milk produced by small farmers. We assist them by providing

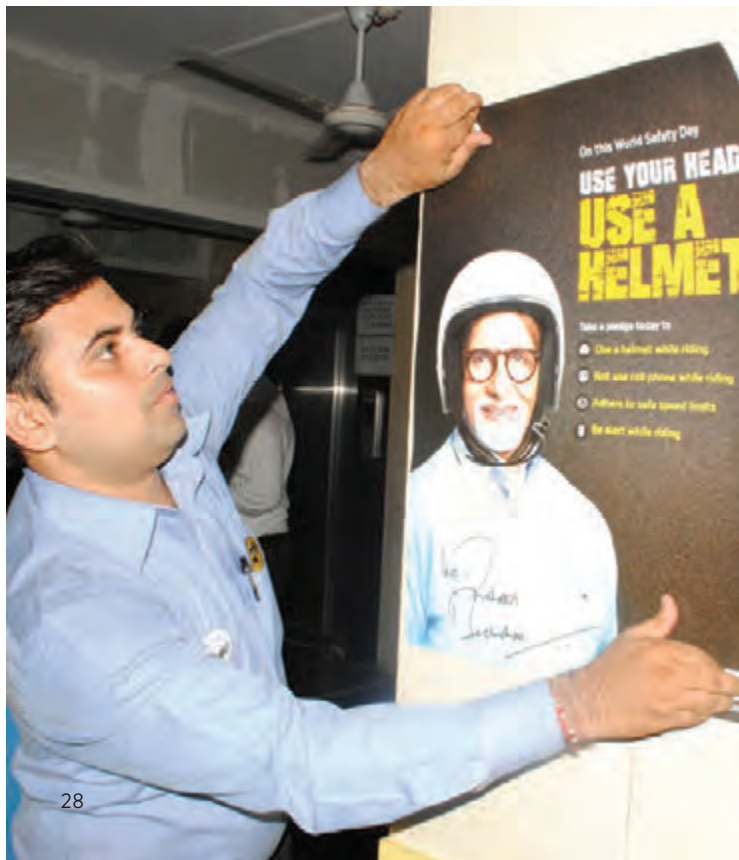
modern dairy techniques, training farmers on various aspects of animal husbandry, providing financial literacy to the engaged households, and focusing on empowering women dairy farmers.

### IMPROVING ACCESS TO HEALTHCARE – PREVENTION IS BETTER THAN CURE

At Abbott India we work continuously towards preventive healthcare through a variety of health camps and patient awareness programs. In 2015, Abbott India facilitated health camps focusing on Epilepsy, Thyroid and Liver functions, which reached out to more than 2,55,000 people across India.

### TAMIL NADU FLOOD RELIEF - LENDING A HELPING HAND

In 2015, Tamil Nadu suffered a number of floods that caused widespread destruction and unprecedented damage to communities and their livelihoods. Abbott India contributed ₹ 67 Lakhs which provided a wide variety of medicines and critical products, such as water purification tablets, hygiene kits and child care kits in partnership with AmeriCares India.



# KNOWLEDGE SHARING

Abbott India has continued to seek and form strong alliances with healthcare professionals as part of our quest to provide complete healthcare solutions. Digital technologies have played a significant role in helping us work closely with the medical community and enabling knowledge sharing to improve people health.

## 2015-16 ENGAGING WITH HEALTHCARE PROFESSIONALS

- A day-long Master Class was held for specialists on manoeuvres/bedside examinations for differential diagnosis and

## COLLABORATING WITH HEALTHCARE PROFESSIONALS

management of Vertigo. Also for the first time in India, Abbott India launched scientific detailing to doctors in virtual reality with the help of Google cardboard and smartphones. Vertin's unique mode of action was showcased in virtual reality to 10,000 healthcare professionals.

- A 360 degree integrated service program to connect Specialists, Consulting Physicians and patients to improve diagnosis and treatment of Epilepsy in tier 2 to tier 4 markets. Abbott India conducted over 100 Mega Camps across India.

- GUT Gurukul is a one of its kind Knowledge Enhancing workshop in the field of GI Endoscopy. It is the first time in Indian Pharmaceutical Industry that a highly academic program to train young Gastroenterologists in GI Endoscopy is being initiated with Abbott India.
- Vaccines division leverages Abbott's own unique tool, 'Knowledge Genie', an online platform where the healthcare professional can register and read journals and medical case files. This helped healthcare professionals to continuously upgrade their knowledge and be updated with the latest scientific breakthroughs.
- "Liver Is Life" app – a digital application for doctors to educate patients on Non Alcoholic Fatty Liver Disease and its risks through an augmented reality model of the liver. This app won the CMO

Asia award as the best digital application of the year.

- Several Knowledge Sharing initiatives such as Thyroid Updates, CMEs, Train the Trainer Program like AACE and ITSCON, participation in National and International conferences through scientific sessions were conducted during the year. Through all these initiatives we were able to engage & spread awareness amongst thousands of Consulting Physicians and Gynecologists. We also tied up with American Thyroid Association for an Advanced Certificate course in Thyroid Management for Consulting Physicians, rolled out with an objective to spread awareness amongst Physicians to screen for thyroid in co-morbid conditions and keeping them updated on latest guidelines for the management of Hypothyroidism and Hyperthyroidism.

## MEDICAL KNOWLEDGE SHARING WITH HEALTHCARE PROFESSIONALS THROUGH UNIQUE KNOWLEDGE GENIE PLATFORM



## INNOVATION FOR HEALTHCARE PROFESSIONALS - GOOGLE CARDBOARD



# PATIENT AWARENESS & DIAGNOSIS

## IMPROVING AWARENESS, AIDING DIAGNOSIS, ENABLING TREATMENT

Awareness is essential for accurate diagnosis and focused treatment. We are keenly aware of the challenges that patients in India face, and have made it our responsibility to educate and enable right treatment.

Our various divisions have devised and undertaken activities to enlighten patients on specific diseases and medical conditions.

### 2015-2016 PATIENT ENGAGEMENT INITIATIVES

- Sleepy SAM Campaign was implemented in March'16 to initiate conversations about sleep between doctors and patients, touching 12,500 doctors & 12,500 chemists.
- Campaign to increase awareness and diagnosis of Osteoporosis through Bone Mineral Densitometry (BMD) Camps. Over 100 camps have been conducted till date.

- Living up to our mission of “Women First”, supporting women from menarche to menopause.
- Patient Screening Program for NAFLD (Non Alcoholic Fatty Liver Disease); sufferers at risk of NAFLD are screened for elevated liver enzymes.
- Conducted more than 1,000 yoga camps with healthcare professionals and more than 40,000 patients were educated during World Yoga Day week to communicate the role of right posture in constipation.
- For the first time in the industry, Abbott India launched an app for comprehensive management of Vertigo. The app has 21 exercises powered with augmented reality, and got more than 1,000 downloads within a month of launch.
- DPNP (Diabetic Peripheral Neuropathic Pain) Clinics are aimed at increasing the awareness and diagnoses of Neuropathy in patients. We conducted 860 DPNP Clinics to detect Neuropathy in over 9,000 patients.
- In 2014, SMS platform was launched to enhance access to diagnosis by enabling people to request for a doctor prescribed subsidized thyroid test at home. ThyroApp, the first therapy area Indian app in the free category was launched in 2014, compatible with both i-Phones and Android. This is now ranked 44<sup>th</sup> amongst all the free health apps in India, with a download of 65,000 users, as per the latest Google report. This is the first therapy area app to be launched in Abbott India and is the largest amongst Abbott globally.
- Mother’s Day Campaign celebrated from May 2<sup>nd</sup> to 10<sup>th</sup> across 1,500 clinics, driving the core strategy of vaccination of pregnant women, as well as cocooning of babies younger than 6 months by vaccinating their mothers. We launched the first-ever Indian website on Influenza: [www.motheragainstinfluenza.com](http://www.motheragainstinfluenza.com)



### Websites launched by Abbott India in 2015-16



**alcohol100percentfree.com**  
Portal raises awareness on Alcoholic Liver Disease (ALD) and liver health



**digeneindia.com**  
Website of our flagship brand- Digene, with product info and tips to learn about and manage acidity



**constipasana.com**  
Helps Constipation patients understand the importance of right posture along with right treatment while evacuating



**thyroidindia.com**  
Website raising awareness on Thyroid & offering discounted Thyroid tests

# BOARD OF DIRECTORS

**MUNIR SHAIKH**  
Chairman



**RAJENDRA SHAH**  
Independent Director



**RANJAN KAPUR**  
Independent Director



**KRISHNA MOHAN SAHNI**  
Independent Director



**BHASKER IYER**  
Non-Executive Director



**KAIYOMARZ MARFATIA**  
Non-Executive Director



**SACHIN DHARAP**  
Non-Executive Director



**NANCY BERCE**  
Non-Executive Director



# CORPORATE MANAGEMENT TEAM

**RAJIV SONALKER**  
Group Finance Director  
(CFO)



**NITU BHUSHAN**  
Director-Business  
Human Resources



**RAJENDRA DHANDUKIA**  
Commercial Director-  
General Care & Vaccines



**SANDEEP KHANDELWAL**  
Commercial Director-  
Women's Health &  
Gastrointestine,  
Gastroenterology &  
Hepatic Care



**RAMANATHAN V**  
Commercial Director-  
Specialty Care



**VISHWANATH SWARUP**  
Director-Commercial,  
Sales Excellence and  
Operations



**MAHADEO KARNIK**  
Director-Financial  
Planning and Analysis



**DR. RASHMI HEGDE**  
Director-Medical



**NAGESH VOLETI**  
Director-QA/QC



**KRUPA ANANDPARA**  
Head-Secretarial and  
Company Secretary



# AWARDS & ACCOLADES



Best CSR Program of the Year (2014-15), by Department of Pharmaceuticals, Government of India; this award was presented to us by the Hon'ble Union Minister for Chemicals and Fertilizers, Shri Ananth Kumar.



DMA Asia Echo Awards In Effectiveness: Pharmaceutical Sector Category For Constipasana.



CMO Asia Excellence in Branding and Marketing award in Brand Excellence in Pharmaceutical sector category for Duphaston.



OPPI award in Best Brand of the Year category for Thyronorm.



Frost & Sullivan Best Healthcare Campaign of the Year category for Making India Thyroid Aware.



Best-in-class Learning and Development from World HRD Congress award in Innovation in Learning category and Best Use of Mobile Learning Technology category for Abbott India Radio.



Prestigious Porter Prize in 2015.

**Business Standard**

Star MNC of the Year.



Abbott India's Annual Report for FY 2014-15 won the prestigious Silver Shield Award for Excellence in Financial Reporting from The Institute of Chartered Accountants of India.



Thyronorm AWACS AIOCD Award-Pharmaceutical Brand Of The Year.



CMO Asia Social Media and Digital Marketing Excellence award in

Innovation in Mobile functionality category for Abbott India Radio and Digital Application of the Year category for Liver is Life Augmented Reality App for Udiliv.

Golden Peacock Award for Corporate Social Responsibility (2015), by The Institute of Directors; presented to us by Smt. Pankaja Munde, Hon'ble Minister of Rural Development and Women & Child Welfare, Government of Maharashtra.



Effie award for Cremaffin Constipasana campaign.

# 2015-16 STATUTORY AND FINANCIALS

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## NOTICE

Notice is hereby given that the Seventy-second Annual General Meeting of Abbott India Limited will be held at RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020 on Monday, July 18, 2016 at 3.30 p.m. to transact the following business :

### ORDINARY BUSINESS :

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon.
- To declare a final dividend of ₹ 35/- per Equity Share for the financial year ended March 31, 2016 .
- To appoint a Director in place of Mr Munir Shaikh (DIN : 00096273), who retires by rotation, and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Ms Nancy Berce (DIN : 07190005), who retires by rotation, and being eligible, offers herself for re-appointment.
- Ratification of appointment of S R B C & CO LLP, as Statutory Auditors and to fix their remuneration**  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
“**RESOLVED That** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee, appointment of S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003), as the Statutory Auditors of the Company to hold office till the conclusion of the Seventy-third Annual General Meeting, be and is hereby ratified at a remuneration as agreed upon between the Audit Committee/Board of Directors and the Auditors.”

### SPECIAL BUSINESS :

- Ratification of remuneration payable to M/s N I Mehta & Co., Cost Auditors for the financial year 2016-17**  
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 service tax as

applicable and reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, payable to M/s N I Mehta & Co., Cost Accountants (Registration No : 000023) for conducting the Cost Audit of the Company for the financial year 2016-17, be and is hereby ratified.”

### 7. Appointment of Mr Kaiyomarz Marfatia as a 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 Kaiyomarz Marfatia (DIN : 03449627) whose continuation as a Director liable to retire by rotation was approved by the Board of Directors effective February 29, 2016, and in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

### 8. Re-appointment of Mr R. A. Shah as an Independent Director

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

**RESOLVED That** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mr R. A. Shah (DIN : 00009851), in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company effective October 28, 2015 for a term upto March 31, 2019, not liable to retire by rotation.

By Order of the Board

**Krupa Anandpara**

Mumbai  
May 25, 2016

Company Secretary  
Membership No. ACS 16536

### Registered Office :

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

## NOTICE

### 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 and completed and must be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.

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

- ii. Corporate Members intending to send their representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- iii. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- iv. The additional details of Directors in respect of Item Nos. 3, 4, 7 and 8 pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed hereto.
- v. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 12, 2016 to Monday, July 18, 2016 (both days inclusive).
- vi. Final Dividend of ₹ 35/- per equity Share of ₹ 10/- each, as recommended by the Board of Directors, if approved by the Members at this Annual General Meeting, will be paid on and from July 26, 2016 to the Members whose names appear on the Register of Members as on July 18, 2016 and to the Beneficial Owners of the shares as on July 11, 2016, 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. Members holding shares in dematerialised form are therefore requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company or the Registrar & 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 immediately any change in their registered address along with pin code or bank mandates to their Depository Participants with whom they have demat accounts. The Company or Registrar & 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 immediately any changes in their registered address along with pin code or bank mandates to the Company/Registrar & Share Transfer Agent.

- x. The Company has transferred the amount lying in the following unpaid/unclaimed dividend accounts to the Investor Education and Protection Fund since April 1, 2015 :

Sr No.	Particulars	Year	Details
1	51 <sup>st</sup> Unpaid Dividend	2008	Abbott India Limited
2	Unpaid Final Dividend	2008	Erstwhile Solvay Pharma India Limited

Members whose dividend has remained unpaid/unclaimed from the year 2009 onwards, are requested to write to the Company for issue of demand drafts for the same.

In terms of the Investor Education and Protection Fund (IEPF) (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, notified by the Ministry of Corporate Affairs (MCA) on May 10, 2012, the Company has uploaded the required information in respect of dividend remaining unpaid/unclaimed for the last seven years (as on date of the last Annual General Meeting held on July 29, 2015) on the Company's website under the Investor Section at <http://www.abbott.co.in/investor-relations-dividend-history.html>

- xi. The Company, in compliance of Regulation 39 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 will send the third and final reminder letter to the shareholders whose shares are returned and lying unclaimed in the custody of the Company. Thereafter, the unclaimed shares shall be transferred to "Abbott India Limited - Unclaimed Suspense Account".
- xii. 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 before the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- xiii. In case of joint holders attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote.

## NOTICE

- xiv. Members are requested to bring their copy of the Annual Report to the Meeting, as the same will not be distributed at the Meeting.
- xv. Annual Report for the financial year 2015-16 along with the Notice of Seventy-second Annual General Meeting, remote e-voting form, proxy form and attendance slip will be sent through electronic mode to the Members whose email ids are registered with the Company/ Depositories for communication purpose unless any Member has requested for a physical copy of the same.

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

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

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

The relevant documents referred to in the accompanying Notice and 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 Annual General Meeting.

- xvi. **Voting through electronic means**

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, the facility to exercise their vote through electronic means i.e. 'remote e-voting' on resolutions proposed to be passed at this Annual General Meeting.

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

The cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is July 11, 2016.

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

Commencement of e-voting	: From 10 a.m. (IST) on July 15, 2016
End of e-voting	: Upto 5 p.m. (IST) on July 17, 2016

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

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 Annual General 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 NSDL. The results shall simultaneously be forwarded to the BSE Limited, Mumbai.

- xvii. The route map showing directions to reach the venue of the Seventy-second Annual General Meeting is annexed herewith.

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

#### Item No. 6

The Board, based on recommendation of the Audit Committee, approved the appointment of M/s N I Mehta & Co., Cost Accountants (Registration No. : 000023) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year 2016-17 at a remuneration of ₹ 6.65 Lakhs plus service tax as applicable and reimbursement of reasonable expenses.

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

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board recommends the resolution set forth in Item No. 6 for the approval of Members as an Ordinary Resolution.

#### Item No. 7

Mr Kaiyomarz Marfatia was appointed as an Additional Director and also as Whole-time Director by the Board of Directors at its meeting held on February 28, 2011. His appointments as Director not liable to retire by rotation and as Whole-time Director for a term of 5 years effective March 1, 2011 were approved by the Shareholders at their meeting held on April 27, 2011. His tenure as Whole-time Director of the Company expired on February 29, 2016.

## NOTICE

On February 29, 2016, Mr Marfatia also ceased as employee of Abbott India Limited consequent to his promotion as an Area Counsel, with expanded responsibilities covering various Abbott businesses and entities in India, and the Board, upon the recommendation of Nomination and Remuneration Committee, approved his continuation as Non-Executive Director, liable to retire by rotation. This change is subject to the approval of Shareholders.

Mr Marfatia is a qualified law professional from Government Law College, Mumbai. He has been associated with the Company over the last 20 years and provides strong legal support to Abbott businesses in India. He has played a vital role in the acquisition of various brands and businesses and handled cross functional projects such as manufacturing reconfiguration/optimization and corporate restructuring. He has around 35 years of diverse experience in the Legal and Secretarial field.

Before joining the Company, Mr Marfatia was employed with Siemens India Limited for over 16 years and gained valuable experience in corporate compliance functions, litigation, industrial licensing, foreign collaborations, technology transfer arrangements, distribution arrangements and IPR matters, among others.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr Marfatia for the office of Director of the Company, liable to retire by rotation. Mr Marfatia is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The details of Mr Marfatia, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are set out in the Annexure forming part of this Notice. Mr Marfatia 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 Kaiyomarz Marfatia, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Considering Mr Marfatia's long association and rich experience in the legal field, the Board recommends his appointment as Director of the Company, liable to retire by rotation by passing an Ordinary Resolution.

### Item No.8

Mr R. A. Shah has been a Director on the Board since 1983.

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Shareholders of the Company, at their Seventieth Annual General Meeting held on August 1, 2014, appointed Mr Shah as an Independent Director of the Company, for a period of five years upto March 31, 2019, not liable to retire by rotation.

Subsequently, Mr Shah resigned as an Independent Director effective July 31, 2015 and continued as Non-Executive, Non-Independent Director of the Company.

Thereafter, Mr Shah vide his letter dated October 12, 2015, once again expressed his willingness and eligibility to be re-appointed as Independent Director of the Company. Accordingly, the Board, upon the recommendation of Nomination and Remuneration Committee, re-appointed Mr Shah as an Independent Director effective October 28, 2015 for a term upto March 31, 2019, not liable to retire by rotation, subject to the approval of Shareholders.

Mr Shah is a Solicitor and Senior Partner of M/s Crawford Bayley & Co. He specializes in a broad spectrum of Corporate Laws in general, with special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers and Acquisitions, Corporate Laws, Competition Law and Insider Trading Regulations.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr Shah for the office of Director of the Company, not liable to retire by rotation.

Mr Shah does not incur any disqualification under Section 164 of the Companies Act, 2013. The Company has received declaration from Mr Shah that he meets with the criteria of independence as 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. In the opinion of the Board, Mr Shah continues to be independent of the management.

The details of Mr Shah, as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are set out in the Annexure forming part of this Notice.

Copy of the terms and conditions of appointment of Mr R. A. Shah is available for inspection at the Registered Office of the Company on all working days (except Saturdays) during business hours up to the date of the Meeting.

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

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

By Order of the Board

Mumbai  
May 25, 2016

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

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

## NOTICE

### ANNEXURE

#### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE SEVENTY-SECOND ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Mr Munir Shaikh	Ms Nancy Berce	Mr Kaiyomarz Marfatia	Mr R. A. Shah
<b>Date of Birth</b>	March 1, 1943	June 23, 1966	November 22, 1956	July 7, 1931
<b>Date of Appointment</b>	March 2, 2001	May 27, 2015	March 1, 2011	February 21, 1983
<b>Expertise in Specific Functional Area</b>	Mr Shaikh possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair.	Ms Berce has domestic and international experience in implementing and operating scale, enterprise - wide business information systems and services.	Mr Marfatia has over 35 years of diverse experience in the Legal and Secretarial streams, of which about 20 years have been with Abbott India Limited.	Mr Shah is a Solicitor and specializes in a broad spectrum of Corporate Laws in general, with special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers and Acquisitions, Corporate Laws, Competition Law and Insider Trading Regulations.
<b>Qualifications</b>	Fellow of the Institute of Chartered Accountants in England and Wales	Graduation from Regis University with a double major in Mathematics and Computer Information Systems and Master's degree in Mathematics from the Colorado School of Mines.	Bachelor's degree in Commerce from Mumbai University and Law degree from Government Law College, Mumbai	Solicitor
<b>No. of Shares held in the Company @ jointly with relatives</b>	NIL	NIL	NIL	6,874@
<b>Other Directorships in Indian Companies (including private companies)</b>	None	None	None	12 (includes Chairmanship of 3 companies and Vice- Chairmanship of 1 company)
<b>Membership of Committees (Audit Committee and Stakeholders Relationship Committee in other companies)</b>	None	None	None	6 (includes Chairmanship of 3 committees)
<b>Relationship between Directors inter-se :</b>	None	None	None	None



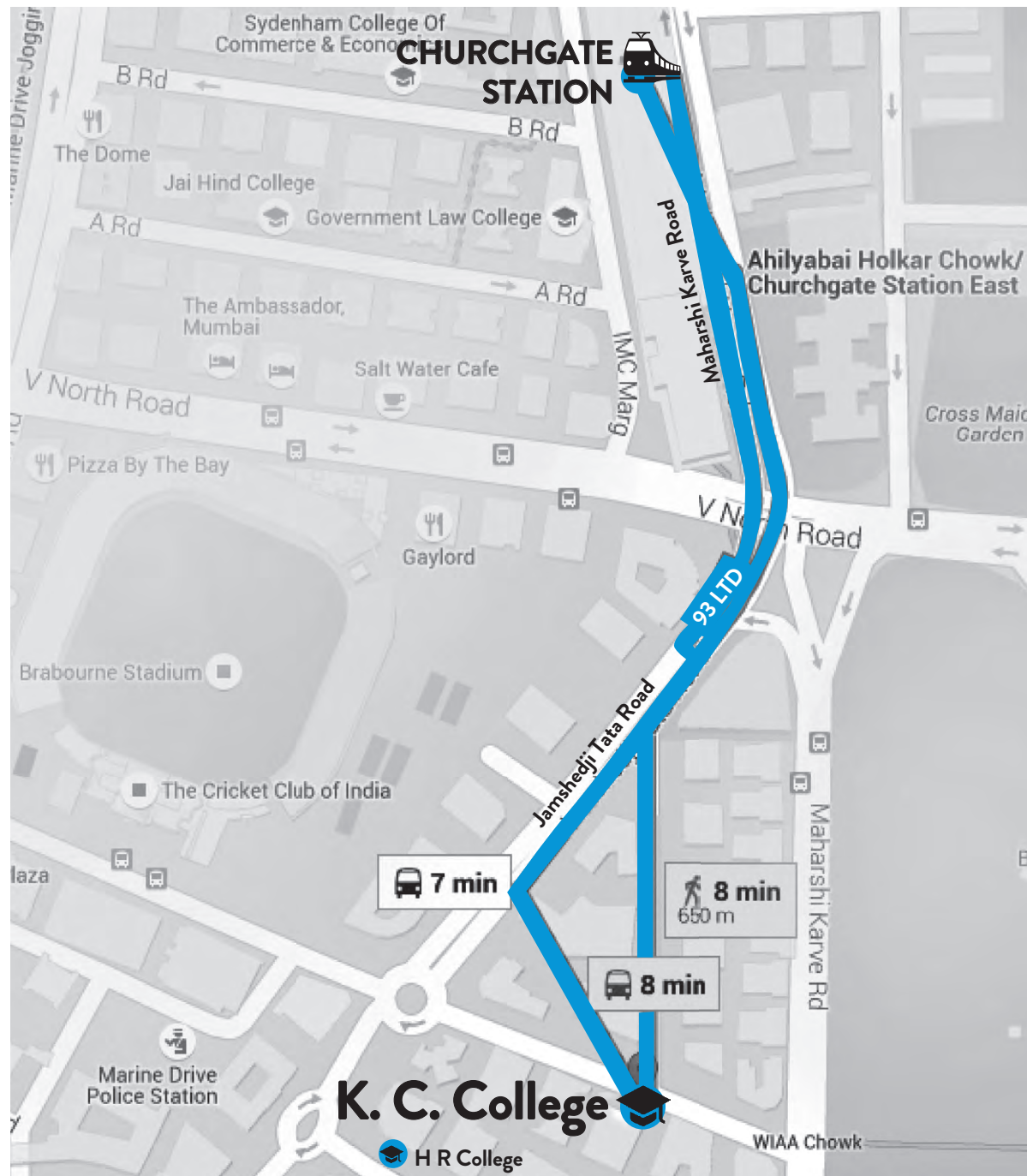
## ROUTE MAP TO THE AGM VENUE

**Venue :** Rama and Sundri Watumull Auditorium, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020

**Landmark :** Next to HR College

**Distance from Churchgate Station :** 1 km

**Distance from Chhatrapati Shivaji Terminus :** 2 km



# BOARD OF DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-second Annual Report and the Audited Financial Statements of the Company for the financial year 2015-16.

## FINANCIAL HIGHLIGHTS :

	(₹ in Lakhs)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Sales	2580,22.97	2237,60.25
Profit Before Tax	401,72.46	344,36.08
Profit After Tax	259,62.77	228,95.93
Balance brought forward	666,13.00	539,34.96
Profit available for appropriation	925,75.77	768,30.89
Appropriations :		
Dividend (Proposed)	74,37.26	65,87.28
Corporate Dividend Tax	15,14.05	13,41.02
Transfer to Reserves	25,96.28	22,89.59
Balance carried forward	810,28.18	666,13.00

## DIVIDEND

Your Directors have pleasure in recommending a dividend of ₹ 35 per share on 2,12,49,302 fully paid-up Equity Shares of ₹ 10 each of the Company for the year ended March 31, 2016. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 74,37.26 Lakhs (Previous year : ₹ 65,87.28 Lakhs) and Corporate Dividend Tax of ₹ 15,14.05 Lakhs (Previous year : ₹ 13,41.02 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.

## RESERVES

During the year, ₹ 25,96.28 Lakhs was transferred to General Reserve. The total Reserves as on March 31, 2016 amounted to ₹ 1086,39.29 Lakhs comprising of Amalgamation Reserve ₹ 37.82 Lakhs, Capital Reserve ₹ 5,22.62 Lakhs, Capital Redemption Reserve ₹ 2,52.48 Lakhs, General Reserve ₹ 267,98.19 Lakhs and Surplus as per Statement of Profit & Loss amounting to ₹ 810,28.18 Lakhs.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC OVERVIEW

The Indian economy with GDP in excess of USD 2 trillion is amongst the top 10 economies in the world. The World Economic Outlook 2016 published by the International Monetary Fund (IMF) suggests that the Indian economy is expected to outperform other emerging markets like China, Russia and Brazil. The growth will be driven by private consumption, which has benefited from lower oil prices and pick up in industrial activity.

IMS Health Market Prognosis Report suggests that economic growth in the medium term will be driven by rapid growth in the workforce, an expanding middle class, urbanization and shift away from low-productivity agriculture to manufacturing and services. For sustaining long term economic growth, fiscal consolidation, reduction in subsidies, labour reforms and dismantling bottlenecks in infrastructure will be required.

According to Asian Development Bank, the all-round India growth story continues with GDP growth of 7.6% for 2015-16 and expected to grow at 7.8% during 2016-17.

### INDIAN HEALTHCARE ENVIRONMENT

The Indian Healthcare environment is characterized by a peculiar mix of accountability structure, policy interventions and evolving demographics. The Constitution of India makes health in India the responsibility of State Governments, rather than the Central Government. This puts the onus of implementation of various healthcare initiatives on the states. Different studies have shown uneven achievement of Indian states on various healthcare parameters. Given this background, the public expenditure on healthcare is expected to remain low compared to international standards, and patients ending up paying majority of the expenses out-of-pocket.

The developments in the last year suggest that a key policy goal will be improving access to a broad range of primary care services including availability of drugs. This will require investment in the primary health infrastructure and recruiting and training of personnel. Expansion of initiatives like Jan Aushadhi will lead to increased allocation of resources for purchase of essential medicines by the Government.

## BOARD'S REPORT AND MD&A

Finally, the changes in demographics will have a long term impact on the healthcare environment. By 2019, India will be home to more than 8 crore senior citizens above the age of 65 years. This will be the fastest growing demographic. Thus chronic, non-communicable diseases (NCDs) are being diagnosed with increasing frequency while incidence of most communicable diseases is falling. The concern is that onset of serious chronic conditions is being recorded at a much earlier age in Indian patients than those in many developed countries.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Pharmaceuticals Market (IPM) registered a growth of ₹ 104,633 crores growing at 14.4% over prior year. In line with the demographic changes, the chronic therapies segment is the fastest growing sector. Chronic therapy market contribution has now increased to 33% from 27% at the beginning of this decade. This trend is more acutely observed in urban areas. For example, in Metros chronic therapy share of pharmaceutical market is 37% compared to 26% in rural areas.

The market continues to be fragmented and intensely competitive with top 10 players having 43% market share and only three multinational companies in top 10. Typically there are 25-30 brands competing for prescriptions of a molecule.

The new product pipelines have shrunk substantially. In 2015, Indian regulators approved the lowest number of new products since 2001. Also in March 2016, the Government banned over 300 fixed dose combinations some of which had DCGI approvals. These developments indicate increased challenges on pipeline of new products.

### OPPORTUNITIES AND THREATS

IMS Health (IMS) has forecasted a Compounded Annual Growth Rate (CAGR) of 11%-12% for 2015 to 2020 period. Economic expansion, population growth and epidemiological trends will all continue to drive up demand for medicines. The following trends are expected to impact the IPM :

**More stringent regulatory standards :** In order to preserve India's status as pre-eminent supplier of generic medicines, Indian regulators are expected to pursue a number of initiatives for improving quality of medicines. Amongst these will be changes in manufacturing standards, alignment of norms to global standards and increased monitoring.

**Increased collaboration between different stakeholders :** Partnerships, alliances between Indian and multinational companies are expected to increase. This will be driven by complementary requirements of companies. For multinational companies, these partnerships will provide increased reach to customers, whereas Indian companies will get access to new products and technologies.

**Emergence of large product brands and brand building :** As per IMS Health, 2015 was the first year when a pharmaceutical brand generated annual sales in excess of ₹ 500 crores. Today, 117 brands have annual sales in excess of ₹ 100 crores. In the absence of robust new product pipelines, companies will focus on driving growth through existing brands, which will lead to more brand building efforts.

**Lack of Awareness :** Despite significant improvements over the years, India continues to lag in terms of healthcare outcomes. Part of the challenge lies in lack of disease awareness. This is expected to improve with different stakeholders coming together for improved screening, early diagnosis, health education and prevention in disease areas that have significant gaps.

**Evolving Over The Counter (OTC) market :** Enhanced implementation of dispensing guidelines of prescription products has started to limit unsupervised patient access to these products. Moreover, patients are increasingly aware of perils of self-medication due to rising education levels and access to information through digital media. Finally, increased affordability due to rising income levels are expected to drive stronger and more defined evolution of the OTC market.

**Increased consolidation across the value chain :** Intensified pressure on costs and prices is expected to drive consolidation in the manufacturing sector. In addition to the roll out of harmonized GST, emergence of internet pharmacies will lead to structural changes in the distribution and retail markets.

## REVIEW OF OPERATIONS

### Financial Performance

#### Sales :

Net Sales for the year ended March 31, 2016 amounted to ₹ 2580,22.97 Lakhs, registering a growth of 15.3% over the previous year, mainly driven by volumes.

#### Material Cost :

Material Cost has reduced marginally from 58.6% in 2014-15 to 58.4% of Net Sales in the current year.

#### Employee Benefit Expenses :

During the year under review, the Company increased its people strength by 3.1% to 2,956. The increase of 10.3% in employee cost is mainly on account of merit increase and statutory pronouncements.

#### Other Expenses :

Other expenses including depreciation and finance cost, increased by 15.2% over the prior year mainly on account of inflation, marketing spend to support volume growth, market research projects and new vaccine division launch. The spend, as a percentage of Net Sales, was 16.7% compared to 16.8% for the year 2014-15.

## BOARD'S REPORT AND MD&A

### Other Income :

During the year, Other Income grew by 6.1% mainly due to increase in Interest Income from Bank Deposits.

The Company continued to invest in Bank Deposits, with a view to safeguarding the principal and maintaining liquidity. Income from Bank Deposits grew by 10.6%.

Investment strategy is reviewed periodically by the Finance Committee.

### Profit Before Tax and Dividend :

Profit Before Tax for the year ended March 31, 2016 stood at ₹ 401,72.46 Lakhs being 15.6% of Net Sales as compared to 15.4% in the previous year.

The Board of Directors has recommended a dividend of ₹ 35 per equity share.

### Division-wise Performance

The Company operates in a single reportable business segment i.e. "pharmaceuticals". The Company's business operations are divided into four business divisions i.e. (i) Women's Health & Gastrointestine, Gastroenterology and Hepatic Care, (ii) Specialty Care, (iii) GenNext & Vaccines and (iv) Consumer Care.

The key performance highlights of each business division for the year 2015-16 are as follows :

### Women's Health & Gastrointestine, Gastroenterology and Hepatic Care Division

The division has a mix of global and local brands present in the pregnancy, constipation and liver diseases segments. Several of the Company's largest brands including Duphaston (Women's Health Hormone), Duphalac (Laxative), Udiliv (Hepatic Protective), Cremaffin (Laxative), Cremaffin Plus (Laxative) and Creon (Digestives Enzymes) are part of this division.

#### Women's Health & Gastrointestine :

This segment grew by 18.4% during the year. Some of the key brands like Duphaston, Udiliv, Duphalac and Creon have shown double digit growth during the year and contributed significantly to overall segment growth.

#### Gastroenterology :

This segment posted a strong growth of 20.7% during the year. This growth was majorly driven by brands like Cremaffin and Cremaffin Plus.

#### Hepatic Care :

This segment grew by 42.7% during the year. The growth was majorly driven by newly introduced brand Viroclear (Antiviral).

#### Specialty Care Division

This segment consists of comprehensive range of products in treatment of Central Nervous System and Metabolic disorders. It is present in the therapy areas like

hypothyroidism, vertigo, epilepsy, depression and migraine. The key brands are Thyronorm (thyroid preparations), Vertin (antivertigo), Prothiaden (antidepressant), Surbex Gold (multivitamin antioxidants) and Inderal (migraine prophylaxis) which enjoy market leadership position in their respective therapeutic areas. The segment grew by 10.1% over previous year.

### Metabolics :

This segment grew at 13.3% during the year. Thyronorm continues to grow significantly and retains flagship position in its segment.

### Central Nervous System :

This segment grew by 7.4% during the year. In the vertigo treatment sub-segment, Vertin continues as the market leader. In the anti-depression sub-segment, Prothiaden has shown a double digit growth this year.

### GenNext

This segment is present in several therapy areas including pain management, vitamins and pregnancy. It comprises multi-specialty drugs and applications, and is primarily aimed at general physicians. Key brands include Brufen (pain killer), Duvadilan (peripheral vasodilator), Zolfresh (sleep management), Arachitol (Vitamin D nano preparations), and Digecaine (antacid anaesthetic). In the market and has grown significantly over the last year. This division focuses on building on the brand equity of its legacy brands as well as scientific promotion to build its newer brands

In the current year, the division had a remarkable growth of 14.8%. All the key brands in the segment like Brufen, Digecaine registered sturdy performance. Zolfresh retains number 1 position in its segment.

### Vaccines

The Company continues to dominate the Influenza market. During the year, the Company entered into a licensing arrangement with Bharat Biotech India Limited to market vaccines in immunology segment. Influvac (Influenza vaccine) continued a strong performance. Newly introduced Enteroshield (typhoid vaccine) and Rotasure (rotavirus diarrhea vaccine), outperformed in the first year of launch. This segment contributed 2.1% of Net Sales for the year.

### Consumer Care

Consumer Care Division is present in the Over The Counter (OTC) antacid segment. This division promotes all variants of Digene (antacid - antifatulent) brand - tablets, liquids and powders.

The segment focuses on connecting with patients through positioning of its products mainly through mass media, social media and point of sale promotion. New advertisement and marketing strategies will help sustaining the growth of this portfolio.

## BOARD'S REPORT AND MD&A

### New Product Launches

Your Company launched 17 new products during the year in various therapy segments, which together contributed 1.9% of the Net Sales of the Company.

### MEDICAL RESEARCH

In India, it is observed that there is a constant need for generating data on the epidemiology of diseases and understanding of the perspectives of physicians and patients in various disease areas. This has become an important need for Health Care Professionals to improve patient care based on real life evidence.

Some of the important ways by which the Company has emerged as a scientific leader in the Indian branded generic space is by generating ethical evidence to support the portfolio, creating disease awareness, and generating clinical data and evidence, specifically catering to the Indian population, in various disease and therapeutic areas.

We conduct approximately 15-20 Medical Research studies in a year.

### Details of a few Studies :

#### Studies supporting Thyroid Portfolio :

Our first study was designed to assess the nationwide prevalence of thyroid disorder, particularly hypothyroidism in adults residing in various cities in India as there was paucity of data. The study results demonstrated that hypothyroidism was found to be a common form of thyroid dysfunction affecting 10.9% of the study population. The prevalence of undetected hypothyroidism was 3.5%. This suggested that a significant proportion of patient population might be going undetected and untreated. The results of the study were published as an abstract in The American Thyroid Association Journal and the manuscript was published in the Indian Journal of Endocrinology and Metabolism in 2013.

As a follow up, we are currently conducting a Thyroid Registry which is aimed to study the disease profile and real world treatment paradigm of hypothyroid patients in India.

#### Study for Insomnia :

This study was designed to evaluate the prevalence of insomnia among employees of various corporate offices across India. The results demonstrated that the prevalence of insomnia in corporate employees was 13.8%. Of the participants with insomnia, 96.4% were previously undiagnosed/undetected, reflecting the large scale of unawareness related to insomnia. This study was done in smaller corporate settings and needs larger studies for validation but it shows a possibility of high prevalence of insomnia which remain undetected in our current urban population.

### Study in Women's Health :

The Recurrent Miscarriage Study was conducted in five metropolitan cities across India. The study results demonstrated that 32% of the approximately 2,400 participants had suffered spontaneous miscarriage and the prevalence of recurrent spontaneous miscarriage was as high as 7.5% among Indian urban women. This study was published in The Journal of Obstetrics and Gynecology of India in 2015 and the finding of this epidemiological study has furnished important information regarding the prevalence of recurrent spontaneous miscarriages and the associated risk factors in the Indian population.

The studies are part of evidence building, and strive to address gaps between treatment guidelines and real life clinical practice, with the overall objective of improving patient care.

### OUTLOOK

IMS Health (IMS) has forecasted a Compounded Annual Growth Rate (CAGR) of 11%-12% for 2015 to 2020 period. Economic expansion, population growth and epidemiological trends will all continue to drive up demand for medicines.

The Company enjoys a strong reputation as a science based organization with key specialists and opinion leaders. Leveraging its strengths, the Company has identified specific initiatives to gain advantage of market opportunities. Some of these are :

**Accelerate growth of existing brands through market shaping initiatives :** Several of the Company's brands are leaders in their respective segments. The Company is focusing on initiatives that will expand the market through increased patient awareness and diagnosis.

**Strengthen portfolio depth in existing therapy areas:** The Company is evaluating several opportunities to expand its portfolio in existing therapy areas like hepatology, gastroenterology and vaccines.

**Use technology to engage different stakeholders :** In the last few years India has seen increasing usage of digital tools targeted towards patients, doctors and diagnostics. The Company plans to leverage the opportunity offered by digital to enhance engagement with healthcare professionals and patients.

### RISKS AND CONCERNS

Indian drug regulatory environment is going through a phase of many changes. The Regulator's focus is on streamlining of regulatory procedures, ease of doing business, skill development, digitalization of services and enforcement mechanism along with further strengthening of drug regulatory system in the country. While the Regulators look committed to create an environment

## BOARD'S REPORT AND MD&A

conducive for pharma companies to do business in India, policy and operations do not seem to be in sync. This remains a major challenge.

Some of the new initiative and regulations include alignment of data requirements from animal toxicity studies for approval of new drugs, removal of requirement of obtaining export NOC for pharmaceutical exports to developed countries; launch of SUGAM portal for submission of applications for import & registration of drugs, medical devices, registration of cosmetics & various other applications. These initiatives are expected to improve the speed and transparency in regulatory review process. On the downside, the Pricing policy continues to trouble hamper industry with more and more products being brought under price control.

Some of the important changes expected in the near future include online submission of New Drug & Clinical Trial applications, increased vigilance on quality of drugs through site inspections for GMP compliance; amendments in Drugs and Cosmetics Act & Rules for clarity, ease and operational efficiency, revision of 2012 Biosimilar guidelines, which seems to dilute the existing guidelines in terms of data requirements for approval; changes and clarity in the regulations for food & nutrition related products.

### INTERNAL CONTROL AND ITS ADEQUACY

The internal controls of the Company operate through well documented standard operating procedures, policies and process guidelines. The Company has an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring orderly and efficient conduct of its business. These systems provide a reasonable assurance in respect of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

Significant internal audit observations and management actions thereon are reported to the Audit Committee on a quarterly basis. The Audit Committee reviews the observations and assesses the adequacy of the actions proposed as well as monitors their implementation. 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 a formal system of internal control testing which examines both the design and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company Management has assessed the effectiveness of internal control over financial reporting for the year ended March 31, 2016 and, based on the assessment, believe that the Company's internal controls are adequate and

working effectively. The Statutory Auditors have issued an audit report on the adequacy and effectiveness of the internal financial control systems over financial reporting.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

At Abbott India Limited, we are committed to building a future-ready organization, to ensure that the current growth rate is sustainable over the long term. Our team of 2900+ colleagues remain our biggest advantage in the highly competitive pharma industry. The Human Resource (HR) team has built specific programs to encompass the entire employee lifecycle covering attraction of the best talent, both internally and externally, retention via career management and rewards and development across all cadres.

#### Talent Strategy

The integrated approach to the Talent Strategy helped to drive focus on two key facets of people management - attracting the best talent and developing people within the organization.

#### Attracting the Best Talent

We have driven differentiated talent hiring from multiple channels including premier business schools in India, and Internationally. The team is conscious about the imperative need to also organically build a robust field sales force that forms the backbone of the organization. This has been achieved via hiring from leading graduate colleges in the country - 91 hires in the last academic year - as well looking to diverse backgrounds such as FMCG, MBA in addition to peer pharma organisations while onboarding experienced resources. Over 60% of our Therapy Business Managers come from the said differentiated backgrounds.

#### Developing People

**Robust Career Management :** In order to ensure sustained retention and development of the workforce in a highly competitive talent market, we have continued our focus on creating a structured career development framework for our employees. This has enabled transparent and objective cross function and location movements across the Company. 106 roles have been closed via internal applications. 63 managerial roles were filled by internal career progression. In addition to this, the team is driving the identification of roles that are critical and can have a significant impact on the operations of the business with the objective to ensure resource adequacy, in terms of capacity and capability; 'feeder roles' and internal successors have been identified.

**Training and Certification :** The HR team continues to partner with the Commercial Excellence function to execute the three tier 'Field Certification Program' (Prima, Magna and Maxima) to enable transition across the career path for the sales team. Over 2,000 successful certifications have now been completed across these programs.

## BOARD'S REPORT AND MD&A

### Our other key initiatives include :

- Extension of our activation capability to Women's Health & Gastrointestine team through the setting up of dedicated team of 18 employees.
- Chalo Bazaar, an initiative in which all Head Office employees took active part and invested a day in field work. This was highly successful in building a deeper sense of appreciation for the Head Office staff towards the field sales teams.

2015-16 has been a significant step towards building a stronger workforce across functions and levels at the Company and further consolidating the Company's position as an 'Employer of Choice'.

### Prevention of Sexual Harassment at Work Place :

The Company had constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, HR team also incorporated the training on the facets of this law as part of New Hire Orientation Program.

There were no complaints received by the Company/ICC during the year under the aforesaid Act.

### Total Number of Employees :

Total number of employees as on March 31, 2016 is 2,956.

### 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, 2016, 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, 2016 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 :

Policy on dealing with Related Party Transactions and Materiality, is available on the Company's website at <http://www.abbott.co.in/investor-relations-policies-and-procedures.html> As per the said Policy, all Related Party Transactions are pre-approved by the Audit Committee and Board as and when required. The same are also reviewed by the Audit Committee on a quarterly/annual basis.

### Details of Related Party Transactions :

All contracts/arrangements/transactions entered into by the Company during the financial year 2015-16 with Related Parties were in the ordinary course of business and on arm's length basis. Also, there was no contract/arrangement/transaction with any of the Related Parties which could be considered material in accordance with the Companies Act, 2013, Rules framed thereunder and Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Related Party Transactions entered into by the Company during the financial year 2015-16 are provided in Note 41 to the Financial Statements.

### CORPORATE SOCIAL RESPONSIBILITY

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

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

#### CSR initiatives undertaken during the financial year 2015-16 :

During the year, the Company spent ₹ 6,45.34 Lakhs on various CSR activities.

The Annual Report of CSR activities undertaken by the Company during the financial year 2015-16, is annexed as "Annexure I" and forms part of this Report.

### RISK MANAGEMENT FRAMEWORK

The Company recognizes Risk Management as an integrated, forward-looking and process-orientated approach. It has developed a Risk Framework that broadly encompasses : aligning risk appetite and strategy; enhancing risk response and reducing operational surprises.

During the year, Risk Management Core Team comprising of representatives of various functions and business had carried out risk assessment exercise to identify the various

## BOARD'S REPORT AND MD&A

significant risks associated with the business operations and mitigation plans to address such risks. Material risks and mitigation plans were reviewed by the Risk Management Committee and then presented to the Board.

### DIRECTORS

Mr Rehan A. Khan resigned as the Managing Director and Director of the Company effective April 30, 2016. The Board placed on record its sincere appreciation for the significant contribution made by Mr Khan in the overall growth of the Company during his tenure.

Mr Kaiyomarz Marfatia (DIN : 03449627) ceased as Whole-time Director of the Company effective February 29, 2016 upon completion of his term. The Board approved his continuation as a Non-Executive Director, liable to retire by rotation, subject to approval of the Shareholders at the ensuing Annual General Meeting.

During the year under review, Mr R. A. Shah (DIN : 00009851) ceased to be Independent Director effective July 31, 2015 consequent to his resignation from this position and continued as Non-Executive, Non-Independent Director of the Company.

Mr Shah vide his letter dated October 12, 2015 requested the Company and accordingly was re-appointed as Independent Director by the Board effective October 28, 2015 for a term upto March 31, 2019 subject to approval of the Shareholders at the ensuing Annual General Meeting as per the provisions of Section 149 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with provisions of Section 152 of the Companies Act, 2013, Mr Munir Shaikh (DIN : 00096273) and Ms Nancy Berce (DIN : 07190005) retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee, your Directors recommend the appointment/re-appointment of Mr Kaiyomarz Marfatia, Mr R. A. Shah, Mr Munir Shaikh and Ms Nancy Berce on the Board of the Company.

#### Declaration of Independence :

The Company has received declarations from 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.

#### Number of Meetings of the Board :

6 Board Meetings were held during the year on May 27, 2015; July 29, 2015; August 12, 2015; November 6, 2015; February 1, 2016 and February 29, 2016.

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

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

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

Performance Evaluation of the Board, Board Committees and Directors was carried out through self-assessment and group discussions in line with Performance Evaluation Framework and Policy adopted by the Company.

### KEY MANAGERIAL PERSONNEL

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

Mr Rehan A. Khan resigned as Managing Director and Director of the Company effective April 30, 2016. Mr Kaiyomarz Marfatia ceased to be Whole-time Director on the Board effective February 29, 2016 upon completion of his term and continued as Director, liable to retire by rotation.

### AUDIT COMMITTEE

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

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

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

Any concerns can be communicated through any sources provided under the said Policy or via toll free number 008001001058 or online at <http://speakup.abbott.com>

## BOARD'S REPORT AND MD&A

### STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants, (ICAI Firm Registration No : 324982E/E300003), were appointed as the Statutory Auditors for a term of 5 years at the 70th Annual General Meeting of the Company held on August 1, 2014.

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

### AUDITORS' REPORT

The Auditors' Report for the financial year 2015-16 does not contain any adverse remarks, qualifications or reservation or disclaimer, which required explanation/comments by the Board.

### COST AUDITORS

M/s N I Mehta & Co., Cost Accountants (Registration No. : 000023), having its office at 1101, Dalamal Tower 'B' Wing, Nariman Point, Mumbai - 400 021, are appointed as the Cost Auditors of the Company for the financial year 2016-17 at a remuneration of ₹ 6.65 Lakhs plus applicable taxes and reimbursement of out-of-pocket expenses.

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

Cost Audit Report along with the Compliance Report for the financial year 2014-15, was filed on September 21, 2015 (Due date of filing was September 27, 2015).

### INTERNAL AUDITORS

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

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary (Membership No. : ACS 11950 and Certificate of Practice No. 2661) for the financial year ended March 31, 2016 does not contain any adverse remark, qualification or reservation or disclaimer which requires any explanation/comments by the Board. The said Report is annexed as "Annexure III" and forms part of this Report.

### HEALTH, SAFETY AND ENVIRONMENT

At Abbott India, we say, "Health, Safety and Environment First". Each of the three issues is of equal importance to our operations, and our compliance with relevant regulations is

intrinsic to our philosophy as a Company. Our commitment to this 3-point program is one that we renew every day, through initiatives that are designed to make a genuine and lasting difference.

#### Health and Safety :

Health and safety of our employees is paramount to us. The Company has a dedicated Safety Officer and a Safety Committee, comprising representatives from the workforce and management, which meet regularly to review issues impacting plant safety and employee health. The Company's Environment Health Safety (EHS) program includes the policy on safety, health and environment, a well-defined EHS organizational structure, EHS Standard Operating Procedures and EHS specific programs.

Numerous training programs are conducted at the Plant on health and safety issues including dealing with epidemics, ergonomics, machine guarding, work safety, road safety and so on. Each employee gets an Annual Health Check-up. Mock drills for fire-fighting and rescue operations are conducted to keep the staff in a state of preparedness for any emergencies.

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

The Plant celebrated National Safety Week from 4th to 11th of March, 2016. Various activities were held that week, including a training program for e-waste disposal conducted by an external agency, and a training program on women's health and related issues. Health Training Programs for employees well-being were also conducted during the year.

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

#### Environment :

A responsibility towards the environment is part of our mandate. We continuously endeavor to minimize adverse environmental impact, and demonstrate our commitment to protecting the environment through everything we do.

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

Our rain water harvesting project, initiated three years ago, was effectively continued at the Plant this year as well, which resulted in 480 KL of water-saving during the monsoons. Emissions from boiler and generator stacks are monitored regularly and are, once again, well below the limits set by the State Pollution Control Board. Ambient air quality is monitored on a regular basis to

## BOARD'S REPORT AND MD&A

conform to ambient air quality standards. There is also a vermi-composting unit to convert canteen waste into organic manure, which is used in the lawns and plantation inside the factory premises.

The site retains its certification of Zero Waste to landfill in purview of waste disposal. 81% of our waste goes for recycling, 17% for incineration and 2% for composting.

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

Installation of a Filter Press System for drying ETP sludge will help in reducing the generation of ETP sludge.

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

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

### EXTRACT OF ANNUAL RETURN

Extract of Annual Return as provided under sub-section (3) of Section 92 is annexed as "Annexure V" and forms part of this Report.

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

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

Statement containing Particulars of Employees pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per the provisions of 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), upto the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at the Registered Office of the Company.

### CORPORATE GOVERNANCE REPORT

Corporate Governance Report along with a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this Report.

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

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

### FIXED DEPOSITS

No fixed deposits were accepted during the year.

### PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

During the year, the Company granted loan of ₹ 190,00.00 Lakhs to Abbott Healthcare Private Limited, India (AHPL), a Fellow subsidiary at an interest rate of 10% per annum for a period of 90 days pursuant to the provisions of Section 186 of the Companies Act, 2013 and relevant Rules framed thereunder for the purpose of project funding. The said loan was fully repaid within the said period by AHPL along with interest of ₹ 2,91.51 Lakhs.

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

### INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company will adopt IND AS with effect from April 1, 2016. The implementation of Ind AS is a major change process for financial reporting and the Company is dedicating considerable resources for effective and timely implementation of the same

### GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no

## BOARD'S REPORT AND MD&A

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

Your Company's Annual Report for the year ended March 31, 2015 has been awarded the most prestigious "Silver Shield" Award by The Institute of Chartered Accountants of India for Excellence in Financial Reporting.

The Company received prestigious recognitions such as Best CSR Program of the Year (2014-15), by the Department of Pharmaceuticals and Government of India and Golden Peacock Award by the Institute of Directors for its Corporate Social Responsibility initiatives undertaken during the year 2015-16.

Amongst various other awards and recognitions, your Company also won the Porter prize in 2015 and Star MNC of the year Award by the Business Standard.

### EMPLOYEES

Your Board places on record its sincere appreciation for the dedication, hard work and significant contributions made by the employees across the Company.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board

<b>Munir Shaikh</b>	<b>Ranjan Kapur</b>
Chairman	Director
DIN : 00096273	DIN : 00035113

## BOARD'S REPORT AND MD&A

### ANNEXURE I

#### Annual Report of CSR Activities for the financial year 2015-16

[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 for CSR ("CSR Areas") :

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

- Enhancing access to healthcare across the country for a healthy society; conducting wellness camps for improving lives of the underprivileged community;
- Charitable donations and educational grants for serving the underserved sections of society;
- Reaching out to Government to advance sound public policy and expand patient access to healthcare;
- Disease awareness projects/activities that support for subsidised screening and treatment;
- Product donations through trusted partners in the context of Abbott's global policies and international standards;
- Extending support to various NGOs through monetary grants for education healthcare and livelihood of underprivileged children and women;
- Environment protection measures;
- Such other projects that fall within the purview of the activities included in Schedule VII of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

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

#### 2. Composition of CSR Committee :

The CSR Committee is comprised of following Directors

Sr. No.	Name of Member	Category
1.	Mr Munir Shaikh (Chairman)	Non-Executive Director
2.	Mr Ranjan Kapur	Independent Director
3.	Mr Sachin Dharap	Non-Executive Director
4.	Mr Krishna Mohan Sahni#	Independent Director

# appointed as Member effective February 29, 2016

Mr Rehan A. Khan ceased as Member of the Committee effective April 30, 2016 consequent to his resignation as the Managing Director and Director of the Company.

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

₹ 28,020.76 Lakhs

\*calculated on the basis of Net Profits for the financial years 2012, 2013-14(15 months) and 2014-15

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

₹ 5,60.42 Lakhs

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

- a) Total amount spent during the financial year - ₹ 6,45.34 Lakhs
- b) Amount unspent, if any  
NIL

## BOARD'S REPORT AND MD&A

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

(₹ in Lakhs)

Sr. No	CSR Project or Activity Identified	Sector in which the project is covered	Project Location	Amount Outlay (budget)	Amount spent on the projects or programs Direct Overheads	Cumulative expenditure	Amount Spent : Direct or through Implementing Agency
1	Nirmal Dhara - Rural Development through Training of Dairy Farmers and Women Empowerment	Rural development, improving rural livelihood and empowering women	Maharashtra-Ahmednagar District	1,88.78	1,88.78	1,88.78	Direct Implementation
2	iCare Safety Day - Promotion of Road Safety Awareness	Promoting awareness and education	PAN-India	79.95	79.95	79.95	Direct Implementation
3	Health Camps and Awareness Programs on Thyroid, Epilepsy, Liver function and Pediatric Neurology	Promoting healthcare, including preventive healthcare	PAN-India	3,09.61	3,09.61	3,09.61	Direct Implementation
4	Tamil Nadu Flood Relief	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Tamil Nadu-Chennai, Kanchipuram, Thiruvallur, Cuddalore	67.00	67.00	67.00	Through Implementing Agency- AmeriCares
	<b>Total</b>			<b>6,45.34</b>	<b>6,45.34</b>	<b>6,45.34</b>	

### Responsibility Statement

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

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

#### Munir Shaikh

Chairman, CSR Committee

DIN : 00096273

#### Ranjan Kapur

Director

DIN : 00035113

## BOARD'S REPORT AND MD&A

### ANNEXURE II

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

[In compliance with the provisions of Section 178 (3) of the Companies Act, 2013 and Regulation 19 (4) read with Schedule II Part D (A) (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

#### 1. Purpose :

- 1.1 In terms of the provisions of Section 178 of the Companies Act, 2013, Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee is, inter alia, required to determine the appropriate size and composition of the Board, formulate criteria for identifying suitable candidates for the position of Directors and Senior Management and criteria for determining the qualifications, positive attributes and independence of director, devise succession plan and recommend to the Board appointment and removal of Board members and Senior Management personnel.
- 1.2 This Policy shall act as a guideline for determining qualifications, positive attributes, and independence of a Director and matters related to the appointment and removal of Directors and Senior Management.

#### 2. Objective :

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

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

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

demonstrated experience and ability that is relevant to the Board of Directors' oversight role with respect to Abbott's business and affairs.

- 3.3 Strong management experience, ideally with major public companies with successful multinational operations, including, but not limited to :
  - 3.3.1 Active or recently retired Chairman and Chief Executive Officers.
  - 3.3.2 Presidents and Chief Operating Officers.
  - 3.3.3 Executive or Group Vice Presidents with short term potential for movement to item 3.3.1 or 3.3.2 above.

3.4 Other areas of experience which are desirable for representation on the Abbott board include, but are not limited to :

- 3.4.1 Medicine
- 3.4.2 Marketing
- 3.4.3 Medical and Scientific Research and Development
- 3.4.4 Finance
- 3.4.5 International Business

3.5 Other qualifications that would be helpful in addition to the above include, but are not limited to :

- 3.5.1 Senior level government experience
- 3.5.2 Academic administration

3.6 The Board shall include a range of ages and a diversity of ethnicity, gender and geography.

3.7 Primary characteristics required in new board candidates :

3.7.1 They must be first and foremost able and willing to represent the shareholders' short-term and long-term economic interests.

3.7.2 They must be able to contribute to the evaluation of the existing management of the Company.

3.7.3 They must also be cognizant of the responsibilities of the Company to :

Its employees

Its customers

## BOARD'S REPORT AND MD&A

- Social issues  
Regulatory authorities
- 3.7.4 They must be willing to take the necessary time to properly prepare for board and committee meetings at a minimum based on a thorough review of the material supplied before each board meeting.
- 3.8 Primary characteristics required for renomination of incumbent directors.
- 3.8.1 Incumbent directors should continue to meet the general qualifications outlined above and, in addition, should abide by the following criteria :
- 3.8.1.1 Adequate preparation for board and committee meetings, including a thorough review of and familiarity with the written materials supplied before each meeting
- 3.8.1.2 Participation in and contributions to board and committee discussions through useful and pertinent suggestions, questions and comments
- 3.8.1.3 Providing on-going advice and counsel to management on the director's own initiative and when requested by management
- 3.8.1.4 Regular attendance at board and committee meetings
- 3.8.1.5 Maintaining an independent familiarity with the external environments in which the Corporation operates and especially in the director's own particular fields of expertise
- 4. Other Positive Attributes for Directors :**
- 4.1 It is desirable that candidates proposed for Directorship possess the following positive attributes :
- 4.1.1 Any post-graduation qualifications from reputed business schools/universities in India or abroad;
- 4.1.2 Experience and expertise in dealing with strategic issues and long-term perspectives;
- 4.1.3 Strong leadership experience, a superior knowledge of business principles and capacity for independent thought and exercising independent judgment;
- 4.1.4 Ability to participate constructively in deliberations at board meetings;
- 4.1.5 Willingness to exercise authority in a collective manner;
- 4.1.6 Inquisitive and objective perspective, practical wisdom and mature judgment;
- 4.1.7 Self-confidence to contribute to board deliberations and stature such that other board members will respect his or her view;
- 4.1.8 Capable of devoting sufficient time and attention to his/her professional obligations for informed and balanced decision making;
- 4.1.9 Focused towards the Company and generous/open minded towards the team;
- 4.1.10 Fit and proper person of impeccable integrity, reputation and character; absence of convictions and restraint orders; and competence including financial solvency and net worth.
- 5. Independence :**
- 5.1 In case of appointment of Independent Director, the candidate shall meet the criteria of Independence as set out in Annexure I.
- 6. Criteria for Appointment of Senior Management :**
- 6.1 Individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of all stakeholders. Candidates will be selected for their ability to exercise good judgment and to provide practical insights and diverse perspectives.
- 7. Appointment Mechanism :**
- 7.1 The Nomination and Remuneration Committee shall play a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for Directors, Key Managerial Personnel and Senior Management officials. It shall provide its advice and recommendations to the Board.
- 7.2 The Managing Director/Executive Directors /Non-Executive Directors/Key Managerial Personnel are appointed by the Board of Directors upon recommendation from the Nomination and Remuneration Committee.
- 7.3 Senior Management Personnel shall be appointed by the Company as per Company policies.
- 8. Term/Tenure :**
- 8.1 Managing Director/Executive Directors :
- 8.1.1 Managing Director/Executive Directors shall retire as per the applicable provisions of the Companies Act, 2013 or

## BOARD'S REPORT AND MD&A

- Rules framed thereunder or the prevailing Abbott India Limited guidelines on retirement of Directors, whichever is earlier.
- 8.1.2 The Board will have the discretion to retain the retiring Director in the same position even after attaining the retirement age, for the benefit of the Company.
- 8.1.3 Special resolution needs to be passed for appointment/re-appointment of Director in the position of Managing Director/ Executive Directors who have attained age of 70 years.
- 9. Independent Director :**
- 9.1 An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term up to 5 consecutive years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- 9.2 No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- 10. Non- Executive Director (other than Independent Director) :**
- 10.1 Other non-executive Directors shall retire by rotation as per the applicable provisions of the Companies Act, 2013 or Rules framed thereunder, as amended from time to time.
- 11. Key Managerial Personnel and Senior Management :**
- 11.1 Key Managerial Personnel and Senior Management shall retire as per the Company policy or their employment terms.
- 12. Removal :**
- 12.1 The Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director and Key Managerial Personnel subject to the provisions and compliance of the Companies Act, 2013, Rules framed thereunder and other applicable regulations and applicable policies of the Company.
- 12.2 The Senior Management Personnel shall be removed by the Company as per Company policies.
- 13. Succession Planning :**
- 13.1 Succession planning for Abbott's senior management positions is critical to Abbott's long-term success. The Nomination and Remuneration Committee shall annually review and confer with the Managing Director and the HR Director regarding Abbott's succession plans and report and make recommendations on them to the Board of Directors.
- 14. Review of the Policy :**
- 14.1 This Policy shall be subject to review by the Committee at such intervals as may be deemed necessary. Changes (if any) recommended by the Committee shall be placed before the Board for its approval.

## ANNEXURE

### 1. Criteria for Independence :

- 1.1 A Director is considered Independent if the Board makes an affirmative determination after a review of all relevant information. In order for a Director to be considered Independent, the Director :
- 1.1.1 Shall not be Managing Director or a Whole time Director or a Nominee Director.
- 1.1.2 Shall be a person of integrity and shall possess relevant expertise and experience.
- 1.1.3 Shall not be a promoter of the Company or its holding, subsidiary or associate Company.
- 1.1.4 Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company.
- 1.1.5 Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiary, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.
- 1.1.6 Relatives should not have or had pecuniary relationships or transactions with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.



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

1.1.8 Neither himself/herself nor any of his/her relatives is or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of:

1.1.8.1 A firm of auditors (Internal/Statutory) or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;

1.1.8.2 Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;

1.1.8.3 holds together with his relatives 2% or more of the total voting power of the Company;

1.1.8.4 a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25%, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company.

1.1.9 Has not held office for more than 2 consecutive terms on the Board of the Company.

1.1.10 Should not be a material supplier, service provider or customer or a lessor or lessee of the Company.

1.1.11 Shall not be less than 21 years of age.

### 2. Definition for the said purpose :

2.1 "Nominee Director" implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests.

2.2 "Associate Company" implies a Company which is an "associate" as defined in Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

2.3 "Relative" implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely - Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son's wife, Daughter, Daughter's husband, Brother (includes step-brother), Sister (includes step-sister).

## REMUNERATION POLICY

### 1. Purpose :

Section 178(3) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every Nomination and Remuneration Committee (N&RC) to devise a Policy on remuneration of Directors, Key Managerial Personnel (KMP) and other employees.

The N&RC is responsible for recommending to the Board, a Policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

### 2. Overview :

2.1 N&RC has laid down this Policy to ensure compliance with Section 178 (4) of the Companies Act, 2013, which states that :

2.1.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

2.1.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

2.1.3 remuneration to Whole-time Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### 3. Company Philosophy :

3.1 The Company's compensation philosophy is based on three primary factors :

3.1.1 Being competitive with peer-group companies both within and outside of healthcare with financial performance similar to the Company;

## BOARD'S REPORT AND MD&A

3.1.2 Making individual performance the primary driver of total pay;

3.1.3 Linking pay to achievement of the Company's business goals.

3.2 Simply stated, the Company's compensation is intended to compare favorably with the pay programs of other leading healthcare companies as well as other high-performing companies outside of the healthcare arena that have a similar size, scope and financial performance to the Company and operate in markets where we compete for talent.

3.3 While employees are paid based on their skills and levels of performance, employee pay at the Company is on average targeted to be competitive at the median pay of other leading companies.

3.4 The Company is dedicated to providing a solid foundation of employee benefits that will allow employees to meet their personal and family needs. We recognize the importance of financial security for things that matter most to the employee and their family. Our benefits philosophy is based on three primary core values :

3.4.1 The Company cares and is concerned for the health, welfare and financial well-being of its employees worldwide,

3.4.2 The Company has established competitive benefits as part of the Total Rewards offered to its employees,

3.4.3 The Company has developed standards for effective management of employee benefit programs.

3.5 The Company is committed to offering comprehensive and competitive benefit packages designed to meet the changing needs of our employees and our diverse businesses.

### 4. Definitions :

4.1 "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

4.2 "Key Managerial Personnel" means Chief Executive Officer or the Managing Director or the Manager;

Company Secretary;

Whole-time Director;

Chief Financial Officer; and

Such other officer as may be prescribed under the Act.

4.3 "Senior Management" means personnel of the company who are members of its core management team, excluding the Board of Directors, comprising all members of management one level below the Executive Directors, including the functional heads.

4.4 "Other Employees" means all other employees of Abbott India Limited but do not include employees who have signed collective or union agreements or on contractual basis.

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

#### 5.1 Sitting Fees

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

#### 5.2 Reimbursement of reasonable expenses

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

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

#### 5.3 Stock Options

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

## BOARD'S REPORT AND MD&A

- 5.4 Insurance policy for Non- Executive Directors
- 5.4.1 Where any insurance is taken by the Company on behalf of its NEDs, for indemnifying them against any statutory liability, the premium paid on such insurance would not constitute part of their remuneration.
- 6. Remuneration for Managing Director ("MD"), Executive Directors ("ED") :**
- 6.1 The remuneration to MD/ED and any change thereof shall be approved by the Board on the recommendation of the N&RC subject to approval by the shareholders of the Company within the limits prescribed under the Act and Central Government approval wherever required.
- 6.2 Fixed remuneration is payable by way of salary, perquisites and allowances. The N&RC shall recommend to the Board, annual increments in salary effective 1st April each year.
- 6.3 Apart from the fixed remuneration, there is a variable component of a performance linked incentive/commission which is payable on an annual basis. The amount of performance bonus /commission shall be determined by the Board based on the recommendation of the N&RC and in alignment with Company policy. There can be components of one-time incentive or special incentives basis his agreed compensation structure with the host countries in case of expatriates. The same will be as recommended by the N&RC and approved by the Board of Directors.
- 6.4 The Company shall provide retirement benefits as per statutory requirements. Additionally there may be certain other retirement benefits that may be provided to MD/ED such as pension, gratuity, superannuation, etc.
- 6.5 MD/ED are also eligible for Long Term Incentives granted by the Parent Company, Abbott Laboratories, USA in the form of Stock Options and/or Restricted Stock Units.
- 7. Minimum Remuneration :**
- 7.1 If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD & EDs in accordance with the provisions of Schedule V of the Act.
- 8. Provisions for excess remuneration :**
- 8.1 If MD/ED draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under
- the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- 9. Key Managerial Personnel ("KMP"), Senior Management and Other Employees :**
- 9.1 Base Salary
- 9.1.1 Salaries to KMP, Senior Management and other employees are decided basis the level of responsibility and individual performance. Base pay structure would depend upon :
- Position evaluations;
- Periodic surveys of appropriate comparison companies;
- Salary ranges which reflect job worth based on competitive comparisons.
- 9.2 Bonus, Perquisites, Allowances and Benefits
- 9.2.1 In addition to the fixed salary, certain perquisites, allowances and benefits are provided to the KMPs, Senior Management and other employees.
- 9.2.2 The Company currently provides all employees with social security in terms of insurance towards hospitalization (Mediclaime insurance), accidental death and dismemberment (personal accident insurance).
- 9.2.3 The Company provides retirement benefits as per statutory requirements.
- 9.2.4 The Company provides a performance linked cash bonus to eligible employees based on performance of the Company in general and the individual's performance for the relevant financial year measured against specific Key Result Areas, which are aligned to the Company's objectives and policies.
- 9.2.5 KMP/Senior Management Personnel/ other employees as per their grade are also eligible for Long Term Incentives granted by the Parent Company, Abbott Laboratories, U.S.A in the form of Stock Options and/or Restricted Stock Units.
- 10. Merit Pay :**
- 10.1 The common effective date for merit pay increase is on 1st April of the calendar year. Merit pay is intended to focus solely on individual

## BOARD'S REPORT AND MD&A

- performance against goals and expectations determined for an individual during the Performance Excellence review process.
- 11. Policy implementation :**
- 11.1 The N&RC is responsible for recommending this Remuneration Policy to the Board.
- 11.2 The Board is responsible for approving and
- overseeing implementation of this Policy (with the support of the N&RC).
- 12. Review of this Policy :**
- 12.1 This Policy shall be subject to review by the Committee at such intervals as may be deemed necessary. Changes (if any) recommended by the (N&RC) shall be placed before the Board for its approval.

### ANNEXURE TO THE POLICY

Sr No.	Board/Committee Meeting	Amount per meeting per Director (₹)
1.	Board of Directors (including meetings of Independent Directors)	1,00,000
2.	Audit Committee	1,00,000
3.	Nomination & Remuneration Committee	50,000
4.	Stakeholders Relationship Committee	50,000
5.	Corporate Social Responsibility Committee	50,000
6.	Risk Management Committee	50,000

## BOARD'S REPORT AND MD&A

### ANNEXURE III

#### Secretarial Audit Report for the Financial Year Ended March 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

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, minutes book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of :

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

1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- 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
- (ii) The Listing Agreement entered into by the Company with the BSE Limited and 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.

#### I further report that

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

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

## BOARD'S REPORT AND MD&A

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

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

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

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

Place : Mumbai  
Date : May 25, 2016

#### Annexure to the Secretarial Audit Report of Abbott India Limited for financial year ended March 31, 2016

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.

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

Mumbai  
May 25, 2016

## BOARD'S REPORT AND MD&A

### ANNEXURE IV

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

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

#### A. Conservation of Energy :

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

- Installation of New Energy efficient Variable Frequency Drive (VFD) driven 300TR Screw Chiller with Variable Primary system for the entire plant in place of existing fixed flow chillers.
- Variable primary system installed for chilled water pumps with VFDs and control system.
- VFD with in-built controllers is installed for existing and new Air Handling Units (AHUs) in the recently upgraded facility.
- Conventional FTL lighting replaced with LED lighting in majority of the area.
- Pressure Independent Balancing and Control Valves (PIBCV) installed, in place of regular 3 way actuating Valves to maintain desired chilled flow rates for all AHUs, thereby saving on pumping energy and also providing uniform flow across the chilled water circuit.

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

Nil

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

₹ 88.24 Lakhs

#### B. Technology Absorption :

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

Various new projects were implemented at the Goa factory. Digene tablets in Cola flavor which was developed in-house was commercialized. Digene tablets were commercialized in 15's blister pack. Digene gel mint and orange were launched in 450 ml pack. Digene gel Mint and Orange were

launched in 200ml Offer pack as well as 60ml Physicians Sample pack. In addition Institutional packs of Cremaffin Plus in 170 ml pack sizes were also initiated. Initiatives for various process simplifications and new vendor development for raw material was undertaken during the year.

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

- Cremaffin : Reduction in process time by simultaneous execution of two process steps.
- Digene gel : Implementation of direct paste dumping into the manufacturing tank which leads to considerable saving in time and man hours.
- Duphalac : Studied and extended the shelf life of Reference standard solution of Duphalac thus saving cost of Reference standard up to appx. ₹ 5.00 Lakhs per annum.
- Duphalac : Developed a new HPLC column for Duphalac testing with increased efficiency which saves up to appx. ₹ 0.73 Lakhs per annum
- Alternate vendor development for raw materials was also carried out to ensure supply security.

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

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

## BOARD'S REPORT AND MD&A

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

Sr. No.	Particulars	₹ In Lakhs
a)	Capital	6.69
b)	Recurring	70.59
c)	<b>Total</b>	<b>77.28</b>
d)	Total R&D expenditure as a Percentage of total turnover	0.03%

#### C. Foreign Exchange Outgo and Earnings

Particulars	₹ in Lakhs
<b>A) Total Foreign Exchange used:</b>	
i) On import of raw materials and packing materials, finished goods, consumable stores and capital goods	332,24.90
ii) On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	11,09.93
iii) On remittance during the period on account of dividend	49,39.55
<b>B) Total Foreign Exchange earned from:</b>	
i) Exports of goods	16,15.66
ii) Service income from Fellow Subsidiaries	8,55.59
iii) Service income from others	42.25
iv) Reimbursement of expenses	1,66.05

## BOARD'S REPORT AND MD&A

### ANNEXURE V

#### Extract of Annual Return as on financial year ended March 31, 2016

##### FORM NO. MGT 9

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

##### i. REGISTRATION AND OTHER DETAILS :

CIN	: L24239MH1944PLC007330
Registration Date	: August 22, 1944
Name of the Company	: Abbott India Limited
Category / Sub-Category of the Company	: Company Limited By Shares / Indian Non-Government Company
Address of the Registered office and contact details	: 3-4, Corporate Park, Sion-Trombay Road, Mumbai - 400071 Telephone No. : +91-22-6797 8888 / +91-22-2871 7462 Fax : +91-22-6797 8727 / +91-22-2871 7499
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Share Transfer Agent, if any :	: Name - Karvy Computershare 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 2342 0814

##### 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.	Name : Abbott Capital India Limited Address : Abbott House, Vanvall Business Park, Maiden Head, 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 Share Holding :

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

## BOARD'S REPORT AND MD&A

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	
f) Any other	-	-	-	-	-	-	-	--	-
<b>Sub-total (A)(1) :</b>	-	-	-	-	-	-	-	--	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
d) Banks / FI	-	-	-	-	-	-	-	--	-
e) Any other	-	-	-	-	-	-	-	--	-
<b>Sub-total (A)(2) :</b>	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	1518970	150	1519120	7.15	1374255	150	1374405	6.47	-0.68%
b) Banks / FI	7254	408	7662	0.04	9359	408	9767	0.04	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	44838	-	44838	0.21	39631	-	39631	0.19	-0.02%
g) FIIs	137878	150	138028	0.65	127008	150	127158	0.60	-0.05%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)									
Foreign Portfolio - Corp	57050	-	57050	0.27	260601	-	260601	1.23	+0.96%
<b>Sub-total (B)(1) :</b>	1765990	708	1766698	8.31	1810854	708	1811562	8.53	+0.22%
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	180640	4646	185286	0.87	176619	4646	181265	0.85	-0.02%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2461031	639213	3100244	14.59	2433110	600273	3033383	14.28	-0.31%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	156503	44928	201431	0.95	176480	44928	221408	1.04	0.09%
c) Others (specify)									
Trust	150	-	150	-	1111	-	1111	-	-
NRI(Rep)	18995	1400	20395	0.10	17597	1400	18997	0.09	-0.01%
Clearing Member	-	-	-	-	-	-	-	-	-
NRI(Non Rep)	35530	5049	40579	0.19	42008	5049	47057	0.22	+0.03%
Foreign Corp Bodies	-	471	471	-	-	471	471	-	-
Foreign National / Bodies / OCB	-	-	-	-	-	-	-	-	-
NSDL in transit	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2) :</b>	2852849	695707	3548556	16.70	2846925	656767	3503692	16.48	-0.22%
Total Public Shareholding (B)=(B)(1)+(B)(2)	4618839	696415	5315254	25.01	4657779	657475	5315254	25.01	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>20552887</b>	<b>696415</b>	<b>21249302</b>	<b>100</b>	<b>20591827</b>	<b>657475</b>	<b>21249302</b>	<b>100</b>	<b>-</b>

## BOARD'S REPORT AND MD&A

### 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 (1/04/2015 to 31/03/2016)	
		No. of Shares at the beginning of the year (1/04/2015)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE EQUITY OPPORTUNITIES FUND	807704	3.80%	01.04.2015	-	-	807704	3.80%
				24.04.2015	2640	Transfer	810344	3.81%
				01.05.2015	27040	Transfer	837384	3.94%
				08.05.2015	990	Transfer	838374	3.94%
				15.05.2015	1690	Transfer	840064	3.95%
				05.06.2015	2490	Transfer	842554	3.96%
				12.06.2015	780	Transfer	843334	3.97%
				17.07.2015	550	Transfer	843884	3.97%
				21.08.2015	10510	Transfer	854394	4.02%
				28.08.2015	1990	Transfer	856384	4.03%
				04.09.2015	-70000	Transfer	786384	3.70%
				25.09.2015	-21314	Transfer	765070	3.60%
				06.11.2015	-20712	Transfer	744358	3.50%
				20.11.2015	1380	Transfer	745738	3.51%
				04.12.2015	8337	Transfer	754075	3.55%
				11.12.2015	6020	Transfer	760095	3.58%
				18.12.2015	2990	Transfer	763085	3.59%
				22.01.2016	494	Transfer	763579	3.59%
				29.01.2016	-23231	Transfer	740348	3.48%
				19.02.2016	3830	Transfer	744178	3.50%
26.02.2016	5400	Transfer	749578	3.53%				
04.03.2016	37330	Transfer	786908	3.70%				
25.03.2016	460	Transfer	787368	3.70%				
31.03.2016	-	-	787368	3.70%				

## BOARD'S REPORT AND MD&A

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2015 to 31/03/2016)					
		No. of Shares at the beginning of the year (1/04/2015)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company				
2.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE PHARMA FUND	388865	1.83%	01.04.2015	-	-	388865	1.83%				
				19.06.2015	-1431	Transfer	387434	1.82%				
				31.07.2015	-5157	Transfer	382277	1.80%				
				25.09.2015	-11355	Transfer	370922	1.74%				
				30.09.2015	-1084	Transfer	369838	1.74%				
				09.10.2015	-5401	Transfer	364437	1.71%				
				16.10.2015	-1850	Transfer	362587	1.71%				
31.03.2016	-	-	362587	1.71%								
3.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE MID & SMALL CAP FUND	181804	0.85%	01.04.2015	-	-	181804	0.85%				
				11.09.2015	-1386	Transfer	180418	0.85%				
				18.09.2015	-4646	Transfer	175772	0.83%				
				25.09.2015	-38968	Transfer	136804	0.64%				
				31.12.2015	-5455	Transfer	131349	0.62%				
				18.03.2016	-5000	Transfer	126349	0.59%				
				31.03.2016	-	-	126349	0.59%				
4.	GOLDMAN SACHS INDIA FUND LIMITED	93486	0.44%	01.04.2015	-	-	93486	0.44%				
				10.04.2015	1066	Transfer	94552	0.44%				
				24.04.2015	6101	Transfer	100653	0.47%				
				05.06.2015	4452	Transfer	105105	0.49%				
				26.06.2015	2427	Transfer	107532	0.51%				
				30.06.2015	154	Transfer	107686	0.51%				
				31.07.2015	5668	Transfer	113354	0.53%				
				04.09.2015	60420	Transfer	173774	0.82%				
				31.03.2016	-	-	173774	0.82%				
				5.	THE MASTER TRUST BANK OF JAPAN, LIMITED. AS TRUSTEE OF NISSAY INDIA EQUITY SELECTION MOTHER FUND	57050	0.27%	01.04.2015	-	-	57050	0.27%
								10.04.2015	2839	Transfer	59889	0.28%
22.05.2015	1323	Transfer	61212					0.29%				
19.06.2015	969	Transfer	62181					0.29%				
31.07.2015	-753	Transfer	61428					0.29%				
28.08.2015	-2323	Transfer	59105					0.28%				
04.09.2015	-3390	Transfer	55715					0.26%				
11.09.2015	-5459	Transfer	50256					0.24%				
18.09.2015	-1765	Transfer	48491					0.23%				
11.12.2015	1384	Transfer	49875					0.23%				
18.12.2015	2450	Transfer	52325					0.25%				
25.12.2015	710	Transfer	53035					0.25%				
31.12.2015	755	Transfer	53790					0.25%				
08.01.2016	5290	Transfer	59080					0.28%				
19.02.2016	-403	Transfer	58677					0.28%				
26.02.2016	-134	Transfer	58543					0.27%				
04.03.2016	-1298	Transfer	57245					0.27%				
18.03.2016	12000	Transfer	69245					0.32%				
31.03.2016	-	-	69245					0.32%				

## BOARD'S REPORT AND MD&amp;A

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2015 to 31/03/2016)	
		No. of Shares at the beginning of the year (1/04/2015)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
6.	NATIONAL INSURANCE COMPANY LIMITED	44838	0.21%	01.04.2015	-	-	44838	0.21%
				04.09.2015	-2583	Transfer	42255	0.20%
				22.01.2016	-624	Transfer	41631	0.19%
				05.02.2016	-2000	Transfer	39631	0.19%
				31.03.2016	-	-	39631	0.19%
7.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE REGULAR SAVINGS FUND- BALANCED OPTION	40000	0.19%	01.04.2015	-	-	40000	0.19%
				26.02.2016	-300	Transfer	39700	0.19%
				04.03.2016	-39700	Transfer	-	-
				31.03.2016	-	-	-	-
8.	RELIANCE LIFE INSURANCE COMPANY LIMITED	35159	0.16%	01.04.2015	-	-	35159	0.16%
				22.05.2015	-648	Transfer	34511	0.16%
				29.05.2015	-297	Transfer	34214	0.16%
				12.06.2015	-1494	Transfer	32720	0.15%
				07.08.2015	-2154	Transfer	30566	0.14%
				25.09.2015	-6049	Transfer	24517	0.11%
				30.09.2015	-1315	Transfer	23202	0.11%
				05.02.2016	69	Transfer	23271	0.11%
				04.03.2016	280	Transfer	23551	0.11%
				18.03.2016	301	Transfer	23852	0.11%
				31.03.2016	-	-	23852	0.11%
9.	OCEAN DIAL GATEWAY TO INDIA MAURITIUS LIMITED	29179	0.14%	01.04.2015	-	-	29179	0.14%
				10.04.2015	-3399	Transfer	25780	0.12%
				17.04.2015	-85	Transfer	25695	0.12%
				24.04.2015	-14582	Transfer	11113	0.05%
				01.05.2015	-11113	Transfer	-	-
31.03.2016	-	-	-	-				
10.	HEMRAJ CHATURBHUI ASHER	21242	0.10%	01.04.2015	-	-	21242	0.10%
				31.03.2016	-	-	21242	0.10%
11.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED - RELIANCE EQUITY LINKED SAVING FUND-SERIES-I	18787	0.09%	01.04.2015	-	-	18787	0.09%
				25.09.2015	-9000	Transfer	9787	0.05%
				11.03.2016	-1657	Transfer	8130	0.04%
31.03.2016	-	-	8130	0.04%				

## BOARD'S REPORT AND MD&amp;A

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2015 to 31/03/2016)	
		No. of Shares at the beginning of the year (1/04/2015)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
12.	GIRDHAR LAL SHARDA	14600	0.07%	01.04.2015	-	-	14600	0.07%
				10.07.2015	-50	Transfer	14550	0.07%
				24.07.2015	976	Transfer	15526	0.07%
				31.07.2015	274	Transfer	15800	0.07%
				04.09.2015	1293	Transfer	17093	0.08%
				11.09.2015	1507	Transfer	18600	0.09%
				18.09.2015	2100	Transfer	20700	0.10%
				25.09.2015	600	Transfer	21300	0.10%
				08.01.2016	3100	Transfer	24400	0.11%
				15.01.2016	200	Transfer	24600	0.11%
				22.01.2016	500	Transfer	25100	0.12%
				05.02.2016	350	Transfer	25450	0.12%
25.03.2016	100	Transfer	25550	0.12%				
31.03.2016	-	-	25550	0.12%				
13.	IDBIMF - DIVERSIFIED EQUITY FUND OPERATIVE A/C	14000	0.06%	01.04.2015	-	-	14000	0.06%
				12.06.2015	1569	Transfer	15569	0.07%
				19.06.2015	1431	Transfer	17000	0.08%
				17.07.2015	3000	Transfer	20000	0.09%
				18.03.2016	936	Transfer	20936	0.10%
				31.03.2016	-	-	20936	0.10%
14.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	-	-	01.04.2015	-	-	-	-
				09.10.2015	-	-	1038	-
				16.10.2015	1346	Transfer	2384	0.01%
				23.10.2015	1162	Transfer	3546	0.02%
				30.10.2015	311	Transfer	3857	0.02%
				06.11.2015	20742	Transfer	24599	0.11%
				05.02.2016	23299	Transfer	47898	0.22%
				31.03.2016	-	-	47898	0.22%
15.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	-	-	01.04.2015	-	-	-	-
				25.09.2015	-	-	46286	0.22%
				31.12.2015	374	Transfer	46660	0.22%
				08.01.2016	224	Transfer	46884	0.22%
				15.01.2016	1645	Transfer	48529	0.23%
				22.01.2016	1043	Transfer	49572	0.23%
31.03.2016	-	-	49572	0.23%				

## BOARD'S REPORT AND MD&A

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

Sr. No.	For each of the Directors and KMP (along with relatives)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Mr R. A. Shah (along with relatives)</b>				
	At the beginning of the year	6,874	0.03%	6,874	0.03%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
	At the End of the year	6,874	0.03%	6,874	0.03%

None of the other Directors except Mr R. A. Shah hold shares in the Company.

None of the Key Managerial Personnel hold 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				
Total (i+ii+iii)				
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				
Total (i+ii+iii)				

NIL

## BOARD'S REPORT AND MD&A

### vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Rehan A. Khan Managing Director (Resigned effective April 30, 2016)	Kaiyomarz Marfatia, Whole-time Director (From April 1, 2015 to February 29, 2016)	
1.	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income - tax	2,96.02	1,05.26	4,01.28
	Value of perquisites u/s 17(2) Income-tax Act, 1961*	2,40.33	47.20	2,87.53
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	-as % of profit	-	-	-
	-others, specify	-	-	-
5.	Others			
	Contribution to Provident Fund	26.93	5.64	32.57
	Contribution to Superannuation Fund	-	0.92	0.92
	<b>Total (A)</b>	<b>5,63.28</b>	<b>1,59.02</b>	<b>7,22.30</b>
	Ceiling as per the Act	₹ 40,17.25 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 Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the perquisite value of which is included above.

#### B. Remuneration to Other Directors :

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Munir Shaikh	R. A. Shah	Ranjan Kapur	Krishna Mohan Sahni	
1.	Independent Directors					
	Fee for attending board / committee meetings	-	12.00	18.00	14.50	44.50
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>12.00</b>	<b>18.00</b>	<b>14.50</b>	<b>44.50</b>
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	12.50	-	-	-	12.50
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (2)</b>	<b>12.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.50</b>
	<b>Total (B)=(1+2)</b>	<b>12.50</b>	<b>12.00</b>	<b>18.00</b>	<b>14.50</b>	<b>57.00</b>
	Ceiling as per the Act	₹ 4,01.73 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				



## BOARD'S REPORT AND MD&A

### C. Remuneration to Key Managerial Personnel Other than Managing Director / Whole Time Director/ Manager :

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of KMP		
		Rajiv Sonalker, Chief Financial Officer	Krupa Anandpara, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	149.67	36.78	186.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	28.94	1.79	30.73
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others			
	Contribution to Provident Fund	6.35	1.34	7.69
	<b>Total</b>	<b>184.96</b>	<b>39.91</b>	<b>224.87</b>

\* The Company does not have any Stock Option Plan for its employees. However, the above KMP's are entitled to Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the perquisite value of which is included above.

#### vii. Penalties / Punishment / Compounding of Offences :

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

## BOARD'S REPORT AND MD&A

### ANNEXURE VI

[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 2015-16 :

Name of the Director	% Increase in the remuneration (a)	Ratio of remuneration of each Director / to median remuneration of employees (b)
Mr Munir Shaikh * (Non-Executive Chairman)	-	2.2
Mr R. A. Shah * (Non-Executive, Independent Director)	-	2.1
Mr Ranjan Kapur * (Non- Executive, Independent Director)	-	3.2
Mr Krishna Mohan Sahni* (Non-Executive, Independent Director)	-	2.6
Mr Rehan A. Khan@ (Managing Director)	12.0	95
Mr Kaiyomarz Marfatia# (Non-Executive Director)	11.3	29
Mr Rajiv Sonalker (Chief Financial Officer)	14.1	NA
Ms Krupa Anandpara (Company Secretary)	24.1	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 of the other Committee meetings

@ Resigned as Managing Director and Director effective April 30, 2016.

# Ceased to be Whole-time Director and continued as Director (Non-Executive) effective February 29, 2016

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

9.5%

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

2,956

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

The Net Sales for the year ended on March 31, 2016 increased by 15.3%. Average increase in the remuneration of employees is 11.6%, which is in line with the Company's performance.

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

The Net Sales for the year ended on March 31, 2016 increased by 15.3%. Increase in the remuneration of Key Managerial Personnel is 13.4%.

- vi. Variations in the Market Capitalization of the Company :

The Market Capitalization as on March 31, 2016 was ₹ 10,003.11 Lakhs (₹ 8,390.07 Lakhs as on March 31, 2015)

- vii. Price Earnings Ratio :

Price Earning Ratio of the Company was 38.53 as at March 31, 2016 (36.64 as at March 31, 2015).

## BOARD'S REPORT AND MD&A

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

The Company had come out with initial public offer (IPO) in the year 1966. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 1,05.82 Lakhs as at March 31, 2016 (₹ 88.76 Lakhs as at March 31, 2015) indicating a Compounded Annual Growth Rate of 20.4%. This is excluding the dividend and other benefits accrued thereon.

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

Average percentage increase made in the salaries of employees other than the managerial personnel in year i.e. 2015-16 was 11.8%, whereas the increase in the key managerial personnel remuneration was 13.4%.

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

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

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

There is no employee getting remuneration higher than the highest paid director.

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

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

### BOARD OF DIRECTORS

- (a) As on March 31, 2016, the Board comprises of 9 Directors including 1 Executive and 8 Non-Executive Directors, of which 3 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.
- (b) The composition of the Board of Directors, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting along with the number of directorships and memberships held in various committees in other companies, as on March 31, 2016, are given in the table below :

Name of the Director	Category of Directorship	Attendance at		Number of Directorships in other companies <sup>1</sup>	Number of Committee positions held in other companies <sup>2</sup>
		Board Meetings	Annual General Meeting (July 29, 2015)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	5 (including 1 meeting attended via Tele-conference)	Yes	2	NIL
Mr Rehan A. Khan Managing Director (resigned as Managing Director and Director effective April 30, 2016)	Executive Director	5	Yes	NIL	NIL
Mr R. A. Shah (relinquished his position as an Independent Director on July 31, 2015 and continued as Non-Executive Director) (re-appointed as an Independent Director effective October 28, 2015)	Non-Executive, Independent Director	5	Yes	13 <sup>1</sup> (includes Chairmanship of 3 companies and Vice-Chairmanship of 1 company)	6 (includes Chairmanship of 3 committees)
Mr Ranjan Kapur	Non-Executive, Independent Director	6	Yes	7 <sup>1</sup>	1
Mr Kaiyomarz Marfatia (ceased to be Whole-time Director effective February 29, 2016 and continued as Director, liable to retire by rotation)	Non-Executive Director	6	Yes	NIL	NIL
Mr Bhasker Iyer	Non-Executive Director	5	No	NIL	NIL
Mr Sachin Dharap	Non-Executive Director	4	Yes	NIL	NIL
Mr Krishna Mohan Sahni	Non-Executive, Independent Director	6	Yes	2	1
Ms Nancy Berce	Non-Executive Director	2	Yes	NIL	NIL

- The Directorships held by Directors in other companies also include 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.
- Committee positions held in other companies includes Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.

## CORPORATE GOVERNANCE REPORT

3. Mr R. A. Shah holds directorships in 9 public companies, 3 private companies and 1 foreign company.
  4. Mr Ranjan Kapur holds directorships in 1 public company and 6 private companies.
- (c) During the year under review, 6 Board Meetings were held on the following dates :
- May 27, 2015; July 29, 2015; August 12, 2015; November 6, 2015; February 1, 2016 and February 29, 2016.
- (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 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) None of the Non-Executive Directors holds any shares of the Company except for Mr R. A. Shah, who along with his relatives hold 6,874 shares as on March 31, 2016.
- (g) As required under the 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 appointment/re-appointment/resignations of Directors during the year under review.

### FAMILIARISATION PROGRAMS FOR INDEPENDENT DIRECTORS

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

Details of such programs conducted by the Company for the financial year 2015-16 are available on the website of the Company at <http://www.abbott.co.in/investor-relations-policies-and-procedures.html>

### MEETING OF INDEPENDENT DIRECTORS

2 Meetings of Independent Directors were held during the year on May 27, 2015 and August 12, 2015, 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.

### 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 of 3 Independent Directors and 1 Non-Executive Director.

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

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr R. A. Shah (Chairman)*	Independent Director	5	4
2.	Mr Ranjan Kapur#	Independent Director	5	5
3.	Mr Munir Shaikh	Non-Executive Director	5	4 (including 1 meeting attended via Tele-conference)
4.	Mr Krishna Mohan Sahni	Independent Director	5	5

\* appointed as Chairman effective May 25, 2016.

# ceased to be Chairman effective May 25, 2016

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

#### Role :

The role of the Committee includes :

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by 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 :
  - a. 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
  - b. changes, if any, in accounting policies and practices and reasons for the same

## CORPORATE GOVERNANCE REPORT

- c. major accounting entries involving estimates based on the exercise of judgment by management
  - d. significant adjustments made in the financial statements arising out of audit findings
  - e. compliance with listing and other legal requirements relating to the financial statements
  - f. disclosure of related party transactions
  - g. qualifications in the draft audit report
- reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  - reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  - approval or any subsequent modification of transactions of the Company with related parties;
  - scrutiny of inter-corporate loans and investments;
  - valuation of undertakings or assets of the Company, wherever it is necessary;
  - evaluation of internal financial controls and risk management systems;
  - reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - discussion with internal auditors of any significant findings and follow up thereon;
  - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern;
  - to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - review the functioning of the Vigil Mechanism/ Whistle Blower Mechanism;
  - carry out any other functions as 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 27, 2015; July 29, 2015; August 12, 2015; November 6, 2015 and February 1, 2016.

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

Mr Ranjan Kapur, the former Chairman of the Audit Committee attended the Annual General Meeting held on July 29, 2015 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 of 2 Independent Directors and 2 Non- Executive Directors.

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

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Ranjan Kapur (Chairman)	Independent Director	5	5
2.	Mr R. A. Shah*	Independent Director	5	1
3.	Mr Munir Shaikh	Non-Executive Director	5	4 (including 1 meeting attended via Tele-conference)
4.	Mr Bhasker Iyer	Non-Executive Director	5	4

\*ceased as Member effective August 12, 2015 and re-appointed effective February 29, 2016

## CORPORATE GOVERNANCE REPORT

During the year, Mr Krishna Mohan Sahni was appointed as the Member on August 12, 2015; however he ceased as Member effective February 29, 2016. He attended 3 meetings during this period.

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;
- formulating the criteria for evaluation of performance of the directors and the Board and evaluating the performance of the directors and the Board and whether to extend or continue the term of appointment of the independent director on the basis of such assessment;
- ensuring that there is an appropriate induction programme in place for new directors and reviewing its effectiveness;
- 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
- to consider any other matters as may be delegated by the Board.

### Meetings :

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

May 27, 2015; August 12, 2015; November 6, 2015; February 1, 2016 and February 29, 2016.

Mr Ranjan Kapur, Chairman of the Committee attended the Annual General Meeting of the Company to answer the shareholders' queries.

### Performance Evaluation Criteria for Independent Directors :

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

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

### 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 of 1 Independent Director and 2 Non- Executive Directors.

The composition of the Stakeholders Relationship Committee as on date of this Report, category of its Members and their attendance at the Committee Meetings held during the year under review is given in the table below :

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

Mr Rehan A. Khan ceased as Member of the Committee effective April 30, 2016 consequent to his resignation as the Managing Director and Director of the Company. He attended 3 meetings during the year.

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

### Role :

The role of the Committee includes :

- respond to the grievances in general and relating to transfer, transmission and transposition of shares, non-receipt of declared dividends, interest, non-receipt of Annual Report, duplicate, split, consolidation and rematerialisation of share certificates, etc. of all shareholders in a time bound manner;
- monitor and review the performance and service standards of the Registrar and Share Transfer Agent of the Company and provide continuous guidance to improve the service levels for shareholders and other security holders;

## CORPORATE GOVERNANCE REPORT

- ensure quick redressal of the complaints received from shareholders and other security holders and maintain cordial relations with them;

- monitor the number of grievances received, resolved or pending from time to time.

### Meetings :

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

May 27, 2015; August 12, 2015; November 6, 2015 and February 1, 2016.

### Summary of Shareholders' Grievances :

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

Particulars	Number
Pending at the beginning of the year under review	--
Received during the year under review	5*
Resolved during the year under review	5*
Pending at the end of the year under review	--

\*includes one letter received from the BSE Limited relating to an investor grievance which was duly resolved.

As on March 31, 2016, 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 Rules framed thereunder.

### Composition :

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

The composition of the Corporate Social Responsibility Committee as on date of this Report, category of its Members and their attendance at the Committee Meetings held during the year under review is given in the table below :

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Munir Shaikh (Chairman)	Non-Executive Director	3	3 (including 1 meeting attended via Tele-conference)
2.	Mr Ranjan Kapur	Independent Director	3	3
3.	Mr Sachin Dharap	Non-Executive Director	3	2
4.	Mr Krishna Mohan Sahni#	Independent Director	3	NA

# appointed as Member effective February 29, 2016.

Mr Rehan A. Khan ceased as Member of the Committee effective April 30, 2016 consequent to his resignation as the Managing Director and Director of the Company. He attended 2 meetings during the year.

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

### Meetings :

During the year under review, the Committee met 3 times on the following dates :

May 27, 2015; November 6, 2015 and February 1, 2016.

### 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 of 2 Non-Executive Directors, 1 Independent Director and a Chief Financial Officer.

The composition of the Risk Management Committee as on date of this Report, category of its Members, their attendance at the Committee Meetings held during the year under review is given in the table below :

## CORPORATE GOVERNANCE REPORT

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Bhasker Iyer <sup>@</sup> (Chairman)	Non-Executive Director	2	NA
2.	Mr Kaiyomarz Marfatia	Non-Executive Director	2	2
3.	Mr Krishna Mohan Sahni <sup>#</sup>	Independent Director	2	NA
4.	Mr Rajiv Sonalker	Chief Financial Officer	2	2

<sup>@</sup>appointed as Member and Chairman effective May 1, 2016.

<sup>#</sup> appointed as Member effective May 25, 2016.

Mr Rehan A. Khan ceased as Member of the Committee effective April 30, 2016 consequent to his resignation as the Managing Director and Director of the Company. He attended 1 meeting during the year.

Mr Ranjan Kapur ceased to be Member effective May 25, 2016. He attended 2 meetings during the year.

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

### Role :

The role of the Committee includes :

- monitoring and implementing Risk Management Plans;
- ensures 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;
- understands 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;
- such other functions as may be delegated by the Board, from time to time.

### Meetings :

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

May 27, 2015 and February 1, 2016

## REMUNERATION OF DIRECTORS

### Executive Directors

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

Details of remuneration paid to the Executive Directors are as follows :

(₹ in Lakhs)

Terms of Agreement	Mr Rehan A. Khan * Managing Director (April 1, 2015 to March 31, 2016)	Mr Kaiyomarz Marfatia # Whole-time Director (April 1, 2015 to February 29, 2016)
Period of appointment	5 years	5 years
Date of appointment	May 15, 2012	March 1, 2011
Salary & Other Allowances	2,50.29	89.51
Perquisites	2,40.33	47.20
Contribution to Provident Fund/ Superannuation Fund	26.93	6.56
Performance Linked Incentive	45.73	15.75
Notice Period	Three Months	Three Months
Severance Fees	There is no separate provision for payment of severance fees.	There is no separate provision for payment of severance fees.
Stock Option	The Company does not have any Stock Option Plan for its employees. However, Managing Director is entitled to Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the perquisite value of which is included above.	The Company does not have any Stock Option Plan for its employees. However, Whole-time Director is entitled to Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the perquisite value of which is included above.

\*resigned as Managing Director and Director of the Company effective April 30, 2016.

#ceased to be Whole-time Director of the Company effective February 29, 2016 upon completion of his term and continued as Director, liable to retire by rotation.

## CORPORATE GOVERNANCE REPORT

### Non-Executive Directors

Mr Munir Shaikh, Mr R. A. Shah, Mr Ranjan Kapur and Mr Krishna Mohan Sahni were paid sitting fees amounting to ₹ 12.50 Lakhs, ₹ 12 Lakhs, ₹ 18 Lakhs and ₹ 14.50 Lakhs respectively, for attending Board Meetings and various Committee meetings held during the year under review.

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company. Mr R. A. Shah is a partner of M/s Crawford Bayley & Co., which renders professional services to the Company. During the year fees of ₹ 61,200/- was remitted to Crawford Bayley & Co., for various professional services rendered by them. 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.

### GENERAL BODY MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2014-15	July 29, 2015	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 (Approval of Related Party Transactions with Abbott Products Operations AG., Switzerland)
2013-14	August 1, 2014	3.00 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 (Appointment of S R B C & CO. LLP as Statutory Auditors in place of Deloitte Haskins & Sells LLP, retiring Auditors)
2012	April 25, 2013	10.30 a.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021	-

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

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

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board, in terms of the requirements of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has formulated the Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited - Procedure for Internal Investigations". The said Policy is available on the website of the Company at <http://www.abbott.co.in/investor-relations-policies-and-procedures.html>. Adequate safeguards are provided against victimization of director(s) or employee(s) or any other person who avail such mechanism.

No Employee has been denied access to the Audit Committee.

### MEANS OF COMMUNICATION

- (a) The quarterly, half yearly and annual results are published in one English daily newspaper (Business Standard) and one Marathi newspaper (Loksatta) published from Mumbai. The quarterly results/shareholding patterns/notice of Board Meetings/official news release, if any are made available on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in)
- (b) During the year under review, the Company has not made any presentation to the institutional investors or analysts.

### GENERAL SHAREHOLDER INFORMATION

#### i. Annual General Meeting

Monday, July 18, 2016 at 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

#### ii. Financial year

April 1, 2015 to March 31, 2016

#### iii. Book Closure

Tuesday, July 12, 2016 to Monday, July 18, 2016 (both days inclusive)

#### iv. E-Voting Period

From 10.00 a.m. (IST) on July 15, 2016 (Friday) Upto 5.00 p.m. (IST) on July 17, 2016 (Sunday)

#### v. Dividend Payment Date

On and from July 26, 2016

#### vi. Listing on Stock Exchange

BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Telephone No.: +91-22-22721233/4, +91-22-66545695  
Fax : +91-22-22721919  
Website : [www.bseindia.com](http://www.bseindia.com)  
Email : [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

## CORPORATE GOVERNANCE REPORT

The annual listing fees for the financial year 2015-16 was paid to the BSE Limited as per Regulation 14 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### vii. Corporate Identification Number (CIN)

L24239MH1944PLC007330

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

INE358A01014

### ix. Stock Code (BSE)

500488

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

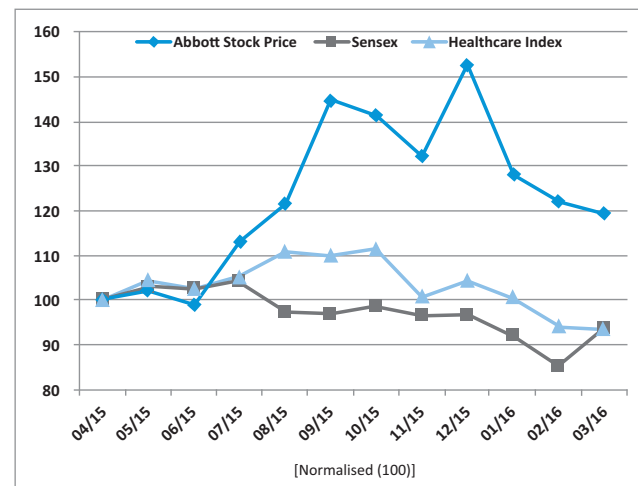
(₹)

Month	High	Low
April, 2015	4,087.00	3,770.00
May, 2015	4,060.55	3,768.00
June, 2015	4,050.00	3,707.00
July, 2015	4,715.00	3,880.00
August, 2015	4,948.25	4,450.00
September, 2015	6,152.95	4,650.00
October, 2015	5,879.95	5,397.10
November, 2015	5,575.00	4,973.45
December, 2015	5,799.00	5,113.00
January, 2016	6,015.00	4,832.65
February, 2016	5,275.00	4,561.00
March, 2016	5,220.00	4,501.00

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

April 1, 2015 to March 31, 2016

Normalised (100)



### xii. Registrar and Share Transfer Agent

The Company appointed Karvy Computershare Private Limited (Karvy) as its new Registrar and Share Transfer Agent in place of Sharepro Services (India) Private Limited effective June 1, 2016.

#### Karvy Computershare 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 2342 0814	B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai - 400 001 Tel No : +91-22-66235412
Email : <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website : <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>	

Addresses and other details of various centres of Karvy are available on [www.karvycomputershare.com](http://www.karvycomputershare.com)

### xiii. Share Transfer System

Share Transfer Committee comprising of the officials of the Company attend to the share transfer formalities at least once in a fortnight. The said Committee also considers requests received for transmission of shares and dematerialisation.

Board Administrative Committee comprising of Directors considers and approves the requests for duplicate certificates, split/consolidation and rematerialisation.

Share transfer requests received at the Registrar & Share Transfer Agent are normally processed and delivered within 15 days from the date of lodgement in cases where documents are complete and in order. Requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days from the date of receipt.

### xiv. Distribution of Shareholding as on March 31, 2016

Distribution	No. of Share holders	% to Total	No. of Shares held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	19,862	93.46	14,41,774	6.78
501 to 1000	764	3.60	5,49,981	2.59
1001 to 2000	359	1.69	5,07,156	2.39
2001 to 3000	116	0.55	2,85,439	1.34
3001 to 4000	48	0.23	1,69,754	0.80
4001 to 5000	37	0.17	1,68,052	0.79
5001 to 10000	30	0.14	2,01,870	0.95
ABOVE 10000	34	0.16	1,79,25,276	84.36
<b>TOTAL</b>	<b>21,250</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

## CORPORATE GOVERNANCE REPORT

### xv. Shareholding Pattern as on March 31, 2016

Category of Shareholders	No. of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	9,767	0.05
Foreign Institutional Investors	1,27,158	0.60
Foreign Portfolio - Corp.	2,60,601	1.23
Insurance Companies	39,631	0.19
Mutual Funds	13,74,405	6.47
Domestic Companies	1,81,265	0.85
Non-Domestic Companies	471	-
Non-Resident Indians	66,054	0.31
Directors & Relatives	6,874	0.03
Others	32,49,028	15.28
<b>Total</b>	<b>2,12,49,302</b>	<b>100.00</b>

### xvi. Dematerialisation of Shares as on March 31, 2016 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).

As on March 31, 2016, 2,05,91,827 shares representing 96.91% of the Company's total paid-up share capital were held in dematerialised mode.

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

### xviii Foreign exchange risk and hedging activities

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

### xix Plant Location

L-18/19, Verna Industrial Estate, Goa

### xx Address for correspondence

Abbott India Limited  
CIN : L24239MH1944PLC007330

#### Registered office :

3-4, Corporate Park, Sion-Trombay Road,  
Mumbai – 400 071 Maharashtra, India  
Telephone : +91-22-6797 8888  
Fax : +91-22-6797 8727

#### Corporate office :

271, Business Park,  
Model Industrial Colony, Off Aarey Road,  
Goregaon (E), Mumbai – 400 063  
Maharashtra, India

Telephone : +91-22-2871 7400

Fax : +91-22-2871 7499

Email : [investor.relations@abbott.com](mailto:investor.relations@abbott.com)

[webmasterindia@abbott.com](mailto:webmasterindia@abbott.com)

Website : [www.abbott.co.in](http://www.abbott.co.in)

#### Karvy Computershare 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 2342 0814	B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai - 400 001 Tel No : +91-22-66235412
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Email : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

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

### OTHER DISCLOSURES

- There were no Related Party Transactions entered into by the Company that had potential conflict with the interests of the Company at large.
- Policy on dealing with Related Party Transactions and Policy on Determination of Materiality of Event or Information for Disclosure are disclosed on the website of the Company at <http://www.abbott.co.in/investor-relations-policies-and-procedures.html>
- In the preparation of Financial Statements, no differential treatment from that prescribed in the Accounting Standards has been followed.
- 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.
- There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the last three years.
- In terms of requirement of Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chief Financial Officer (CFO) has 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.
- The Board of Directors of the Company has a Code of Business Conduct, which lays down various principles of ethics and compliance. The Code has been posted on the Company's website at <http://www.abbott.co.in/investor-relations-policies-and-procedures.html>
- The Company has complied with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CORPORATE GOVERNANCE REPORT

- (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.
- 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 Shareholders.
- ii. Reporting of Internal Auditors is directly to the Audit Committee.
- For and on behalf of the Board

### Compliance with Discretionary requirements :

- |   |                        |   |   |
|---|------------------------|---|---|
| i. The half yearly financial results are published in two newspapers as prescribed by the Securities and Exchange Board of India (Listing Obligations and | Mumbai<br>May 25, 2016 | <b>Munir Shaikh</b><br>Chairman<br>DIN : 00096273 | <b>Ranjan Kapur</b><br>Director<br>DIN : 00035113 |
|---|------------------------|---|---|

### 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 with the BSE Limited, 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, 2016.

Mumbai  
March 31, 2016

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

### AUDITORS' CERTIFICATE

To

The Members of Abbott India Limited

We have examined the compliance of conditions of Corporate Governance by Abbott India Limited (the 'Company'), for the year ended on March 31, 2016, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchange.

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

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

#### per Ravi Bansal

Partner

Membership No.: 49365

Mumbai

May 25, 2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of Abbott India Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Abbott India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's report) Order, 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.
- As required by Section 143 (3) of the Act, we report that :
  - 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;
  - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) 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 :
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 (a) to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - 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 No.324982E/E300003

per Ravi Bansal  
Partner  
Membership No.49365  
Place : Mumbai  
Date : May 25, 2016

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

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company except a residential flat having original cost of ₹ 17 Lakhs and written down value of ₹ 11 Lakhs for which the Company is in the process of getting the title deeds registered in its name.
- The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- 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.
- 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.
- The Company has not accepted any deposits from the public.
- We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of formulations and bulk drugs, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been delays in few cases of payment of professional tax.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows :

(₹ in Lakhs)				
Name of Statute	Nature of Dues	Amount disputed (net of payments)	Forum where dispute is pending	Period to which the amount relates
Income-tax Act, 1961	Income Tax	94.84	ITAT	A.Y. 2006-2007 and A.Y. 2009-2010
		14.35	CIT Appeals	A.Y. 2010-2011 and A.Y. 2011-2012
Central Excise Act, 1944	Excise Duty	3.20	Commissioner (Appeals)	1991-1992
		3.56	Commissioner	1994 to 1995
		2.51	Assistant Commissioner	1994 and 1997 to 2002
		26.72	Custom Excise & Service Tax Appellate Tribunal	2005 to 2006
The Bombay Sales Tax Act, 1959	Sales Tax	39.87	Deputy Commissioner of Sales Tax	1999-2000
Central Sales Tax Act, 1956 (Maharashtra)	Central Sales Tax	46.42	Maharashtra Sales Tax Tribunal	2007 to 2009
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	1.50	Additional Commissioner of Commercial Tax (Appeals)	2008 to 2010
Central Sales Tax Act, 1956 (Uttar Pradesh)	Sales Tax	8.36	Additional Commissioner of Commercial Tax (Appeals)	2010-2011
West Bengal Sales Tax Act, 1994	Sales Tax	2.44	Appellate & Revisional Board, Commercial Tax	2004-2005
Central Sales Tax Act, 1956 (West Bengal)	Sales Tax	4.69	Appellate & Revisional Board, Commercial Tax	2005-2006
West Bengal Value Added Tax Act, 2003	Value Added Tax	10.60	Appellate & Revisional Board, Commercial Taxes	2005-2006
Kerala General Sales Tax Act, 1963	Sales Tax	13.05	Sales Tax Appellate Tribunal, Additional Bench	2002-2003
Central Sales Tax, 1956 (Goa)	Sales Tax	9,00.80	Additional Commissioner of Commercial Taxes	2006 to 2009
		16.67	Assistant Commissioner of Commercial Taxes, Panaji, Goa	2009-2010
Goa Value Added Tax Act, 2005	Value Added Tax	2.07	Additional Commissioner of Commercial Taxes	2006-2007
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	2,40.96	Deputy Commissioner of Commercial Taxes (Appeal)	2006-2007
Customs Act, 1962	Custom Duty	4.43	Commissioner (Appeals)	1996
		4,82.72	Custom Excise & Service Tax Appellate Tribunal	2011 to 2013
Cenvat Credit Rules, 2004	Excise Duty	7.30	The Additional Commissioner Customs & Central Excise	April 2006 to October 2009
		3.14	The Assistant Commissioner Customs & Central Excise	November 2009 to June 2011



- (viii) According to the information and explanations given to us, the Company has not taken loans or borrowings from a financial institution or bank or government or has any dues to debenture holders. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.
- (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 hence, reporting under clause 3 (ix) is not applicable to the Company and hence 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 No.324982E/E300003

**per Ravi Bansal**

Partner

Membership No.49365

Place : Mumbai

Date : May 25, 2016

**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, 2016 in conjunction with our audit of the standalone 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, both 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, 2016, 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 No.324982E/E300003

**per Ravi Bansal**

Partner

Membership No.49365

Place : Mumbai

Date : May 25, 2016

**BALANCE SHEET** as at March 31, 2016

	NOTE	As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	21,24.93	21,24.93
Reserves and Surplus	4	1086,39.29	916,27.83
		<b>1107,64.22</b>	937,52.76
<b>Non-Current Liabilities</b>			
Long-Term Provisions	5	43,94.73	39,16.20
		<b>43,94.73</b>	39,16.20
<b>Current Liabilities</b>			
Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	38	1,18.41	16.34
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		231,71.24	193,39.54
Other Current Liabilities	6	84,83.52	59,34.93
Short-Term Provisions	7	154,74.80	144,03.33
		<b>472,47.97</b>	396,94.14
<b>TOTAL</b>		<b>1624,06.92</b>	1373,63.10
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible assets	9	105,89.47	93,05.76
Intangible assets	10	2,56.19	2,97.85
Capital Work-in-Progress		1,90.80	2,99.64
Intangible assets under development		92.62	91.46
		<b>111,29.08</b>	99,94.71
Deferred Tax Assets (Net)	12	8,57.34	6,52.68
Long-Term Loans and Advances	13	56,86.06	38,80.00
Other Non-Current Assets	14	2,72.78	2,24.43
		<b>179,45.26</b>	147,51.82
<b>Current Assets</b>			
Inventories	15	370,10.29	384,13.09
Trade Receivables	16	140,83.81	129,14.83
Cash and Bank Balances	17	839,42.19	643,89.36
Short-Term Loans and Advances	18	77,87.02	52,87.38
Other Current Assets	19	16,38.35	16,06.62
		<b>1444,61.66</b>	1226,11.28
<b>TOTAL</b>		<b>1624,06.92</b>	1373,63.10
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 25, 2016

For and on behalf of the Board of Directors

**MUNIR SHAIKH**

Chairman

DIN : 00096273

**RAJIV SONALKER**

Chief Financial Officer

Place : Mumbai

Date : May 25, 2016

**RANJAN KAPUR**

Director

DIN : 00035113

**KRUPA ANANDPARA**

Company Secretary

Membership No.ACS 16536

**STATEMENT OF PROFIT AND LOSS** for the year ended March 31, 2016

	NOTE	For the Year Ended March 31, 2016 ₹ Lakhs	For the Year Ended March 31, 2015 ₹ Lakhs
<b>INCOME</b>			
Revenue from Operations (Gross)		2659,55.86	2317,01.99
Less : Excise Duty		31,13.73	27,69.41
Revenue from Operations (Net)	20	2628,42.13	2289,32.58
Other Income	21	50,44.24	47,54.78
<b>TOTAL REVENUE</b>		<b>2678,86.37</b>	2336,87.36
<b>EXPENSES</b>			
Cost of Materials Consumed	22	312,77.73	305,43.38
Purchases of Stock-in-Trade	23	1180,43.39	1047,86.39
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	14,86.50	(41,33.32)
Employee Benefits Expense	25	336,98.50	305,40.18
Finance Cost	28	80.53	50.34
Depreciation and Amortisation Expense	11	14,44.08	14,93.63
Other Expenses	29	416,83.18	359,70.68
<b>TOTAL EXPENSES</b>		<b>2277,13.91</b>	1992,51.28
<b>PROFIT BEFORE TAX</b>		<b>401,72.46</b>	344,36.08
<b>TAX EXPENSES</b>			
Current Tax Expense		143,72.57	119,90.00
Tax adjustment for earlier years		41.78	75.25
Deferred Tax (Credit)		(2,04.66)	(5,25.10)
<b>TOTAL TAX EXPENSES</b>		<b>142,09.69</b>	115,40.15
<b>PROFIT FOR THE YEAR</b>		<b>259,62.77</b>	228,95.93
<b>EARNINGS PER EQUITY SHARE</b>			
Earnings Per Share - Basic/Diluted ₹	30	122.18	107.75
[Face value of ₹ 10 each (March 2015 : ₹ 10 each)]			
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 25, 2016

For and on behalf of the Board of Directors

**MUNIR SHAIKH**

Chairman

DIN : 00096273

**RAJIV SONALKER**

Chief Financial Officer

Place : Mumbai

Date : May 25, 2016

**RANJAN KAPUR**

Director

DIN : 00035113

**KRUPA ANANDPARA**

Company Secretary

Membership No.ACS 16536

## CASH FLOW STATEMENT for the year ended March 31, 2016

	For the Year Ended March 31, 2016 ₹ Lakhs	For the Year Ended March 31, 2015 ₹ Lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit Before Tax</b>	<b>401,72.46</b>	344,36.08
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	14,44.08	14,93.63
(Profit)/Loss on sale/write off of Fixed Assets (Net)	24.49	(1,69.08)
Unrealised exchange (Gain)/Loss (Net)	(2,70.09)	1,38.41
Provision for Doubtful Debts	0.39	1,85.99
Provision for Likely Sales Returns and Date Expiry (Net)	8,44.59	(8,32.58)
Write back of Provisions no longer required	-	(2,25.80)
Interest Income	(50,44.24)	(43,59.90)
Finance Cost	80.53	50.34
	<b>(29,20.25)</b>	<b>(37,18.99)</b>
<b>Operating Profit before Working Capital changes</b>	<b>372,52.21</b>	307,17.09
Movement in Working Capital		
<b>Adjustments for (Increase)/Decrease in Operating Assets :</b>		
i) Inventories	14,02.80	(25,08.31)
ii) Trade Receivables	(11,39.04)	(22,01.13)
iii) Loans and Advances and Other Assets	(44,71.95)	(93.76)
<b>Adjustments for Increase/(Decrease) in Operating Liabilities :</b>		
i) Trade Payables	41,79.52	55,98.80
ii) Other Liabilities and Provisions	26,39.28	15,52.40
	<b>26,10.61</b>	<b>23,48.00</b>
Cash generated from Operations	<b>398,62.82</b>	330,65.09
Direct Taxes paid (Net of refunds)	(147,19.58)	(115,87.43)
Net Cash generated from Operating Activities (A)	<b>251,43.24</b>	214,77.66
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Tangible & Intangible Assets (including Capital Work-in-Progress & Capital Advances)	(25,48.03)	(18,06.28)
Proceeds from sale of Fixed Assets	6.24	2,53.82
Investment in Fixed Deposits maturing beyond three months (Net)	(104,56.68)	(210,74.60)
Loan given to Fellow Subsidiary	(190,00.00)	-
Loan repaid by Fellow Subsidiary	190,00.00	-
Interest received :		
- From Fellow Subsidiary	2,62.36	-
- Others	47,41.30	39,55.46
Net Cash used in Investing Activities (B)	<b>(79,94.81)</b>	<b>(186,71.60)</b>

## CASH FLOW STATEMENT for the year ended March 31, 2016

	For the Year Ended March 31, 2016 ₹ Lakhs	For the Year Ended March 31, 2015 ₹ Lakhs
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividends paid	(65,87.28)	(48,87.34)
Dividend Distribution Tax paid	(13,41.02)	(8,58.51)
Interest paid	(1,00.76)	(12.43)
Net Cash used in Financing Activities (C)	<b>(80,29.06)</b>	<b>(57,58.28)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>91,19.37</b>	<b>(29,52.22)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>48,99.71</b>	78,51.93
<b>CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>	<b>140,19.08</b>	48,99.71

Significant accounting policies (Refer Note 2)

### NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

- i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on Cash Flow Statement.

- ii) Components of Cash and Cash Equivalents (Refer Note 17) :

Cash on hand

Balances with Banks :

In Current Accounts

In Term Deposits with original maturity of less than three months

Cash and Cash equivalents in Cash Flow Statement

- iii) The figures of the previous year are regrouped/reclassified wherever considered necessary.

As at March 31, 2016 ₹ Lakhs	As at March 31, 2015 ₹ Lakhs
<b>0.79</b>	0.76
<b>63,68.29</b>	36,98.95
<b>76,50.00</b>	12,00.00
<b>140,19.08</b>	48,99.71

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 25, 2016

For and on behalf of the Board of Directors

**MUNIR SHAIKH**

Chairman

DIN : 00096273

**RAJIV SONALKER**

Chief Financial Officer

Place : Mumbai

Date : May 25, 2016

**RANJAN KAPUR**

Director

DIN : 00035113

**KRUPA ANANDPARA**

Company Secretary

Membership No.ACS 16536

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### 1. COMPANY INFORMATION

Abbott India Limited ('The Company') is a public limited company incorporated in India under the provisions of the Companies Act, 1913 and is listed and traded on the Bombay Stock Exchange and also traded on the National Stock Exchange. The Company is one of the leading multinational pharmaceutical companies in India and operates with an owned manufacturing facility in Goa and various independent contract/third party manufacturers based across the country. The Company sells its products through independent distributors primarily within India.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### c) Revenue Recognition

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

The Company collects sales tax and Value Added Tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest income is recognised on a time proportion basis.

Service income is recognised as per the terms of the contracts/arrangements when related services are performed and is stated net of service tax.

#### d) Fixed Assets and Depreciation/Amortisation

##### i) Tangible Fixed Assets

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

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Fixed Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other Current Assets".

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### ii) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses, if any. Intangible assets are amortised over their estimated useful economic life as under :

Method of Amortisation :	Straight Line
Type of Assets	Useful Life in Years
Software	3 to 5 years
Trade Marks	5 years

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

### iii) Depreciation on Tangible Fixed Assets

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 Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of fixed assets, 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 *	9 to 10 years
Office Equipments	
Computers	3 years
Others	5 years
Furniture and Fixtures	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.

### e) Impairment of Assets

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

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### f) Foreign Currency Transactions

#### i) Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

#### ii) Measurement of foreign currency items at the Balance Sheet date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction.

#### iii) Forward exchange contracts

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

### g) Inventories

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

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.

### h) Physician Samples

Physician samples are valued at actual cost and charged to Statement of Profit and Loss when distributed. Sample Inventory lying with the Company at year end is shown under "Other Current Assets".

### 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. 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. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets and Depreciation/Amortisation.

### j) Cash and Cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques on hand, cash at bank and term deposits with banks with an original maturity of three months or less.

### k) Employee Benefits

#### i) Short-Term Employee Benefits

Short-Term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

#### ii) Defined Contribution Plans

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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### iii) Defined Benefit Plans

The Company has Defined Benefit Plans in the form of Gratuity, Compensated Absences, Long Service Benefits and Post Retirement Medical Benefits as per Company Policy. The Company's Liability towards such defined benefit plans is determined based on actuarial valuation, as at the Balance Sheet date, made by independent actuaries using the projected unit credit method. Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit and Loss in the year in which they arise.

The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company presents the entire compensated absences as a short-term provision, since employee has an unconditional right to avail the leave at any time during the year.

### l) Leases

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. The Company is a lessee under such arrangements. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

### m) Income Taxes

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

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

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

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

### n) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and, it is probable that an outflow of resources would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at each Balance Sheet date. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimation.

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise contingent liability but disclose its existence in the financial statements.

Contingent assets are not recognised in the financial statements.

### o) 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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### p) Classification of Current/Non-current Assets and Liabilities

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

### q) Earnings Per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

### r) Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the ensuing Annual General Meeting.

₹ in Lakhs unless otherwise stated

	As at March 31, 2016	As at March 31, 2015
<b>3. SHARE CAPITAL</b>		
<b>Authorised :</b>		
<b>2,75,00,000</b> (March 2015 : 2,75,00,000) Equity Shares of ₹ 10 each	<b>27,50.00</b>	27,50.00
<b>Issued, Subscribed and Paid Up :</b>		
<b>2,12,49,302</b> (March 2015 : 2,12,49,302) Equity Shares of ₹ 10 each fully paid	<b>21,24.93</b>	21,24.93
<b>Per Balance Sheet</b>	<b>21,24.93</b>	21,24.93
a) Number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date :		
Number of Equity Shares allotted to shareholders of Solvay Pharma in 2011	<b>75,74,062</b>	75,74,062
b) Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the ultimate Holding Company :		
i) <b>1,07,19,097</b> (March 2015 : 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 2015 : 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 2015 : 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.		

c) The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of the reporting year :

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,12,49,302	21,24.93	2,12,49,302	21,24.93
Shares outstanding at the end of the year	2,12,49,302	21,24.93	2,12,49,302	21,24.93

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

		As at March 31, 2016	As at March 31, 2015
e) Details of equity shares held by each shareholder holding more than 5% shares :			
i) Abbott Capital India Ltd., U.K. :	No. of Shares	<b>1,07,19,097</b>	1,07,19,097
	% of holding	<b>50.45</b>	50.45
ii) Abbott Healthcare Products Ltd., U.K. :	No. of Shares	<b>37,44,951</b>	37,44,951
	% of holding	<b>17.62</b>	17.62
iii) British Colloids Ltd., U.K. :	No. of Shares	<b>14,70,000</b>	14,70,000
	% of holding	<b>6.92</b>	6.92
Total :	No. of Shares	<b>1,59,34,048</b>	1,59,34,048
	% of holding	<b>74.99</b>	74.99

### 4. RESERVES AND SURPLUS

a) Amalgamation Reserve	<b>37.82</b>	37.82
b) Capital Reserve	<b>5,22.62</b>	5,22.62
c) Capital Redemption Reserve	<b>2,52.48</b>	2,52.48
d) General Reserve :		
Balance as per last Balance Sheet	<b>242,01.91</b>	219,12.32
Add : Transferred from Surplus in Statement of Profit and Loss	<b>25,96.28</b>	22,89.59
	<b>267,98.19</b>	242,01.91
e) Surplus in Statement of Profit and Loss :		
Balance as per last Balance Sheet	<b>666,13.00</b>	539,34.96
Add : Net Profit for the year	<b>259,62.77</b>	228,95.93
Less : Appropriations		
Transfer to General Reserve	<b>(25,96.28)</b>	(22,89.59)
Proposed Dividend for the year [amount per share ₹ 35 (March 2015 : ₹ 31)]	<b>(74,37.26)</b>	(65,87.28)
Corporate Dividend Tax	<b>(15,14.05)</b>	(13,41.02)
	<b>810,28.18</b>	666,13.00
<b>Per Balance Sheet</b>	<b>1086,39.29</b>	916,27.83

### 5. LONG-TERM PROVISIONS

a) For Employee Benefits (Refer Note 26) :		
Post Retirement Medical Benefits	<b>96.88</b>	87.69
Long Service Benefits	<b>73.44</b>	68.40
	<b>1,70.32</b>	1,56.09
b) For likely sales returns and date expiry (Refer Note 8)	<b>42,24.41</b>	37,60.11
<b>Per Balance Sheet</b>	<b>43,94.73</b>	39,16.20

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

**6. OTHER CURRENT LIABILITIES**

	As at March 31, 2016	As at March 31, 2015
Unclaimed Dividends @	2,30.48	2,05.35
Statutory dues including provident fund and tax deducted at source	11,82.10	4,25.09
Salaries, wages, incentives and bonus payable to employees	45,53.42	36,50.35
Value Added Tax payable	11,42.72	6,97.50
Advance from customers	16.93	28.21
Deposits from customer	60.35	60.35
Payables on purchase of Fixed Assets	3.97	3.97
Other Liabilities (including provisions for various litigations, royalties payable etc.)	12,93.55	8,64.11
<b>Per Balance Sheet</b>	<b>84,83.52</b>	<b>59,34.93</b>

@ 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, 2016.

**7. SHORT-TERM PROVISIONS**

	As at March 31, 2016	As at March 31, 2015
<b>a) For Employee Benefits (Refer Note 26) :</b>		
Compensated Absences	22,78.01	19,94.85
Post Retirement Medical Benefits	8.35	7.15
Long Service Benefits	3.62	3.67
Gratuity	4,30.08	6,31.29
Superannuation	1,02.67	1,04.41
	<b>28,22.73</b>	<b>27,41.37</b>
<b>b) For Taxation :</b>		
Current Income Tax [Net of Advance Tax of ₹ 252,83.64 Lakhs (March 2015 : ₹ 429,55.38 Lakhs)]	5,32.45	12,07.52
Fringe Benefit Tax [Net of Advance Tax of ₹ NIL (March 2015 : ₹ 7,72.66 Lakhs)]	-	19.39
	<b>5,32.45</b>	<b>12,26.91</b>
<b>c) For Proposed Dividend</b>	<b>74,37.26</b>	<b>65,87.28</b>
<b>d) For Corporate Dividend Tax</b>	<b>15,14.05</b>	<b>13,41.02</b>
<b>e) For likely sales returns and date expiry (Refer Note 8)</b>	<b>31,68.31</b>	<b>25,06.75</b>
<b>Per Balance Sheet</b>	<b>154,74.80</b>	<b>144,03.33</b>

**8. DISCLOSURE AS PER ACCOUNTING STANDARD 29 (AS-29) FOR PROVISIONS**

	As at April 1, 2015	As at March 31, 2016
<b>a) Provision for likely sales returns and date expiry</b>		
Carrying amount at the beginning of the year	44,08.19	52,40.77
Add : Net amount provided/(written back) during the year	8,44.59	(8,32.58)
Carrying amount at the end of the year	52,52.78	44,08.19
<b>b) Provision for likely sales returns-Reimbursable (Refer Note 13 and Note 18)</b>	<b>21,39.94</b>	<b>18,58.67</b>
Carrying amount at the end of the year	73,92.72	62,66.86
<b>Classified as :</b>		
Long-Term Provisions (Refer Note 5)	42,24.41	37,60.11
Short-Term Provisions (Refer Note 7)	31,68.31	25,06.75
	<b>73,92.72</b>	<b>62,66.86</b>

The expected timing of any resulting outflows of economic benefits ranges from 1 month to 35 months.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended March 31, 2016

	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK			
	As at April 1, 2015	Additions	Deductions	Adjustments (Refer Note iv)	As at April 1, 2015	Additions	Deductions	Adjustments (Refer Note iv)	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
a) Leasehold Land	47.62	-	-	-	10.07	0.50	0.50	-	10.57	37.05	37.55	38.05
b) Leasehold Improvements	1,12.53	-	-	-	1,08.81	3.12	-	-	1,11.93	0.60	3.72	5.71
c) Buildings	71,50.97	50.60	-	17.07	1,06.82	1.99	-	-	1,08.81	3.72	54,30.53	55,33.41
d) Plant and Equipment	70,86.90	64.07	-	-	17,20.44	1,69.34	-	5.59	18,95.37	53,23.27	28,41.84	27,63.06
e) Office Equipment	76,09.37	21,34.35	701.77	-	47,67.53	6,82.37	6,75.12	-	47,74.78	42,67.17	6,21.08	7,80.47
f) Furniture and Fixtures	69,96.35	7,93.33	1,80.31	-	42,33.29	6,63.33	1,29.09	-	47,67.53	28,41.84	3,12.02	3,31.58
g) Vehicles	29,47.85	3,95.40	2,35.26	-	23,26.77	3,72.01	2,31.53	-	24,67.25	6,40.74	96.02	90.85
	31,31.47	2,92.69	4,76.31	-	23,51.00	4,48.32	4,72.55	-	23,26.77	6,21.08	93,05.76	95,43.13
	8,84.43	54.75	5.61	-	5,72.41	74.50	5.26	-	6,41.65	2,91.92	93,05.76	95,43.13
	8,34.59	67.66	17.82	-	5,03.01	75.40	6.00	-	5,72.41	3,12.02	93,05.76	95,43.13
	1,55.28	-	9.33	-	96.26	30.30	9.33	-	1,17.23	28.72	93,05.76	95,43.13
	1,77.98	-	22.70	-	87.13	31.83	22.70	-	96.26	59.02	93,05.76	95,43.13
<b>Total</b>	<b>189,08.05</b>	<b>26,35.10</b>	<b>9,51.97</b>	<b>17.07</b>	<b>96,02.29</b>	<b>13,32.14</b>	<b>9,21.24</b>	<b>5.59</b>	<b>100,18.78</b>	<b>105,89.47</b>	<b>93,05.76</b>	<b>95,43.13</b>
Previous Year	183,87.44	12,17.75	6,97.14	-	88,44.31	13,88.32	6,30.34	-	96,02.29	93,05.76	93,05.76	95,43.13

**Notes :**

i) Figures in *Italics* above are previous year figures.  
 ii) Included in Plant and Equipment are anaesthetic equipment installed at various hospitals free of cost with the intention of procuring business for the Company's products :

Class of Asset	Year	Gross Block	Depreciation for the year	Accumulated Depreciation
Plant and Equipment	2016	21,53.75	2,09.54	17,61.45
	2015	26,15.10	2,65.11	21,97.42

iii) Additions include capital expenditure of ₹ 6.69 Lakhs (March 2015 : ₹ 6.69 Lakhs) incurred at Company's inhouse R&D facility at Goa.  
 iv) Adjustments represent asset held for sale till previous year end, now re-instated as Fixed Assets for change in plan of sale. Further the title deeds of said residential property are in process of being registered in the name of the Company.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### 10. INTANGIBLE ASSETS ₹ in Lakhs unless otherwise stated

	GROSS BLOCK AT COST			AMORTISATION			NET BLOCK			
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at March 31, 2015	
a) Software	776.82	70.28	-	<b>8,47.10</b>	4,78.97	1,11.94	-	<b>5,90.91</b>	<b>2,56.19</b>	2,97.85
	6,55.72	1,21.10	-	<b>7,76.82</b>	3,73.66	1,05.31	-	<b>4,78.97</b>	<b>2,97.85</b>	2,82.06
b) Trade Marks	18,79.83	-	-	<b>18,79.83</b>	18,79.83	-	-	<b>18,79.83</b>	-	-
	18,79.83	-	-	<b>18,79.83</b>	18,79.83	-	-	<b>18,79.83</b>	-	-
<b>Total</b>	<b>26,56.65</b>	<b>70.28</b>	-	<b>27,26.93</b>	<b>23,58.80</b>	<b>1,11.94</b>	-	<b>24,70.74</b>	<b>2,56.19</b>	<b>2,97.85</b>
<i>Previous Year</i>	<i>25,35.55</i>	<i>1,21.10</i>	-	<i>26,56.65</i>	<i>22,53.49</i>	<i>1,05.31</i>	-	<i>23,58.80</i>	<i>2,97.85</i>	<i>2,82.06</i>

**Note :**

Figures in *Italics* above are previous year figures.

### 11. DEPRECIATION AND AMORTISATION EXPENSE

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Depreciation on Tangible Fixed Assets (Refer Note 9)	<b>13,32.14</b>	13,88.32
Amortisation of Intangible Assets (Refer Note 10)	<b>1,11.94</b>	1,05.31
<b>Per Statement of Profit and Loss</b>	<b>14,44.08</b>	14,93.63

### 12. DEFERRED TAX ASSET (NET)

	As at March 31, 2016	As at March 31, 2015
a) <b>Deferred Tax Liabilities arising on account of:</b>		
Fixed assets : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	<b>(8,69.04)</b>	(8,66.87)
	<b>(8,69.04)</b>	(8,66.87)
b) <b>Deferred Tax Assets arising on account of:</b>		
Provision for Compensated Absences	<b>7,30.16</b>	6,32.17
Provision for Gratuity	<b>1,48.84</b>	2,18.48
Provision for Doubtful Debts	<b>4,18.12</b>	4,40.74
Other expenses allowable on payment basis as per Income-Tax Act, 1961	<b>4,29.26</b>	2,28.16
	<b>17,26.38</b>	15,19.55
<b>Per Balance Sheet</b>	<b>8,57.34</b>	6,52.68

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	As at March 31, 2016	As at March 31, 2015
<b>13. LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
Deposits against Tenders	<b>95.24</b>	12.63
Deposit against co-marketing agreement	<b>22,00.00</b>	-
VAT Deposits	<b>3745</b>	41.34
Rent Deposits	<b>5,25.38</b>	6,66.76
Capital Advances	<b>3,13.76</b>	3,63.43
<b>For Taxation :</b>		
Current Income Tax [Net of Provisions of ₹ 511,36.09 Lakhs (March 2015 : ₹ 398,24.25 Lakhs)]	<b>12,91.41</b>	16,78.37
Fringe Benefit Tax [Net of Provisions of ₹ NIL (March 2015 : ₹ 1,57.86 Lakhs)]	-	2.27
Expected reimbursement towards likely sales returns (Refer Note 8)	<b>12,22.82</b>	11,15.20
<b>Per Balance Sheet</b>	<b>56,86.06</b>	38,80.00
<b>14. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)</b>		
Deposits with Banks with maturity of more than 12 months	<b>2,72.78</b>	2,24.43
<b>Per Balance Sheet</b>	<b>2,72.78</b>	2,24.43
<b>15. INVENTORIES</b>		
<b>(AT LOWER OF COST AND NET REALISABLE VALUE)</b>		
Raw Materials and Packing Materials #	<b>65,23.57</b>	64,39.87
Work-in-Progress (Refer (a) below)	<b>13,50.78</b>	11,32.24
Finished Goods (Refer (b) below)	<b>62,72.06</b>	68,28.82
Stock-in-Trade @ (Refer (c) below)	<b>228,63.88</b>	240,12.16
<b>Per Balance Sheet</b>	<b>370,10.29</b>	384,13.09
# Includes Goods in Transit ₹ 15,76.20 Lakhs (March 2015 : ₹ 13,71.57 Lakhs)		
@ Includes Goods in Transit ₹ 5,72.67 Lakhs (March 2015 : ₹ 2,08.48 Lakhs)		
<b>a) Inventories of Work-in-Progress :</b>		
Tablets	<b>12,41.84</b>	8,27.48
Injectables	<b>2.98</b>	-
Liquids	<b>1,05.76</b>	1,30.36
Capsules	<b>0.20</b>	1,74.40
	<b>13,50.78</b>	11,32.24
<b>b) Inventories of Finished Goods :</b>		
Tablets	<b>32,26.49</b>	40,66.44
Injectables	<b>68.68</b>	68.68
Liquids	<b>16,82.30</b>	16,28.21
Capsules	<b>7,21.68</b>	4,99.41
Excise Duty	<b>5,72.91</b>	5,66.08
	<b>62,72.06</b>	68,28.82
<b>c) Inventories of Stock-in-Trade :</b>		
Tablets	<b>37,03.50</b>	19,71.83
Injectables	<b>157,31.29</b>	185,88.32
Liquids	<b>20,49.47</b>	20,67.55
Capsules	<b>4,26.68</b>	2,23.44
Ointments	<b>75.24</b>	57.30
Granules	<b>93.27</b>	64.57
Powder	<b>2,75.13</b>	3,54.46
Others	<b>5,09.30</b>	6,84.69
	<b>228,63.88</b>	240,12.16



**NOTES TO THE FINANCIAL STATEMENTS** for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	As at March 31, 2016	As at March 31, 2015
<b>16. TRADE RECEIVABLES</b>		
Unsecured, Considered Good :		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	140,83.81	129,14.83
	140,83.81	129,14.83
Unsecured, Considered Doubtful :		
Outstanding for a period exceeding six months from the date they are due for payment	11,10.90	10,90.04
Others	97.26	1,83.47
	12,08.16	12,73.51
Less : Provision for doubtful Trade Receivables	(12,08.16)	(12,73.51)
	-	-
<b>Per Balance Sheet</b>	140,83.81	129,14.83
<b>17. CASH AND BANK BALANCES</b>		
(UNRESTRICTED FOR USE UNLESS OTHERWISE STATED)		
<b>Cash and Cash Equivalents as defined in AS-3 'Cash Flow Statement':</b>		
Cash on Hand	0.79	0.76
Balances with Banks :		
In Current Accounts	63,68.29	36,98.95
In Term Deposits with original maturity of less than three months	76,50.00	12,00.00
	140,19.08	48,99.71
Other Bank Balances :		
Earmarked balances with Banks :		
Unpaid Dividend Accounts #	2,30.48	2,05.35
Margin Deposit and Deposits against bank guarantees and tenders	1,32.63	1,16.94
In Term Deposits with original maturity of more than three months	695,60.00	591,67.36
	699,23.11	594,89.65
<b>Per Balance Sheet</b>	839,42.19	643,89.36
# These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.		
<b>18. SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
Receivable from Related Parties (Refer Note 41 (D))	7,67.79	2,73.92
Advances to employees and suppliers	30,84.43	15,18.20
Deposits for utility services and against operating leases	3,25.62	86.74
Prepaid expenses	2,01.73	1,47.42
Balance with Customs and Excise on Current Account	17,38.79	13,23.64
Expected reimbursement towards likely sales returns (Refer Note 8)	9,17.12	7,43.47
Compensation receivable under Settlement Agreement (Refer Note 20 (c))	-	8,12.13
Others (including prepaid insurance premium, miscellaneous claims receivable etc.)	7,51.54	3,81.86
<b>Per Balance Sheet</b>	77,87.02	52,87.38
<b>19. OTHER CURRENT ASSETS</b>		
Interest accrued but not due on bank deposits	10,44.33	10,03.75
Physician samples (at cost)	5,94.02	5,91.39
Fixed assets held for sale (at lower of net book value and net realisable value) (Refer (a) below)	-	11.48
<b>Per Balance Sheet</b>	16,38.35	16,06.62
(a) Assets held for sale in the previous year, now re-instated as Fixed Assets. (Also refer Note 9)		

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of Products		
Gross Sales	2611,36.70	2265,29.66
Less : Excise Duty	31,13.73	27,69.41
Net Sales (Refer (a) below)	2580,22.97	2237,60.25
Other Operating Revenues		
Service Income (Refer (b) below)	24,80.80	22,59.09
Input Tax Credit	4,67.43	6,86.01
Sale of Scrap	51.28	44.74
Compensation under Settlement Agreement (Refer (c) below)	-	8,12.13
Insurance, Customs and Carriers Claims	1,05.49	1,12.20
Miscellaneous Income :		
- Cash discount on purchases	16,04.98	11,81.48
- Duty drawback	59.63	1.40
- Others	49.55	75.28
Total Other Operating Revenues	48,19.16	51,72.33
<b>Per Statement of Profit and Loss</b>	2628,42.13	2289,32.58
<b>a) Net Sales :</b>		
Tablets	990,64.84	856,31.29
Injectables	1033,09.39	887,63.56
Liquids	411,96.77	370,34.84
Capsules	97,36.23	81,35.34
Ointments	6,69.63	5,18.76
Granules	5,07.01	4,34.16
Powder	8,93.97	9,28.28
Others	26,45.13	23,14.02
	2580,22.97	2237,60.25
<b>b) Service Income includes :</b>		
i) Shared and Support Services rendered to Abbott Healthcare Private Ltd., India	15,06.32	13,84.31
ii) Shared and Support Services rendered to Abbott Truecare Pharma Private Limited, India	76.64	71.30
iii) Shared and Support Services rendered to Abbott International LLC, USA	-	36.66
iv) Shared and Support Services rendered to Abbott Products Operations AG., Switzerland	8,55.59	7,07.07
v) Other Service Income	42.25	59.75
	24,80.80	22,59.09
<b>c) During the previous year, the Company had entered into a Settlement Agreement with a vendor to discontinue the existing distributorship arrangement with its then present terms for a settlement fees of ₹ 8,12.13 Lakhs and entered into a new Distributorship Agreement.</b>		

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>21. OTHER INCOME</b>		
Interest received on :		
- Bank deposits	47,30.43	42,78.57
- Loan to Fellow Subsidiary Company (Refer (a) below)	2,91.51	-
- Others (from employees and on overdue receivables)	22.30	22.10
Interest on Income-tax	-	59.23
Write back of provisions no longer required	-	2,25.80
Profit on sale of Fixed Assets (Net)	-	1,69.08
<b>Per Statement of Profit and Loss</b>	<b>50,44.24</b>	<b>47,54.78</b>
(a) During the year, the Company granted loan of ₹ 190,00.00 Lakhs to Abbott Healthcare Private Ltd., India (AHPL), a Fellow Subsidiary at an interest rate of 10% per annum pursuant to the provisions of Section 186 of the Companies Act, 2013 and relevant rules made thereunder for purpose of project funding. The said loan was fully repaid during the year by AHPL along with interest of ₹ 2,91.51 Lakhs.		
<b>22. COST OF MATERIALS CONSUMED</b>		
Active Bulk Ingredients	265,69.75	256,55.15
Foils	6,95.21	6,52.49
Bottles	13,37.62	14,11.68
Others (includes miscellaneous ingredients, packing materials etc.)	26,75.15	28,24.06
<b>Per Statement of Profit and Loss</b>	<b>312,77.73</b>	<b>305,43.38</b>
<b>VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED :</b>		
Indigenous – 24.3% (March 2015 : 27.1%)	75,90.22	82,79.22
Imported – 75.7% (March 2015 : 72.9%)	236,87.51	222,64.16
	<b>312,77.73</b>	<b>305,43.38</b>
<b>23. PURCHASES OF STOCK-IN-TRADE</b>		
Tablets	136,70.63	91,58.08
Injectables	914,64.98	883,89.72
Liquids	79,21.11	23,77.93
Capsules	13,72.81	8,23.96
Ointments	3,61.86	2,72.69
Granules	2,86.60	2,13.11
Powder	7,04.30	9,99.85
Others	22,61.10	25,51.05
<b>Per Statement of Profit and Loss</b>	<b>1180,43.39</b>	<b>1047,86.39</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods	68,28.82	58,19.48
Less : Closing Stock of Finished Goods	(62,72.06)	(68,28.82)
(Increase)/Decrease in Finished Goods	5,56.76	(10,09.34)
Opening Stock of Work-in-Progress	11,32.24	10,21.59
Less : Closing Stock of Work-in-Progress	(13,50.78)	(11,32.24)
(Increase)/Decrease in Work-in-Progress	(2,18.54)	(1,10.65)
Opening Stock of Stock-in-Trade	240,12.16	209,98.83
Less : Closing Stock of Stock-in-Trade	(228,63.88)	(240,12.16)
(Increase)/Decrease in Stock-in-Trade	11,48.28	(30,13.33)
<b>Per Statement of Profit and Loss</b>	<b>14,86.50</b>	<b>(41,33.32)</b>
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	311,75.57	277,37.98
Contribution to Provident and Other Funds	21,15.58	23,44.10
Staff welfare expenses	5,71.35	5,13.90
Less : Reimbursement from Related Parties	(1,64.00)	(55.80)
<b>Per Statement of Profit and Loss</b>	<b>336,98.50</b>	<b>305,40.18</b>
<b>26. EMPLOYEE BENEFITS</b>		
The Company has classified the various benefits provided to employees as under :		
<b>a) Defined Contribution Plans :</b>		
i) Provident Fund/Employees' Pension Fund		
ii) Employees' State Insurance Scheme		
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 :		
<b>Included in Contribution to Provident and Other Funds (Refer Note 25) :</b>		
Employer's Contribution to Provident Fund/Employees' Pension Fund	12,60.24	11,12.86
Employer's Contribution to Superannuation Fund	3,07.24	2,94.93
<b>Included in Staff Welfare Expenses (Refer Note 25) :</b>		
Employer's Contribution to Employees' Deposit Linked Insurance Scheme	34.38	18.98
Premium paid in respect of Group Life Insurance Cover	35.53	44.79
Premium paid in respect of Employees' State Insurance Scheme	16.72	15.06

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### b) Defined Benefit Plans :

#### i) Gratuity : (Included as part of Contribution to Provident and Other Funds in Note 25 - Employee Benefits Expense)

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

#### ii) Post Retirement Medical Benefits (PRMB) : (Included as part of Staff welfare Expenses in Note 25 - Employee Benefits Expense)

Under this scheme, select group of senior employees and their spouse are covered for hospitalization 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 hospitalization cover from an insurance company for providing these benefits to these beneficiaries.

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

#### iii) Compensated Absences (CA) : (Included as part of Salaries and Wages in Note 25 - Employee Benefits Expense)

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

#### iv) Long Service Benefits (LSB) : (Included as part of Salaries and Wages in Note 25 - Employee Benefits Expense)

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

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

	₹ in Lakhs unless otherwise stated			
	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>A) Changes in Present Value of Defined Benefit Obligation :</b>				
Defined Benefit Obligation at the beginning of the year	35,25.36	26,75.57	94.84	1,21.97
Current Service Cost	3,14.62	2,30.23	0.91	1.17
Past Service Cost	6.29	-	-	-
Interest Cost	2,91.45	2,61.27	7.33	11.03
Liabilities Assumed on Acquisition/(Settled on Divestiture)	(97.27)	1.53	-	-
Benefits Paid	(2,96.83)	(2,82.58)	(7.47)	(6.59)
Actuarial (Gain)/Loss on Obligations	1,64.11	6,39.34	9.63	(32.74)
Defined Benefit Obligation at the end of the year	39,07.73	35,25.36	1,05.24	94.84
			For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>B) Changes in Fair Value of plan assets for Gratuity (Funded Scheme) :</b>				
Fair Value of Plan Assets at the beginning of the year			28,94.07	23,64.58
Expected Return on Plan Assets			2,43.96	2,04.26
Actuarial Gain/(Loss)			4.86	7.35
Liabilities Assumed on Acquisition/(Settled on Divestiture)			(97.27)	1.53
Contributions			7,28.86	5,98.93
Benefits Paid			(2,96.83)	(2,82.58)
<b>Fair Value of Plan Assets at the end of the year</b>			<b>34,77.65</b>	<b>28,94.07</b>
<b>Actual Return on Plan Assets</b>			<b>2,48.82</b>	<b>2,11.61</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

### C) Amounts recognised in Balance Sheet :

	As at March 31, 2016	As at March 31, 2015
Defined Benefits Obligation of Gratuity at the end of the year	39,07.73	35,25.36
Less : Fair Value of Plan Assets at the end of the year	(34,77.65)	(28,94.07)
Liability recognised in the Balance Sheet – Included in Short-Term Provisions (Refer Note 7)	4,30.08	6,31.29
<b>Defined Benefit Obligation at end of the year for Non-Funded Schemes</b>		
Included in Short-Term Provisions (Refer Note 7) and Long-Term Provisions (Refer Note 5) :		
- Compensated Absences	22,78.01	19,94.85
- Post Retirement Medical Benefits	1,05.23	94.84
- Long Service Benefits	77.06	72.07

### D) Expenses recognised in Statement of Profit and Loss :

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Current Service Cost	3,14.62	2,30.23	0.91	1.17
Past Service Cost	6.29	-	-	-
Interest Cost	2,91.45	2,61.27	7.33	11.03
Expected Return on Plan Assets	(2,43.96)	(2,04.26)	-	-
Net actuarial (Gain)/Loss recognised in the year	1,59.25	6,31.99	9.63	(32.74)
One Year Renewable Term Assurance (OYRTA) Premium	20.45	17.08	-	-
Total Expenses/(Credit) recognised in the Statement of Profit and Loss included in Employee Benefits Expense (Refer Note 25)	5,48.10	9,36.31	17.87	(20.54)

### E) Category of Plan Assets

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### F) Actuarial Assumptions

In accordance with Accounting Standard 15 (AS-15), actuarial valuation as at the year end was performed in respect of the aforesaid defined benefits plans based on the following assumptions :

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
a) Discount rate (per annum)	7.90%	7.95%
b) Average salary increase rate	11% for first 2 years and 7% thereafter	11% for first 2 years and 7% thereafter
The estimates of future salary increases, considered in the actuarial valuation, is primarily based on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
c) Rate of Return on Plan Assets (For Funded Scheme)	8.50%	8.50%
d) Expected retirement age of employees (years)	58/60 years, as applicable	58/60 years, as applicable
e) Annual increase in healthcare costs (per annum)	6.00%	6.00%
f) Increase in cost of award (LSB)	6.00%	6.00%
g) Rates of leaving service	Age related	Age related
h) Leave availment pattern : Percentage of the leave balance as at the valuation date and each subsequent year following the valuation date will be availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.	5.00%	5.00%
i) Mortality rates considered are as per the published rates under Indian Assured Lives Mortality (2006-08) Ult table.		

### G) Sensitivity of Results to Medical Inflation Rate (for PRMB) :

	1% Increase		1% Decrease	
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
On Aggregate of Service Cost & Interest Cost	0.90	0.97	(0.78)	(0.81)
On Defined Benefits Obligation	9.85	10.24	(8.56)	(8.64)

### H) The amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets are as below :

	Year Ended December 31, 2011	Year Ended December 31, 2012	Fifteen months Period Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2016
Defined Benefits Obligation	19,54.35	23,90.60	26,75.57	35,25.36	39,07.73
Plan Assets	18,09.84	20,81.90	23,64.58	28,94.07	34,77.65
Surplus/(Deficit)	(1,44.51)	(3,08.70)	(3,10.99)	(6,31.29)	(4,30.08)
Experience Adjustments on Plan Liabilities	2,31.04	1,99.16	1,26.18	67.77	55.62
Experience Adjustments on Plan Assets	29.10	56.09	33.77	7.35	4.86

Expected Gratuity Contribution by the Company for the next year ₹ 4,30.00 Lakhs (March 2015 : ₹ 3,00.00 Lakhs)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### 27. DISCLOSURES RELATING TO SHARE BASED COMPENSATION

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

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

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

In view of the above, no stock compensation expenses are incurred by the Company. During the year ended March 31, 2016, 15,484 shares (March 2015 : 14,656 shares) were purchased by employees at weighted average fair value of US \$ 34.62 (March 2015 : US \$ 32.99) per share.

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

Abbott Laboratories, USA has an "Incentive Stock Option Program" whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of Abbott Laboratories, USA at a fixed price (grant price), which shall be at least 100% of the Fair Market Value of the common share for a fixed period of time. Accordingly, no options compensation expenses are incurred by the Company during the 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.

	March 31, 2016		March 31, 2015	
	Number of Options	Weighted Average Exercise Price US \$	Number of Options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	38,400	25.99	47,950	25.31
Less : Exercised during the year	(9,000)	22.08	(9,550)	22.60
Less : Expired/Cancelled during the year	(5,000)	27.78	-	-
Less : Transfer out during the year	(9,800)	27.04	-	-
Outstanding at the end of the year	14,600	27.08	38,400	25.99
Exercisable at the end of the year	14,600	27.08	38,400	25.99

The weighted average share price at the date of exercise for stock options exercised during the year was US \$ 46.30 (March 2015 : US \$ 50.16) and weighted average remaining contractual life is 1.43 years (March 2015 : 2.11 years)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

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

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

	March 31, 2016		March 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	47,153	N.A.	38,689	N.A.
Add : Granted during the year	37,014	N.A.	29,030	N.A.
Add : Transfers in during the year	-	N.A.	2,147	N.A.
Less : Exercised during the year	(20,195)	N.A.	(19,957)	N.A.
Less : Cancelled during the year	(2,244)	N.A.	(2,616)	N.A.
Less : Transfers out during the year	(8,520)	N.A.	(140)	N.A.
Outstanding at the end of the year	53,208	N.A.	47,153	N.A.

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 38.28** (March 2015 : US \$ 48.61)

### 28. FINANCE COST

Interest Expense  
Per Statement of Profit and Loss

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest Expense	80.53	50.34
<b>Per Statement of Profit and Loss</b>	<b>80.53</b>	<b>50.34</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

### 29. OTHER EXPENSES

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Consumption of Stores (Refer (a) below)	4,16.83	2,83.04
Power and Fuel	6,97.70	5,95.66
Rent (Refer (b) below)	12,55.24	10,51.46
Repairs to Buildings	1,74.01	1,80.55
Repairs to Machinery	2,28.04	1,74.89
Repairs Others	3,75.38	5,20.74
Insurance	3,08.85	2,37.15
Rates and Taxes	11,56.49	8,93.92
Advertising, Publicity and Sales Promotion	90,09.60	83,33.06
Forwarding Charges	33,15.39	28,46.19
Travelling and Business Meetings	94,92.67	83,55.20
Commission to Carrying & Forwarding Agents	28,99.68	23,80.68
Exchange Loss (Net)	3,38.52	4,46.25
Bad Debts written off	65.74	93.37
Less : Adjusted against earlier year's provision	(65.74)	(93.37)
	-	-
Provision for Doubtful Debts	0.39	1,85.99
Professional Fees and Other Services	67,62.21	46,63.83
Loss on sale/write off of Fixed Assets (Net)	24.49	-
Excise Duty (Refer (c) below)	2,42.57	2,48.69
Payment to Auditors (Refer (d) below)	1,32.50	89.00
CSR Expenditure (Refer (e) below)	6,45.34	4,63.19
Miscellaneous Expenses	42,07.28	40,21.19
<b>Per Statement of Profit and Loss</b>	<b>416,83.18</b>	<b>359,70.68</b>
<b>a) Consumption of Stores :</b>		
Indigenous – 89.9% (March 2015 : 100.0%)	3,74.72	2,83.04
Imported – 10.1% (March 2015 : 0.0%)	42.11	-
	<b>4,16.83</b>	<b>2,83.04</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>b) Disclosure of Operating Leases</b>		
The Company has obtained various residential/office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These are generally not non-cancellable and range between 11 months to 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. There are no restrictions imposed by these arrangements. Lease payments are recognised in the Statement of Profit and Loss under "Rent". Disclosures with respect to operating leases :		
i) Operating lease payments recognised in the Statement of Profit and Loss under "Rent"	12,55.24	10,51.46
ii) Future minimum lease rental payables under non-cancellable operating lease :		
Not later than one year	3,17.93	2,37.25
Later than one year and not later than five years	4,59.76	4,14.90
Later than 5 years	-	-
There are no sub-leases.		
<b>c) Excise duty deducted from turnover represents amount of excise duty collected by the company on sale of goods manufactured by the Company. Excise duty included under Other Expenses represents mainly the difference in amount of excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as free goods/medical samples.</b>		
<b>d) Auditors' Remuneration (including Service Tax)</b>		
To Statutory Auditors :		
For Audit	56.38	39.32
For Other Services	68.78	44.61
Reimbursement of expenses	7.34	5.07
<b>Total</b>	<b>1,32.50</b>	<b>89.00</b>
<b>e) The Company believes that responsible and sustainable business plays an important role in building a healthy and thriving society. As part of its commitment to doing business responsibly and sustainably, the Company strives to enhance access to healthcare and foster economic, environmental and social well-being by delivering lasting solutions to social challenges. As a part of its Corporate Social Responsibility obligations, the Company undertook several initiatives during the year. These included, promotion of road safety awareness through I-Care Road Safety Day and Nirmal Dhara Dairy Farmer Training Program for rural development, which focused on improving livelihoods through education, skill development and women empowerment. In addition to these, various programs focused on enhancing access to healthcare and improving awareness of health issues were conducted in remote locations of India.</b>		
i) Gross amount required to be spent by the Company during the year	5,60.42	4,52.11
ii) Amount spent during the year on :		
a) Rural Sanitation Project	-	3,00.00
b) Various diagnostic and awareness health camps promoting preventive healthcare	3,09.61	1,63.19
c) Donations	67.00	-
d) Road Safety Awareness	79.95	-
e) Rural development through Farmers' training	1,88.78	-
<b>Total</b>	<b>6,45.34</b>	<b>4,63.19</b>
<b>30. Earnings Per Share</b>		
Profit After Tax available to Equity Shareholders	259,62.77	228,95.93
Weighted Average Number of Shares used in computing Earnings Per Share – Basic/Diluted	2,12,49,302	2,12,49,302
Basic/Diluted Earnings Per Share (Face Value of ₹ 10 per share)	122.18	107.75

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### 31. CONTINGENT LIABILITIES IN RESPECT OF

#### a) Claims against the 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 ₹ 1,03.99 Lakhs (March 2015 : ₹ 1,00.09 Lakhs) including interest liability till date.

₹ in Lakhs unless otherwise stated

	As at March 31, 2016	As at March 31, 2015
ii) Sales Tax	9,19.53	9,17.47
iii) Service Tax	10.44	13.23
iv) Bank Guarantees in respect of Sales Tax demand	2,63.86	2,49.33
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.		
<b>b) Capital and Other Commitments :</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided (Net of advances)	3,25.93	6,83.46
ii) For Commitments relating to lease arrangements - Refer Note 29 (b)		
	<b>For the Year Ended March 31, 2016</b>	<b>For the Year Ended March 31, 2015</b>

### 32. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

Capital Goods	20.85	25.88
Stock-in-Trade	109,94.06	36,93.39
Raw Materials and Packing Materials	221,78.54	189,24.28
Consumable stores	31.45	-

### 33. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

Travel and Business meetings	1,62.14	1,07.37
Reimbursement of expenses incurred for Promotion and Distribution	8,00.48	7,16.48
Software Charges	35.09	74.71
Others	1,12.22	1,66.28

### 34. REMITTANCES MADE DURING THE YEAR IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Number of non-resident Shareholders	3	3
Number of Equity Shares on which dividend remitted	1,59,34,048	1,59,34,048
Dividend remitted during the year	49,39.55	36,64.83
Year to which dividend relates	<b>March 2015</b>	<b>March 2014</b>

The Company does not have any information as to the extent to which remittances, if any, in foreign currency on account of dividend have been made by non-resident shareholders.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>35. PROPOSED DIVIDEND</b>		
The final dividend proposed for the year is as follows :		
On Equity Shares of ₹ 10 each		
Amount of proposed dividend	74,37.26	65,87.28
Dividend per Equity Share	35.00	31.00
<b>36. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)</b>		
Goods exported on FOB basis	16,15.66	12,22.95
Reimbursement of expenses	1,66.05	1,18.40
Service Income from Fellow Subsidiaries	8,55.59	7,43.73
Service Income from Others	42.25	59.75

	Foreign Currency		₹ Lakhs	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>37. INFORMATION REGARDING FORWARD CONTRACTS</b>				
a) Forward Contracts outstanding				
USD – Buy	99,86,250.62	90,38,785.07	66,29.87	56,65.51
b) No. of Contracts outstanding	8	6		
c) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.				
d) Foreign currency exposures as on the Balance Sheet date that have not been hedged by the Company are given below :				
<b>Amounts recoverable in foreign currency on account of the following :</b>				
a) Reimbursement of Expenses				
USD	1,09,342.09	4,15,055.64	72.59	2,60.16
b) Export of Finished Goods and Stock-in-Trade				
USD	7,92,026.53	19,82,556.72	5,25.83	12,42.67
c) Others				
USD	1,73,931.99	41,961.99	1,15.47	26.30
EURO	6,97,000.00	3,52,494.00	5,24.14	2,39.24
<b>Amounts payable in foreign currency on account of the following :</b>				
a) Reimbursement of Expenses				
USD	277.35	10,021.88	0.18	6.28
b) Import of Raw Materials and Stock-in-Trade				
USD	18,92,842.70	16,16,636.71	12,56.66	10,13.31
EURO	5,878.08	10,192.00	4.42	6.92
c) Capital Goods and Others				
USD	49,311.48	98,071.58	32.74	61.47

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	As at March 31, 2016	As at March 31, 2015
<b>38. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)*</b>		
a) The Principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	1,18.41	16.34
b) Interest due on above remaining unpaid	-	-
c) Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) 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 MSMED Act, 2006	-	-
e) Interest accrued and remaining unpaid	-	-
f) 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.

## 39. DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) AND SECTION 186 (4) OF THE COMPANIES ACT, 2013

Nature of the transaction	Purpose for which the loan is proposed to be utilised by recipient	As at March 31, 2016	Maximum Balance during the year ended March 31, 2016 #	As at March 31, 2015	Maximum Balance during the year ended March 31, 2015
Loan given to Fellow Subsidiary : Abbott Healthcare Private Ltd., India	Project Funding	-	192,91.51	-	-

# Including interest. Also, refer note 21 (a).

## 40. SEGMENT REPORTING

In accordance with the principles given in Accounting Standard 17 (AS-17) on Segment Reporting notified under Section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) Rules, 2014. The Company has only one reportable business segment i.e. "Pharmaceuticals". Further, significant business of the Company is within India and hence there is no Geographical segment.

## 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 Logistics BV, Netherlands
Abbott Healthcare Products Ltd., U.K.	Abbott Laboratories (Singapore) Pte. Ltd., Singapore
Abbott Healthcare Private Ltd., India	Abbott Manufacturing Pte. Ltd., Singapore
Abbott Truecare Pharma Private Limited, India	Abbott Lab (Malaysia) Sdn. Bhd.
Abbott International LLC, USA	Abbott Laboratories, De Mexico
Abbott Laboratories S.A., USA	Abbott Laboratories S.A., Dubai
Abbott Products Operations AG., Switzerland	Abbott Limited Egypt LLC

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

### II) Key Management Personnel :

- i) Mr. Rehan A. Khan – Managing Director
- ii) Mr. Kaiyomarz Marfatia – Whole-Time Director (till 29th February 2016)

₹ in Lakhs unless otherwise stated

### C) Transactions during the year :

#### I) Transactions with the Holding Company during the year

##### Abbott Capital India Ltd., U.K.

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Remittance of Dividend	33,22.92	24,65.39

#### II) Transactions with Fellow Subsidiaries during the year

##### i) Remittance of Dividend :

##### British Colloids Ltd., U.K.

Remittance of Dividend	4,55.70	3,38.10
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##### Abbott Healthcare Products Ltd., U.K.

Remittance of Dividend	11,60.93	8,61.34
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##### ii) Sales to Fellow Subsidiaries :

##### Abbott Healthcare Private Ltd., India

Sale of Stock-in-Trade	20,05.54	10,84.58
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Sale of Capital Goods	-	5.41
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##### iii) Purchases from Fellow Subsidiaries :

##### Abbott Logistics BV, Netherlands

Purchase of Raw Materials	-	3,19.97
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Purchase of Stock-in-Trade	-	59.96
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##### Abbott Healthcare Private Ltd., India

Purchase of Stock-in-Trade	29,36.26	14,40.50
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Purchase of Promotional Goods	2,26.73	1,02.85
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Conversion charges	1,54.08	1,18.95
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##### Abbott Products Operations AG., Switzerland

Purchase of Raw Materials	177,61.52	154,75.12
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Purchase of Stock-in-Trade	30,92.55	21,09.69
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##### iv) Loan to and interest from Fellow Subsidiary (Refer Note 21 (a)) :

##### Abbott Healthcare Private Ltd., India

Inter-Company Loan given	190,00.00	-
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Interest Income on above Loan	2,91.51	-
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## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	Reimbursement to		Reimbursement from	
	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>v) Reimbursements to and from Fellow Subsidiaries :</b>				
<b>Abbott Healthcare Private Ltd., India</b>				
Shared and Support Services	9,01.05	6,35.73	-	-
Market Research and Other Expenses	1,18.80	63.28	15.83	1,72.65
<b>Abbott International LLC, USA</b>				
Employee Benefits Expense, Travel and Other Expenses	16.00	23.53	3.39	8.72
<b>Abbott Manufacturing Pte. Ltd., Singapore</b>				
Employee Benefits Expense, Travel and Other Expenses	-	-	9.76	19.69
<b>Abbott Lab (Malaysia) Sdn. Bhd.</b>				
Employee Benefits Expense, Travel and Other Expenses	-	-	8.88	13.06
<b>Abbott Limited Egypt LLC</b>				
Other Expenses	-	-	-	4.39
<b>Abbott Laboratories (Singapore) Pte. Ltd., Singapore</b>				
Employee Benefits Expense, Travel and Other Expenses	11.47	-	-	2.42
<b>Abbott Laboratories, De Mexico</b>				
Other Expenses	-	-	3.45	-
<b>Abbott Laboratories S.A., USA</b>				
Other Expenses	-	0.61	0.63	-
<b>Abbott Products Operations AG., Switzerland</b>				
Employee Benefits Expense, Travel and Other Expenses	-	-	1,34.25	-
<b>Abbott Laboratories S.A., Dubai</b>				
Other Expenses	-	7.04	-	-



## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

₹ in Lakhs unless otherwise stated

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>vi) Service Income from Fellow Subsidiaries :</b>		
<b>Abbott Healthcare Private Ltd., India</b>		
Shared and Support Service Income	15,06.32	13,84.31
<b>Abbott Truecare Pharma Private Limited, India</b>		
Shared and Support Service Income	76.64	71.30
<b>Abbott International LLC, USA</b>		
Shared and Support Service Income	-	36.66
<b>Abbott Products Operations AG., Switzerland</b>		
Shared and Support Service Income	8,55.59	7,07.07
<b>vii) Key Management Personnel Remuneration during the year * :</b>		
(i) Mr. Rehan A. Khan - Managing Director	5,63.28	5,05.45
(ii) Mr. Kaiyomarz Marfatia - Whole-Time Director (till 29th February 2016)	1,59.02	1,55.66

\* As a part of the "Long-Term Incentive Program", during the year Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ 1,08.49 Lakhs (March 2015 : ₹ 1,01.96 Lakhs) have been granted to the above employees for which no option compensation expenses have been incurred by the Company. (Also refer Note 27(c)).

Also provision for 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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2016

42. The Company has Bank Overdraft arrangement secured by hypothecation of all stocks and book debts, against which there are no borrowings.
43. 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 25, 2016

For and on behalf of the Board of Directors

**MUNIR SHAIKH**

Chairman

DIN : 00096273

**RAJIV SONALKER**

Chief Financial Officer

Place : Mumbai

Date : May 25, 2016

**RANJAN KAPUR**

Director

DIN : 00035113

**KRUPA ANANDPARA**

Company Secretary

Membership No.ACS 16536

### D) Outstanding :

#### I) Payable to Fellow Subsidiaries :

	As at March 31, 2016	As at March 31, 2015
Abbott Products Operations AG., Switzerland	50,57.33	60,27.47
Abbott Laboratories S.A., USA	-	0.62
Abbott International LLC, USA	-	6.64
Abbott Healthcare Private Ltd., India	11,08.03	3,11.15
Abbott Laboratories S.A., Dubai	-	6.36

#### II) Receivable from Fellow Subsidiaries :

	As at March 31, 2016	As at March 31, 2015
Abbott International LLC, USA	-	1,86.13
Abbott Manufacturing Pte. Ltd. Singapore	-	3.86
Abbott Truecare Pharma Private Limited, India	7.14	15.88
Abbott Products Operations AG., Switzerland	1,73.15	64.72
Abbott Healthcare Private Ltd., India	5,86.84	3.33
Abbott Laboratories S.A., USA	0.66	-



# CORPORATE INFORMATION

## Notes :

1. 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.
2. A Proxy need not be a Member of the Company.
3. 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.
4. Appointing a proxy does not prevent a Member from attending the meeting in person if he so wishes.
5. 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.
6. Proxy shall not have right to speak at the meeting and shall not be entitled to vote except on a Poll.

## BOARD OF DIRECTORS

Munir Shaikh, Chairman  
Rajendra Shah, Independent Director  
Ranjan Kapur, Independent Director  
Krishna Mohan Sahni, Independent Director  
Bhasker Iyer, Non-Executive Director  
Kaiyomarz Marfatia, Non-Executive Director  
Sachin Dharap, Non-Executive Director  
Nancy Berce, Non-Executive Director

## AUDIT COMMITTEE

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

## CORPORATE MANAGEMENT TEAM

Rajiv Sonalker, Group Finance Director (CFO)  
Nitu Bhushan, Director - Business Human Resources  
Rajendra Dhandhukia, Commercial Director  
Sandeep Khandelwal, Commercial Director  
Ramanathan V, Commercial Director  
Vishwanath Swarup, Director - Commercial, Sales Excellence and Operations  
Mahadeo Karnik, Director - Financial Planning and Analysis  
Dr Rashmi Hegde, Director - Medical  
Nagesh Voleti, Director - QA/QC

## COMPANY SECRETARY

Krupa Anandpara

## BANKERS

Standard Chartered Bank  
BNP Paribas  
Hongkong and Shanghai Banking Corporation  
HDFC Bank  
ICICI Bank

## STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants

## INTERNAL AUDITORS

M/s KPMG, Chartered Accountants

## COST AUDITORS

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

## REGISTERED OFFICE

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

## FACTORY

L-18/19, Verna Industrial Estate, Goa

## REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032  
Tel No: 040 - 67162222, Fax No: 040 - 23431551

## SEVENTY-SECOND ANNUAL GENERAL MEETING

Monday, July 18, 2016 at 3.30 p.m.  
Venue : Rama and Sundri Watumull Auditorium, K C College, 123 Dinshaw Wachha Road,  
Vidyasagar Prin. K.M.Kundnani Chowk, Chrchugate, Mumbai – 400 020

**ABBOTT INDIA LIMITED**

CIN : L24239MH1944PLC007330

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

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