



Abbott India Limited  
Godrej BKC, Plot C-68, G. Block,  
16th Floor, Bandra Kurla Complex,  
Near MCA Club, Bandra (E),  
Mumbai - 400 051.

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

Tel : (91-22) 3816 2000  
Fax : (91 22) 3816 2400  
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, 2017

**Scrip Code: 500488**

Dear Sir,

**Sub: Submission of Annual Report for the year ended March 31, 2017 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, 2017.

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

Thanking you,

Yours faithfully,  
**Abbott India Limited**

A handwritten signature in blue ink, appearing to read 'Krupa Anandpara'.

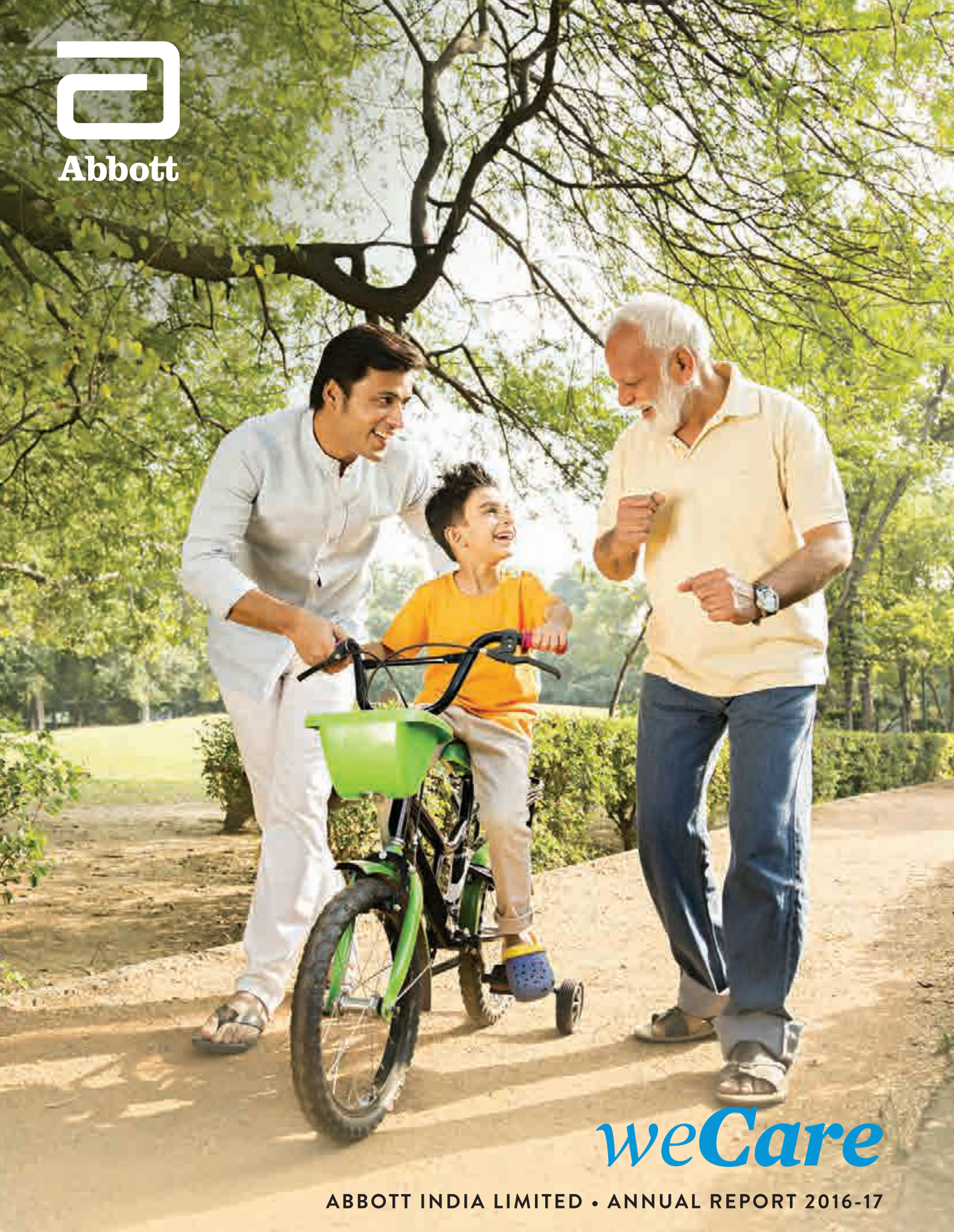
**Krupa Anandpara**  
**Company Secretary**  
**Membership No.: ACS 16536**



Encl: a/a



Abbott



*weCare*

At Abbott, we're all about helping you live the best life you can through good health. We keep your heart healthy, nourish your body at every stage of life, help you feel and move better, and bring you information, medicines and breakthroughs to manage your health. Every day and around the world, we're discovering new ways to make life better.

*life. to the fullest.*



**FORWARD-LOOKING STATEMENT**

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**CONTENTS**

**CORPORATE OVERVIEW**

- 02 Abbott Global
- 04 Abbott India
- 06 Highlights of the Year
- 08 Chairman's Message
- 10 Product Portfolio

**STRATEGIC OVERVIEW**

- 12 Managing Director's Message
- 14 10 Year Financial Highlights
- 16 Key Performance Indicators
- 18 Driving Performance
- 20 Enriching Lives by Knowledge Sharing

**LEADERSHIP TEAM**

- 22 Board of Directors
- 24 Key Management Team

**ABBOTT CARES**

- 26 Patient Stories
- 30 Talent and Teamwork
- 34 Giving back to Society

**38 RECOGNISED FOR EXCELLENCE**

**STATUTORY REPORTS**

- 40 Notice
- 46 Board of Directors Report and Management Discussion and Analysis
- 74 Business Responsibility Report
- 84 Corporate Governance Report

**FINANCIAL REPORTS**

- 94 Independent Auditor's Report
- 98 Balance Sheet
- 99 Statement of Profit & Loss
- 100 Statement of Changes in Equity
- 101 Statement of Cash Flows
- 103 Notes to the Financial Statements

**ANNUAL GENERAL MEETING**

DATE : July 18, 2017, Tuesday  
TIME : 3:30 P.M.

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

# ABBOTT GLOBAL

Our strategies and execution are grounded in the belief that all people across the world deserve to live a healthy and fulfilling life. This conviction drives our desire to provide access to medicines that are safe, effective and affordable.

Abbott Laboratories is a globally diversified healthcare company with a central purpose to help people live their best possible lives through better health.

Abbott offers a broad portfolio of market-leading products that align with long-term healthcare trends around the world. Built on a strong foundation of nearly 130 years of success, Abbott is poised to deliver continuing growth, expanding margins, strong cash flow, and increasing returns to shareholders.

## VISION

Abbott's vision is to become the world's leading healthcare company in the markets it serves — the company that sets the standard in innovation, impact, and performance.

## BUSINESSES

Abbott continually shapes its business for sustained growth and maintains a well-balanced and diversified approach. Abbott has a strong presence globally in:

- Diagnostics
- Medical Devices
- Nutrition
- Pharmaceuticals

## LEADERSHIP

Abbott is the market leader in:

- Blood Screening
- Drug-Eluting Stents
- Adult Nutrition Worldwide
- Pediatric Nutrition  
(in many global markets)

## PRESENCE IN

**150+**  
COUNTRIES

## TOTAL NO. OF EMPLOYEES

**94,000**  
GLOBALLY

## TOTAL SALES

**\$20.85 bn**  
IN FY 2016

Abbott has been in the Fortune's list of Most Admired Companies since 1984. From the past three years (2013-2016), Abbott has also been included among the Top 100 Global Innovators by Clarivate.

## St. Jude is now Abbott

Abbott recently completed the acquisition of St. Jude Medical, Inc. The combination of Abbott and St. Jude Medical creates a medical device leader offering more breakthrough inventions and expertise across the areas of cardiovascular, diabetes and neuromodulation.

# ABBOTT INDIA

Our healthcare solutions are tailored to the Indian market. We are committed to bring affordable healthcare to millions of Indians in line with our global mission of helping people live their best lives.

Abbott India Ltd. is a publicly listed company and a subsidiary of Abbott Laboratories, USA. At Abbott India, we offer high-quality trusted medicines across multiple therapeutic categories including Women's Health, Gastroenterology, Neurology, Thyroid, Diabetes, Pain Management, General Care, Vitamins and Vaccines.

Headquartered in Mumbai, Abbott India has a strong portfolio of over 110 brands for healthcare professionals that promote health and well-being for people in all stages of life.

At Abbott India, products are developed by our qualified in-house development and medical teams, to offer superior healthcare solutions to patients.

Our state-of-the-art manufacturing plant at Goa produces high volume and high quality formulations. We also have over 30 third party manufacturers and a strong distribution network of over 3,000 stockists and more than 1,75,000 retailers that help us reach millions of patients.

The key to our business is the creation of high-volume formulations, using cost-efficient mechanisms. Our team of dedicated employees ensure that high quality is maintained in all our products and processes to achieve best standards.

## IMPRESSIVE PORTFOLIO

**110+ brands**

## PEOPLE STRENGTH

**3,000+**

## BUSINESS DIVISIONS\*

**WOMEN'S HEALTH & GASTROINTESTINE (WH&GI), GASTROENTEROLOGY AND GI PROSPERA**



**SPECIALTY CARE**  
(Metabolics and Central Nervous System)



**GENNEXT AND VACCINES**



**CONSUMER CARE**



### KEY BRANDS

Duphaston  
Udiliv  
Cremaffin  
Duphalac  
Creon

Thyronorm  
Vertin  
Prothiaden  
Epilex  
Obimet

Zolfresh  
Influvac  
Enteroshield  
Brufen  
Arachitol Nano

Digene  
Citrosoda  
Rashfree

\* The Company operates in a single reportable segment i.e. Pharmaceuticals



*weCare for Health*

*weCare for Performance*

## FY 2016 - 17 HIGHLIGHTS

Our operational efficiency, robust distribution network and cutting-edge marketing efforts have helped us outperform.

SALES

**₹2,902cr**

PAT

**₹277cr**

EBITDA

**₹455cr**

RETURN ON AVG  
CAPITAL EMPLOYED

**21.4%**

DIVIDEND  
PER SHARE

**₹40**

NEW PRODUCTS  
LAUNCHED

**10**

NO. OF BRANDS  
IN TOP POSITION

**16\***

in their Respective Participated Market

NO. OF BRANDS  
IN TOP 100

**3\***

in Indian Pharmaceuticals Market

NO. OF BRANDS  
IN TOP 300

**10\***

in Indian Pharmaceuticals Market

\*Source: IMS



MUNIR SHAIKH  
CHAIRMAN, ABBOTT INDIA LIMITED

# DELIVERING ON PROMISES

Dear Shareholders,

We have had another year of excellent performance with Sales growth of 11.1% and Profit after Tax of 8.4% over the prior year. We have witnessed encouraging growth in most of our business units, in spite of external headwinds.

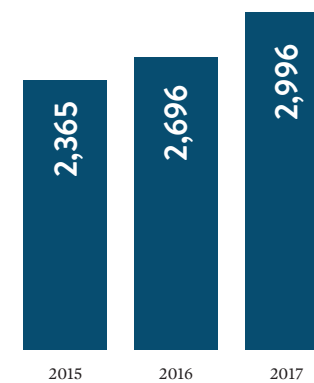
Our purpose has been to help people live healthier, fuller lives and enhance the promise of the human potential in all aspects and stages of life. This purpose has inspired us to outperform consistently despite a challenging market environment.

During the year, India continued to be one of the fastest growing major economies in the world with GDP growth of 6.8% in 2016-17. The country's economic fundamentals remain strong and we expect this growth trajectory to continue. The year 2016-17 was marked by various institutional reforms but two that deserve mention are the passage of

the GST Bill, and the policy thrust towards a less-cash, formal economy. While demonetisation caused temporary hardships in the second half of the year, it was an important economic reform with long-term positive ramifications for all sectors of the economy.

Even though there have been challenges such as drug price controls and enhanced regulations, India's pharmaceutical sector, which is worth ₹1,179 billion, shows encouraging trends. Your Company has remained steadfast in its commitment to value creation. This has been possible owing to our consistent innovation,

## TOTAL REVENUE ( ₹ IN CRORES)



## EPS

**₹130.19**  
PER SHARE

## DIVIDEND

**₹40**  
PER SHARE

## PAT

**₹277cr**

## PAT (% OF REVENUE)

**9.2%**

diversified product portfolio, brand excellence and able management of a dynamic talent pool.

Considering the consistent performance by your Company, the Board is pleased to recommend a dividend of ₹40 per share against ₹35 per share for the previous year.

We deliver superior solutions for patients across markets. We focus on innovation and maintaining quality standards as a way of life. Our impressive portfolio of more than 110 brands across different therapeutic areas continue to lead the industry. 6\* of our top 10 brands are at number 1 position in their respective markets and these top 10 brands contribute 66% of our core business. We also launched 10 new products this year.

We are committed to building a future-ready organization with sustained growth over the long term. Our talent pool of over 3,000 highly committed employees remain our biggest advantage in a highly competitive industry. We have developed specific programmes to encompass the employee lifecycle, from attracting the best talent, both internally and externally, to retaining

them via career management, rewards and development programs across all cadres.

We have always been recognised for our efforts. I am delighted to share that your Company's Annual Report for the year ended March 31, 2016 has been awarded the most prestigious Gold Shield Award by The Institute of Chartered Accountants of India for Excellence in Financial Reporting. There are several other accolades and recognitions received by the Company during the year, in categories like digital marketing, mobile application, excellence in training, etc.

I am pleased to inform you that your new Managing Director, Ambati Venu, who joined in September, 2016, comes with extensive management experience and I am confident that the Company will continue to progress under his leadership.

In the coming years, India's pharmaceutical industry is expected to witness double-digit growth and with the Government's commitment to drive reforms in the sector, the opportunity landscape will further expand. Higher insurance coverage, enhanced disposable income and

greater health awareness are expected to act as growth catalysts for the industry and your Company, going forward. With our diverse solutions, we will continue to help people achieve great health.

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 ongoing 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

# PRODUCT PORTFOLIO



## KEY BRANDS

At Abbott India, our range of products focuses on a wide spectrum of therapeutic segments, from Neurology to Gastroenterology to Thyroid to Pain Management and many more.

Our market insight and consistent innovation are the key drivers behind our next-gen products. These products help millions of people in India, who need our science and circle of care to recover quickly and safely. Our R&D centre in India develops breakthrough solutions and our robust network of distributors enable us to reach both urban and rural areas.

### PERFORMANCE OF TOP 10 BRANDS\*

NAME OF THE BRAND	MARKET SHARE (%)#	RANK#
DUPHASTON	21.5	1
THYRONORM	52.9	1
UDILIV	12.6	2
VERTIN	29.7	1
DUPHALAC	13.5	1
CREMAFFIN	9.9	2
DIGENE RANGE	13.9	2
ZOLFRESH	23.0	1
CREON	34.6	1
PROTHIADEN	7.0	2

# In Respective Participated Market  
\*Source : IMS

DISCLAIMER: All products displayed/mentioned in this Annual Report are for illustration purpose only. Consult your doctor for professional medical advice

## NEW HEALTHCARE PRODUCTS

### WH & GI



Colospa X  
Pro - 9

### CNS



Snapit

### GASTRO



Actnew  
Cremalax Liquid  
Pankreoflat Liquid

### VACCINES



Influvac Junior

### CONSUMER CARE



Rashfree  
CitroSoda  
Digene Fizz (Regular and  
Kaccha Aam flavours)





AMBATI VENU  
MANAGING DIRECTOR, ABBOTT INDIA LIMITED

# GOING THE EXTRA MILE

Dear Shareholders,

I am privileged to be leading a high performing team, committed to strengthening the legacy of Abbott and enhancing our promise to help millions of people live a healthier, happier and a more fulfilling life.

There is a simple goal at the heart of our business – add value. We continuously strive to provide better offerings that help people live healthier lives and doctors find better treatments. This constant improvement gives people and doctors a reason to choose our products and will sustain our business for years to come.

Today, millions of Indians use our products every day because we thoughtfully continue to translate our deep scientific insight into enduring contributions to enrich human health and happiness. We focus on industry-leading innovations in brand-building and proactive execution to drive sustainable growth year on year.

## SURGE IN GROWTH

I am happy to report that during FY 2016-17, our Sales stood at ₹2,902 Crores with a growth rate of 11.1% over the previous year. Your Company is seamlessly sustaining the trend of outperforming the industry despite challenges which come on its way. Volumes also witnessed an increase at 10.9%.

The key driver of our consistent growth over the years is our strong brands. All brands continued showing consistent growth. 16\* of our brands are at number one position in their respective participated markets. 3\* brands are in the top 100 and 10\* brands are in the top 300 brands of Indian Pharmaceutical Market. During the year, we also introduced 10 new products in different therapeutic areas, which are expected to drive growth by tapping into new opportunities in the years to come.

In spite of 2016 being a difficult year for the Indian Pharmaceutical Industry, your Company maintained

double-digit topline growth. More drugs were placed in the ambit of price control, impacting the business significantly. The sudden withdrawal of high denomination currencies in November, 2016 also led to the demand slowdown.

Amongst other initiatives this year, we also upgraded our manufacturing facility at Goa, which is expected to enhance our efficiency.

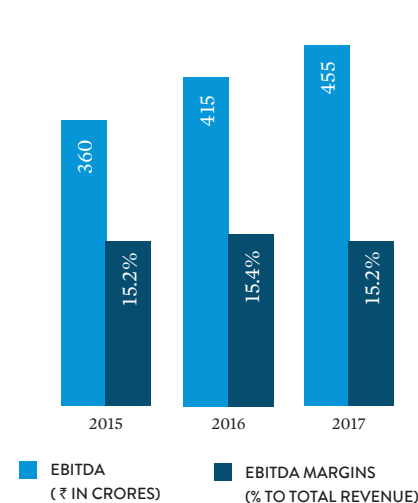
## CATALYSTS FOR GROWTH

We use local insights to anticipate the needs of people, doctors and pharmacists. We link these insights with available technology to deliver meaningful innovation – from new medicines to new ways to deliver and package them to services that improve health.

Over the years, we have built a differentiated franchise through specific interventions, which have enabled us to grow with speed.

\*Source: IMS

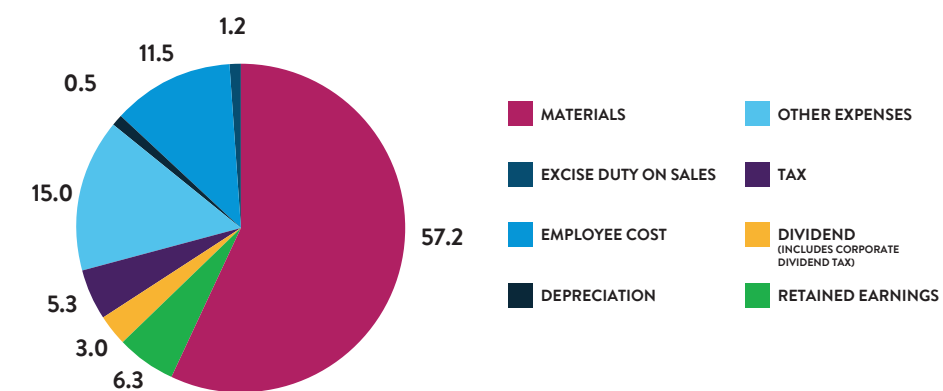
## EBITDA\*



\*Earnings before Interest, Taxes, Depreciation and Amortisation

## REVENUE DISTRIBUTION (%)

Total Revenue ₹2,996 Crores



We are steadfast in our commitment to bring affordable and innovative healthcare to millions of Indians in line with our global mission of helping people live their lives to the fullest.

### Strengthening key brands and digital differentiation

We introduced innovative marketing campaigns such as “Constipasana”, scaling up our activation capabilities. We increased our in-clinic virtual reality interfaces and expanded the Pill + Service model to several brands. We continued to focus on brand building efforts with an emphasis on therapy management as a key strategic driver.

### Expanding portfolio breadth

We expanded into Vaccines, increased our footprint in OTC and launched over 30 new products in the last three years.

### Strong field management

We deployed first-in-market field engagement tools such as Abbott

India Radio, Coaching Olympiad and ‘Lakshya’. We continue to develop differentiated programmes for hiring and retaining industry-relevant talent.

### LIFE. TO THE FULLEST.

For over 105 years, our purpose has been to create breakthrough health products that help unlock human potential so that people can pursue all that inspires them. Abbott’s expertise with breakthrough health products helps build a relationship with the people we serve. We have adapted to an increasingly complex healthcare environment by keeping our focus where it belongs—on helping people achieve their best possible health, in all stages of life. And that’s a goal we’ll continue to pursue.

### FUTURE READY

We continue to focus on building the capabilities of our talent pool in line with evolving industry dynamics.

From a broad strategy perspective, we will:

- Continue to accelerate key brands;
- Drive therapy leadership;
- Strengthen multi-channel and insight driven marketing;
- Continuously identify new product opportunities;
- Focus on talent development and engagement

Our future success will be measured not only in the value we create for all, but also in the way we do it. I seek the support and encouragement of all my colleagues and stakeholders in this endeavor.

I also take this opportunity to sincerely thank all our highly committed employees, partners, suppliers, stockists, retailers and customers. I also thank our shareholders for their continued trust and support to the Company.

Best Regards,

Ambati Venu  
Managing Director

# 10 YEAR FINANCIAL HIGHLIGHTS

All amounts in ₹Lakhs, unless otherwise stated

OPERATING RESULTS	Previous GAAP									Ind AS <sup>®</sup>	
	2007	2008	2009		2010(13m)	2011*	2012	2014(15m)	2015	2016	2017
TOTAL REVENUE <sup>#</sup>	633,99	701,21	795,93		1031,97	1528,07	1696,93	2358,39	2364,56	2696,23	2996,33
MATERIAL COST	408,46	454,62	504,17		647,30	861,21	971,65	1297,41	1311,96	1492,03	1712,06
EMPLOYEE BENEFIT EXPENSE	35,35	48,92	62,37		111,20	167,35	206,20	299,74	305,40	341,09	345,27
OTHER EXPENSES <sup>#</sup>	82,63	96,32	102,80		168,03	304,32	294,97	444,68	387,40	448,14	484,04
DEPRECIATION AND AMORTISATION	5,66	6,98	9,01		11,25	15,00	19,49	21,93	14,94	14,44	16,43
FINANCE COST	2	2	20		4	3	2	8	50	2,52	2,04
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	101,87	94,35	117,38		94,15	180,16	204,60	294,55	344,36	398,01	436,49
EXCEPTIONAL ITEMS	-	-	-		-	-	10,39	-	-	-	-
PROVISION FOR TAXATION	33,44	31,49	39,87		33,21	59,77	70,29	96,10	115,40	142,76	159,84
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	68,43	62,86	77,51		60,94	120,39	144,70	198,45	228,96	255,25	276,65
EARNING PER SHARE - BASIC & DILUTED (₹)	46.01	43.62	56.68		44.56	56.66	68.10	93.39	107.75	120.12	130.19
DIVIDEND PER SHARE (₹)	17.50	14.00	17.00		17.00	17.00	17.00	23.00	31.00	35.00	40.00
<b>ASSETS EMPLOYED</b>											
FIXED ASSETS (NET)	36,31	50,63	49,15		50,57	80,02	109,18	99,52	99,95	111,29	115,88
OTHER ASSETS (NET)	195,74	171,38	222,41		254,82	464,12	537,68	688,33	837,58	1084,31	1271,06
TOTAL ASSETS	232,05	222,01	271,56		305,39	544,14	646,86	787,85	937,53	1195,60	1386,94
<b>FINANCED BY</b>											
SHARE CAPITAL	14,47	13,68	13,68		13,68	21,25	21,25	21,25	21,25	21,25	21,25
OTHER EQUITY	216,55	207,57	257,88		291,71	522,89	625,61	766,60	916,28	1174,35	1365,69
TOTAL EQUITY	231,02	221,25	271,56		305,39	544,14	646,86	787,85	937,53	1195,60	1386,94
BORROWINGS	1,03	76	-		-	-	-	-	-	-	-
<b>NUMBER OF SHAREHOLDERS</b>	14,152	13,689	13,422		14,461	19,354	20,826	18,270	19,407	21,250	23,004
<b>HEADCOUNT</b>	1,042	1,150	1,308		1,767	2,425	2,667	2,766	2,867	2,956	3,083

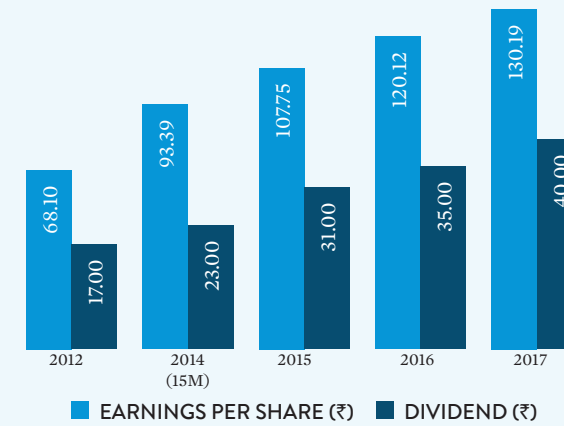
\* Inclusive of Excise Duty on Sales.

\* Post Merger with Solvay Pharma India Limited.

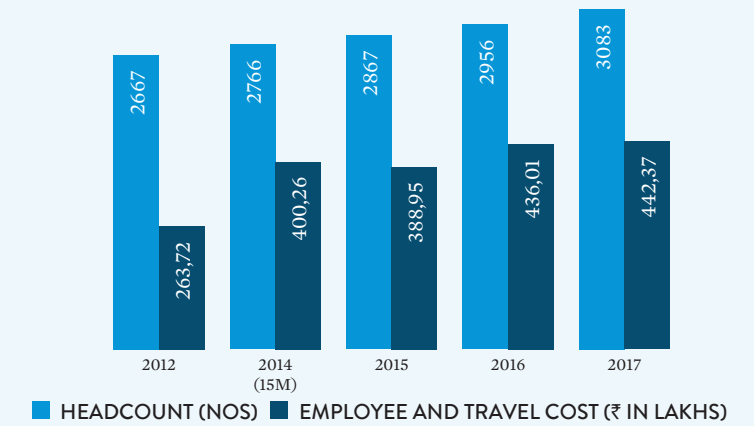
® The Company transitioned to Ind AS from April 1, 2015, hence these numbers are not comparable with previous years.

# KEY PERFORMANCE INDICATORS

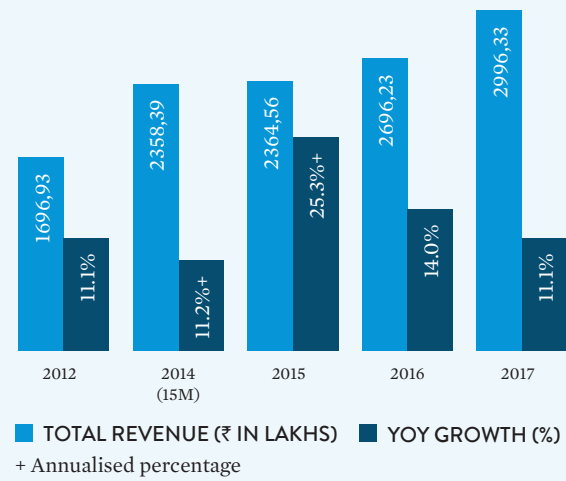
## DIVIDEND PER SHARE ₹ 40



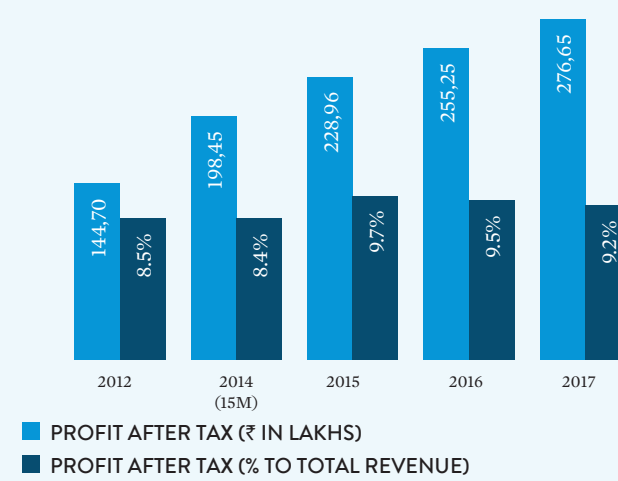
## HEADCOUNT EMPLOYEE AND TRAVEL COST ₹ 442.37



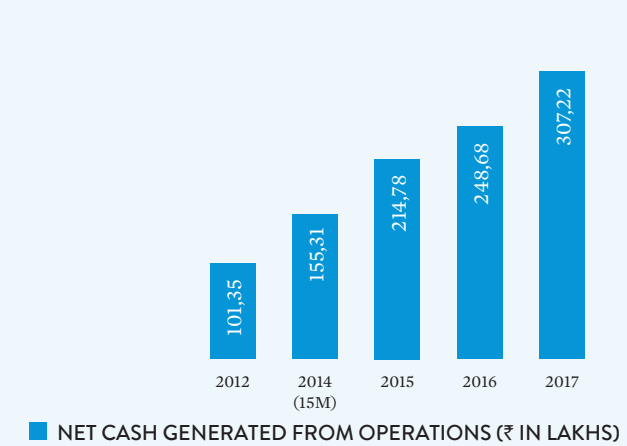
## TOTAL REVENUE % REVENUE GROWTH 11.1%



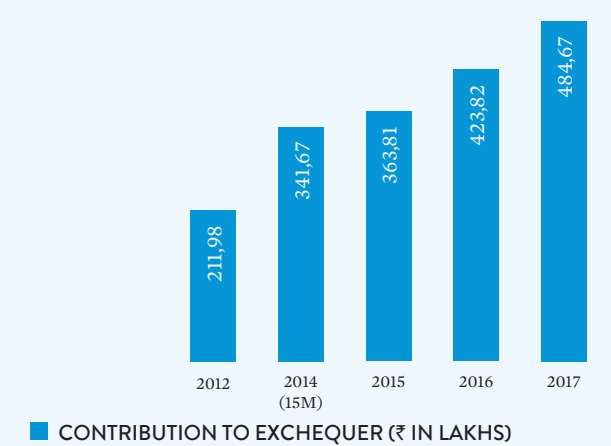
## PAT % TO TOTAL REVENUE 9.2%



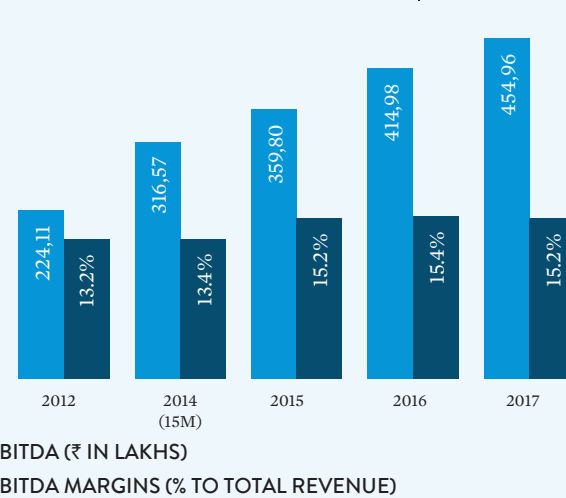
## NET CASH GENERATED FROM OPERATIONS ₹ 307.22



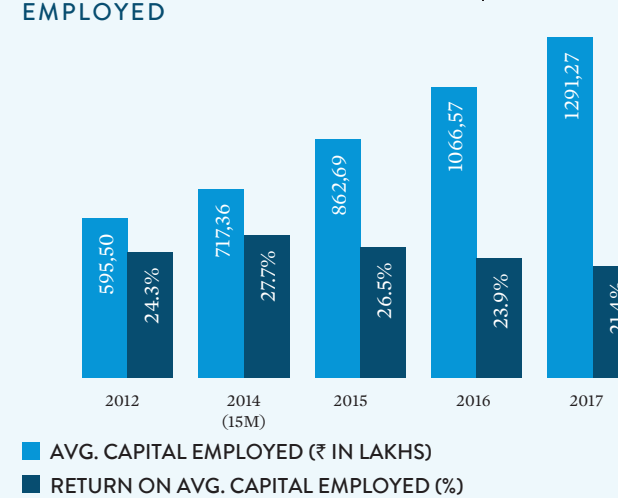
## CONTRIBUTION TO EXCHEQUER ₹ 484.67



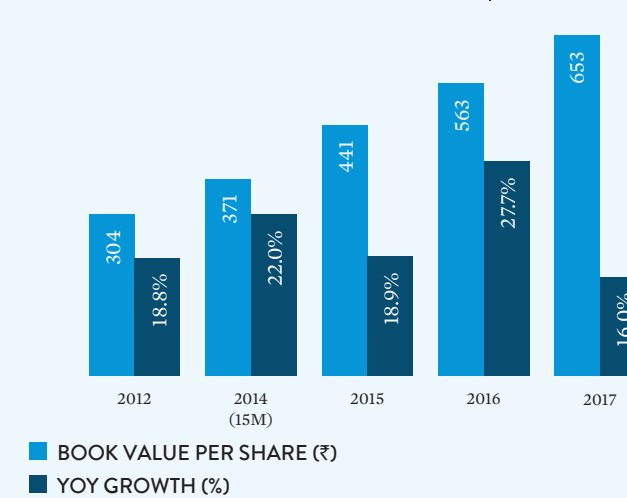
## EBITDA MARGINS % TO TOTAL REVENUE 15.2%



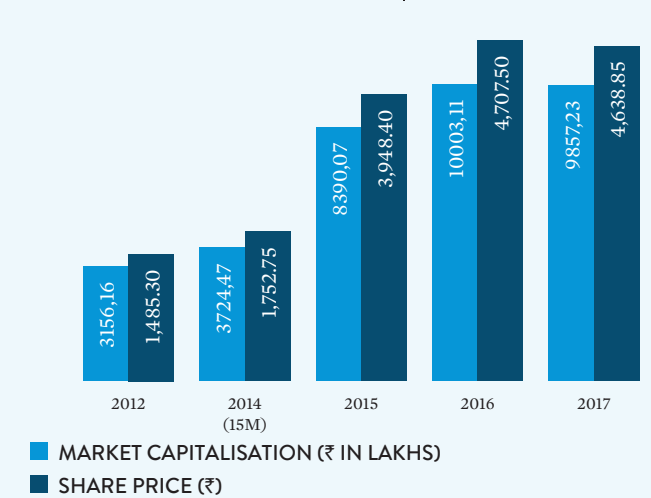
## CAPITAL EMPLOYED RETURN ON AVG. CAPITAL EMPLOYED 21.4%



## BOOK VALUE PER SHARE ₹ 653



## MARKET CAPITALISATION SHARE PRICE ₹ 4,638.85



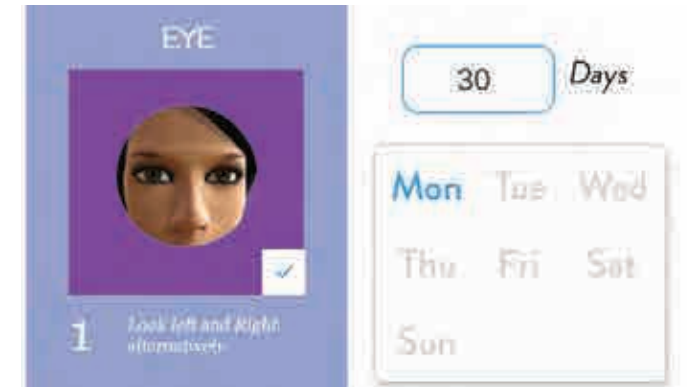
*weCare for Excellence*



# DRIVING PERFORMANCE...



Liver is Life



Vertigo Exercise App

At Abbott India, the key trigger to our business performance is that we offer quality, affordable medicines. We have an endless drive to bring meaningful innovation – in both medicines and the services that go along with them – to help people live healthier, fuller lives. We give people a reason to choose our medicines and this model has led to consistent and exceptional growth.

Some key initiatives driving performance this year are:

### TUESDAY CAMPAIGN FOR DUPHALAC

This campaign was aimed at communicating core brand benefits to all stakeholders and thus driving in-clinic visibility for Duphalac. This campaign highlighted “One World One Lactulose” in every communication reemphasizing the legacy of 50 years and global brand leadership in lactulose.

### FIBROSCAN CENTRALIZATION PROJECT

We are currently providing patient access to state-of-the-art Fibroscan machines to measure the liver tissue stiffness value. With improved machine efficiency and a recently placed centralized structure, more than a million liver disease patients have been screened.

### 360° MARKETING CAMPAIGN FOR OTC

Digital and physical advertisement modes were used to propagate the brand name and the product. The marketing and branding exercise was accompanied by the introduction of Digene Fizz in different sizes and flavours.

### MOTHERS AGAINST INFLUENZA (MAI)

An initiative to create awareness and vaccination opportunity beyond kids (and focus on mothers). We created the first-ever geotagging website for influenza immunization, drove surveillance data to establish the burden of influenza, provided innovative in-clinic communication and conducted mass awareness programs at regular intervals.

### USE OF DIGITAL AND NEW TECHNOLOGIES

At Abbott India, mobile technology is being leveraged to engage both doctors and patients for driving better treatment outcome. For the first time in the industry, the launch of scientific detailing in virtual reality was done through Google cardboard. This input showcased to doctors how vertigo attack can impact a patient's quality of life and the pathophysiology of vertigo.

**Vertigo Exercise App** is a one-stop solution for patients to manage their vertigo better. The Vertigo Exercise App has a virtual trainer powered with augmented reality that guides patients in performing the recommended exercises correctly. Features like exercise reminder and pill reminder drive compliance among patients.

**Liver is Life Augmented Reality App v2.0:** Launched v2.0 of India's first augmented reality app for liver. The app also includes diet and exercise recommendations for potential NAFLD patients.

**Wi-Fi Thyroid Clinics** help patients to convert ‘waiting time’ in the doctor's chamber to ‘awareness building time’, using non internet Wi-Fi technology. In less than six months, this initiative impacted around 1 Lakh patients.

# ...ENRICHING LIVES BY KNOWLEDGE SHARING



FibroScan initiative



World Yoga Day

With several partnerships and in-house initiatives, Abbott India strives to strengthen the cause of a healthier lifestyle. Understanding multiple needs of the target audience, we try to develop and deliver programmes that create awareness of various maladies and their preventive mechanisms to stakeholders. Some of our knowledge sharing and awareness initiatives include :

## ROBUST KNOWLEDGE DISSEMINATION PROGRAM ON NAFLD MANAGEMENT

Partnered with 80 Key Opinion Leaders in India to gain insights on regional perspectives in clinical management of NAFLD. The program helped develop treatment algorithms for NAFLD management, which are being disseminated to healthcare professionals through Continued Medical Education.

## IN-CLINIC PATIENT EDUCATION ON WORLD DIABETES AND WORLD OBESITY DAY

We leveraged the occasion of World Obesity Day (October 11) and World Diabetes Day (November 14) to spread awareness to about 5 Lakhs patients at 7,000 consulting physician clinics.

## PATIENT WELLNESS INITIATIVE

Irritable Bowel Syndrome (IBS) is a therapy area which not only requires right treatment but also lifestyle and diet management. We created first-of-its-kind patient wellness kit. It provides Indianized diet regimen, pictorially designed disease information and comprehensive symptom/food tracker for IBS patients. As of now, more than

90,000 kits have been distributed across India in 11 regional languages. The initiative was continued throughout 2016.

## HEPCONNECT - PATIENT SUPPORT PROGRAMME (PSP)

A unique Patient Support Programme (PSP) to create awareness of Hepatitis C to ensure early diagnosis and treatment was conducted. Through this initiative we have touched the lives of more than 1.65 Lakhs patients engaging around 500 healthcare professionals.

## WORLD VITAMIN D DAY AWARENESS CAMPAIGN

Abbott India and Fermenta Biotech came together to mark the importance of 'Vitamin D Day' by organizing a campaign to educate the doctors and patients about the importance of Vitamin D for good health. We celebrated vitamin D month to spread awareness on vitamin D and its deficiency in India. Under this campaign we have covered more than 15,000 clinics across India.

## 'WORLD YOGA DAY'

With the help of 2,454 healthcare professionals, we reached out to more than 1 Lakh patients about importance of Yoga and various asanas that may help gastro conditions.

## VERTIGO ACADEMY INTERNATIONAL (VAI)

Largest International Vertigo symposia was brought to India for the 1<sup>st</sup> time by Abbott India. The VAI took place at Mumbai with more than 400 National and International specialists. This two-and-a-half-day conference covered the recent advances in the field of vestibular disorders driven by more than 75 international and national faculties.

## NATIONAL AND INTERNATIONAL CONFERENCES AND CONGRESS

Knowledge sharing initiatives by participating in national ENT and Neurological (IANCON, IAOHNS and AOICON) conferences through scientific sessions were conducted throughout the year.

## VITAMIN D3 EDUCATION INITIATIVES

As a part of our continuous endeavour to disseminate knowledge, we conducted over 400 doctor meetings covering more than 4,000 healthcare professionals on the role of Vitamin D3 and benefits of nanotechnology based on Vitamin D3.



STANDING (L TO R) : Sachin Dharap, Kaiyomarz Marfatia, R A Shah, Ambati Venu, Munir Shaikh, Ranjan Kapur, Bhasker Iyer, Nancy Berce, Krishna Mohan Sahni



# BOARD OF DIRECTORS

## Munir Shaikh Chairman

Mr Munir Shaikh has been on the Abbott India Board since 2002. He has held several management positions with Abbott in Asia, the Middle East and the United States. He was the Managing Director of Abbott Pakistan, Regional Manager for the Caribbean and West Indies based in Puerto Rico, Director of Business Development based in Chicago, Vice President, Middle East and Africa based in Dubai and Vice President, Asia Pacific based in Singapore.

## Ambati Venu Managing Director

Mr Ambati Venu joined Abbott India Board in 2016. With an extensive background in consumer goods and OTC products, he possesses strong business acumen and the ability honed in both developed and emerging markets. One of his strongest assets is his ability to excel within diverse socio-cultural environments. He comes with over 24 years of experience with GlaxoSmithKline Consumer Healthcare Limited (GSK Consumer) in various leadership positions.

## R A Shah Independent Director

Mr R A Shah has been on the Abbott India Board since 1983. He is a solicitor and senior partner of Messrs Crawford Bayley & Co. He specialises 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, Competition Law and Insider Trading Regulations.

## Ranjan Kapur Independent Director

Mr Ranjan Kapur has been on the Abbott India Board since 2006. Mr Kapur is a veteran of the advertising business. Having spent over 40 years with Ogilvy, credited with its turnaround and accelerated growth. He was also involved in his personal capacity in the development of technology based online and mobile service company. Mr Kapur is an ex-Citibanker. He was inducted into the Ogilvy worldwide board in 1998 and was elected as Vice-Chairman, Asia Pacific.

## Krishna Mohan Sahni Independent Director

Mr Krishna Mohan Sahni has been on the Abbott India Board since 2014. He has an expertise in the area of Government Affairs and Public Administration. He is a former Indian Administrative Service Officer from the 1969 Batch of the Union Territories cadre and a former Secretary to the Government of India.

## Bhasker Iyer Non-Executive Director

Mr Bhasker Iyer has been on the Abbott India Board since 2013. He has over 34 years of experience in the pharmaceutical industry with an expertise in Sales and Marketing. He has worked for a number of companies including Glaxo, ICI Pharmaceuticals, Nicolas Piramal India Limited, AstraZeneca and also in Wockhardt where he held the position of President India and Emerging Markets.

## Kaiyomarz Marfatia Non-Executive Director

Mr Kaiyomarz Marfatia has been on the Abbott India Board since 2011. He has over 35 years of diverse experience in the Legal and Secretarial streams, of which about 20 years have been with Abbott India Limited. 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. Before joining the Company, he has worked with Siemens India Limited for over 16 years.

## Sachin Dharap Non-Executive Director

Mr Sachin Dharap has been on the Abbott India Board since 2013. Prior to joining Abbott, he has worked with Piramal Healthcare Limited and Indian Oil Corporation Limited. He has around 19 years of experience in the finance stream spanning across business Planning and Analysis, Contollership, Management and System Development and Implementation.

## Nancy Berce Non-Executive Director

Ms Nancy Berce has been on the Abbott India Board since 2015. She has domestic and international experience in implementing and operating large scale, enterprise – wide business information systems and services. She joined Abbott Laboratories in 1996 and is currently designated as Vice-President, Business and Technology Services.



**FRONT**  
Ambati Venu

**BACK  
(R TO L)**  
Milind Tendulkar  
Rajiv Sonalker  
Dr. Rashmi Hegde  
Sandeep  
Khandelwal



**FRONT**  
Ramanathan V

**BACK  
(R TO L)**  
Burjor Dadachanji  
Krupa Anandpara  
Nitu Bhushan  
Mahadeo Karnik

# KEY MANAGEMENT TEAM

## **Ambati Venu** Managing Director

Venu comes with over 24 years of experience with GlaxoSmithKline Consumer Healthcare Limited (GSK Consumer) in various leadership positions across the Indian sub-continent, Middle East, North Africa and Asia. His last role till September 2015 was Regional Vice President & General Manager – Asia, GSK Consumer.

## **Milind Tendulkar** Commercial Director - GenNext & Vaccines

Milind has over 26 years of experience in Sales and Marketing. Prior to joining Abbott India, he worked with Abbott Healthcare Pvt Ltd (AHPL), Zydus Cadila, Emcure and Ipca Labs Ltd.

## **Rajiv Sonalker** Group Finance Director

Rajiv has 28 years of experience in the Pharmaceutical, FMCG and Engineering sectors. Prior to joining Abbott India, he worked with Bristol-Myers Squibb as Director – Finance, Voltas Ltd, Johnson & Johnson, Sanofi - Aventis in India and Germany.

## **Dr. Rashmi Hegde** Director - Medical

Dr Rashmi has over 24 years of experience. Prior to Abbott India, she worked with erstwhile Solvay Pharmaceuticals India Limited as General Manager, Medical and subsequently assumed responsibility as Medical Director for South East Asia in 2002 and as Pharmacovigilance Director for Asia, Middle East, Australia and Canada in 2007.

## **Sandeep Khandelwal** Commercial Director - Women's Health, Gastroenterology, GI Prospera and Consumer Care

Sandeep has over 13 years of experience in Consumer Products Industry. Prior to joining Abbott, he worked with Marico as Head-Sales for Nature & Personal Care.

## **Ramanathan V** Commercial Director - Specialty Care

Ramanathan has over 20 years of experience in Sales and Marketing in companies such as Dr.Reddy's Laboratories, Ranbaxy and Zydus Cadila. Prior to joining Abbott, he worked with Zydus Cadila as Vice President – Sales and Marketing of the Cardiva division.

## **Burjor Dadachanji** Commercial Director - International Business and Commercial Excellence

Burjor has over 13 years of diverse experience across pharma, management consulting, banking and operations. Prior to joining Abbott India he worked with Abbott Healthcare Private Limited, The Boston Consulting Group and JPMorganChase.

## **Krupa Anandpara** Head - Secretarial & Company Secretary

Krupa has over 15 years of experience and expertise in handling company secretarial compliance streams. Prior to joining Abbott India, she worked with Borosil Glass Works Limited and Wimco Limited.

## **Nitu Bhushan** Director – Human Resources

Nitu has over 13 years of experience in human resources across organisations such as Asian Paints, HSBC Bank and Mondelez International (formerly Cadbury India). Prior to joining Abbott India, she worked as a Head – Talent Acquisition, India, Indonesia, Philippines, Japan and ANZ with Mondelez.

## **Mahadeo Karnik** Director - Finance

Mahadeo has over 19 years of experience, in Finance. Prior to joining Abbott India, he worked with Roche Diagnostics, Unilever and United Phosphorus.

# ABBOTT CARES

## Prithvi doesn't let health issues hamper his eye on epic goals



Prithvi lives life on-the-go. He works as a producer and is often the first on set and the last to leave. He doesn't mind the long hours, especially on days when his job takes him to new places, away from the bustling city of Mumbai.

One day, he woke up not quite feeling himself. He reported to work, but found himself keeling over in pain and had to be rushed to the hospital. A plethora of tests revealed acute pancreatitis.

After a month of hospitalisation, he was discharged with the advice to follow a controlled diet that barred spicy food, oily stuff and alcohol. Prithvi's condition had left him with a weak gut making him susceptible to severe bouts of acidity. Because

both he and his wife were avid foodies, these restrictions, all put in place before his 30th birthday, were disheartening to say the least.

Prithvi, however, was made of sterner stuff.

Hyperacidity hasn't slowed Prithvi down in the slightest. He keeps the same hectic schedule and long hours, but he's learned that a few modifications can keep his weak gut in check.

Prithvi says, "I have hyperacidity, but I haven't let it come in the way of leading a full life. You live once. You do whatever you have to. Whatever comes in the way, you tackle it and get going."

He's also very goal-oriented. Prithvi believes that everyone should have a big, epic goal. What's his? He intends to see every Formula One race in the world before he turns 40, and with optimal health he will achieve it.

---

**Thanks to modern healthcare there are millions, like Prithvi, who can now lead a full life on their own terms. Abbott continues to find new ways to keep your digestive system healthy.**

---

Patients stories narrated by Patients.

## Priya isn't afraid to make a leap despite her vertigo diagnosis



Priya is a young lady who has already experienced the thrill of bungee jumping from the scenic surroundings in Rishikesh. For this talented marketing professional, this was the unthinkable even a few years ago.

She wasn't as daring. She was living in Mumbai, focusing on building a career after a degree in communications. She used to practise yoga in her free time.

Then Priya started to have trouble with an asana pose she had performed countless times before, and she could not shake off the feeling that something was wrong. Her dizzy spells were growing more frequent, too, triggered from the view from her 12th floor office window.

Once the dizzy spells started to interrupt her meals, Priya knew it

was time to go see her doctor. She was diagnosed with vertigo, which explained her symptoms. As advised by doctors, she took a few days off from work to adjust to her new routine of medication. But from the start of this new diagnosis, Priya was determined to not let her vertigo take over.

Priya's life was thrown out of balance, but her diagnosis ignited an inner strength and independence that she didn't know she had. She started with research so she could better understand her condition. And she also started to push herself and her body to adjust to her new normal.

Priya's instinct to push herself little by little has not only helped her find a new balance in her life, but it's unlocked a bolder, more adventurous spirit and she is thriving.

Even now, her adventure to-do list is growing. Next, she wants to learn how to swim so she can fully conquer her fear of water.

"I want to overcome my fears and try out new things in life. Bungee jumping seemed scary, but I am happy I did it," said Priya. "I will be happy to do it again."

---

**With the help of modern digitally innovative solutions along with treatment, millions, like Priya, are now finding their balance and redefining limits.**

---

Patients stories narrated by Patients.



# ABBOTT CARES

## Giving Back Esha Gaikwad Her Energy and Life



Weight gain is a topic of discussion with many women worldwide. For 32-year-old Esha, a little post-pregnancy weight gain seemed natural. However, what worried her was the consistent lethargy and fatigue, that had started affecting her daily routine. While she was stretching to fulfil the multiple roles of a mother, wife, and daughter-in-law, her health was taking a backseat.

On a casual visit to the clinic, Esha came across 'Thyroid WiFi Clinic'. Through this, she accessed handy information on thyroid and related issues. While browsing through the material, she realised that several of the symptoms mentioned were identical to her current conditions. Concerned, she consulted a doctor who advised her tests to check for

thyroid levels. The diagnosis revealed that she had hypothyroidism and the symptoms were demonstrating this condition. This wake-up call helped her take timely action.

Thanks to Abbott, she is now managing her thyroid, which got detected on time. With successful diagnosis and therapy management, she regained her enthusiasm, energy and indeed, her life.

---

**A small step of detection helps. At Abbott, our endeavour is to help people unlock their fullest potential with the foundation of good health. With the help of our products and services, we help patients enjoy not only longer but better lives.**

---

Patients stories narrated by Patients.

## Helping Soma Chatterjee Embrace Motherhood



Motherhood is the most joyous milestone in most women's lives. It is a sense of fruition and a promotion to the world's greatest job for new parents. While pregnancy is a blissful thing, in many cases clinical conditions complicate several journeys towards childbirth.

For Soma Chatterjee, being a mother meant the world. She waited several years and finally at the age of forty, she was blessed with a pregnancy. This excited her and her family beyond limits, as a dream was coming true. However, their joy was interrupted when Soma was hospitalized twice during the carrying period. Belated pregnancy often comes with complications and she was experiencing such conditions.

Successive medical expenses were beginning to drain the family's financial resources.

The question that kept reverberating in Soma's mind was – "what if this is my last chance of motherhood?" Not willing to give up, she sought further and advanced opinion. Her hope was rekindled with medication. Soma and her family eagerly looked forward to the day their bundle of joy would enter the world.

The due date arrived and Soma gave birth to a child, melting away all apprehensions. Four years since then, they are extremely glad to have chosen the medication way to bring the new member to the family.

---

**The desire to become a mother is a simple but powerful one. For Soma and other mothers, motherhood means a more fulfilling life, more laughter, and more hope for the future. Abbott is honoured to have helped thousands of women in their journey to motherhood.**

---

Patients stories narrated by Patients.

*weCare for Skill*

# ABBOTT CARES

## TALENT AND TEAMWORK

The key to Abbott India's agility is, of course, our employees. Over 3,000 dedicated employees passionately serve our customers across the country



At Abbott India, we use internal and external research to design and develop a competitive, locally relevant employee value proposition and a comprehensive rewards package. The critical components of Abbott India's award-winning workplace environment include:

- Extensive professional development, mentoring and training programmes
- Efforts to encourage and support work-life harmony
- Competitive compensation and benefits
- Protection of human rights
- Wellness campaigns
- Commitment to employee health and safety.

Some of the key initiatives on this front taken during this year are –

### **Employee Assistance Program (EAP)**

In line with providing best-in-class benefits programs, under the LIVELIFEWELL banner which focuses on healthy living at Abbott India, an Employee Assistance

Program was launched in October 2016. The purpose of the EAP is to provide employees and their families with 24/7, free and completely confidential expert counselling and support services on an array of topics such as communication strategies, substance use management, coping with change, relationships, family and any other life challenges.

### **Flexible (Flexi) Benefits Program**

We launched a benefits program powered by an online portal that empowers employees to choose benefits from a dynamic set. The benefits are aimed to align itself with employee's life stage requirements such as insurance (self and dependent parents), self-development and lifestyle requirements like health check-ups and brand store purchases.

### **Holiday (Weekly off) on 3rd Saturday every month for Field Force**

Starting January 2017, 3rd Saturday of every month is a weekly off for the field-based employees. This is to provide an opportunity for the employees to have a better work-life balance.

### **Next Gen Leadership Program for Field First Line Managers (FLMs)**

Launched a customized Leadership Development program, in collaboration with IIM Calcutta to provide an opportunity for our top-performing FLMs to pursue higher education and progress in their careers thereby accelerating their development. The first batch of 33 high performing FLMs have been enrolled into the Leadership Development program.

### **Second Line and First Line Potential Assessments**

Evolved a potential assessment methodology in partnership with Aon Hewitt for First Line and Second Line field managers (FLM/SLM). The methodology is designed to shortlist high-performing incumbents and take them through a structured assessment intervention. Over 70 managers participated in the assessment centre for second line manager positions and a bench strength of 21 was created.

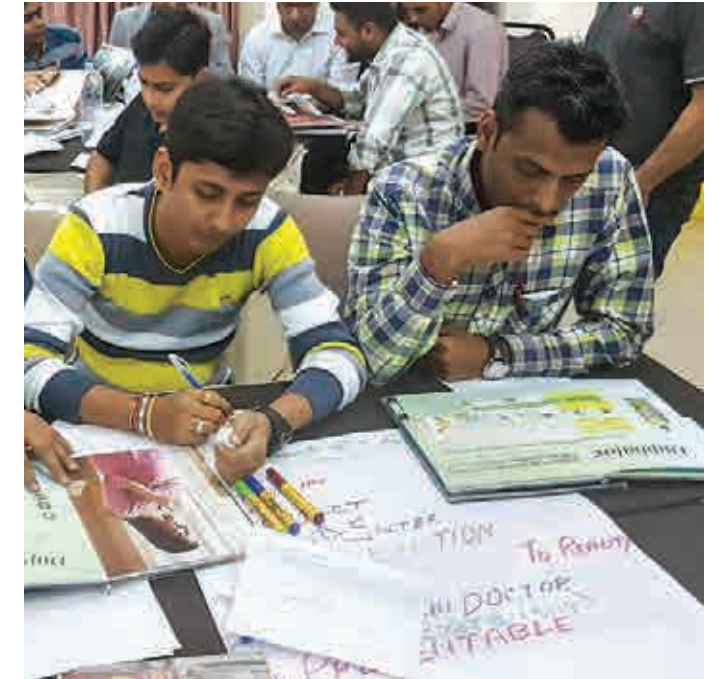
*weCare for Perfection*

# ABBOTT CARES

## TALENT AND TEAMWORK



TRACKS



GENESIS

### Sales Force Career Development (TRACKS)

Continuing our focus on developing key internal talent and establishing career paths for key functions/roles, we had 119 promotions through our Internal Career Development framework. Our robust people initiatives and introduction of new programs enabled us to bring down our attrition rate.

### Training and Development Initiatives

Sales force training is one of the key differentiators that attract and retain talent in the Company. Over the past few years our sales training team has developed and launched a number of training initiatives helping our field force to excel in their interactions with their customers.

Some of such initiatives are -

### NEW THERAPY BUSINESS MANAGERS (TBMs) ON-BOARDING PROGRAM (GENESIS)

There is a robust on-boarding program to introduce new TBMs effectively. The objective of this program is to prepare new joinees of to the Abbott way of working. The Company inducts around 350 - 400 new representatives every year.

### INDIVIDUALIZING DEVELOPMENT THROUGH FIRST LINE MANAGERS

All our managers (350+) are extensively trained to coach their team members, thereby driving individualised development.

### TECHNOLOGY ENABLEMENT IN TRAINING (ASTA ONLINE)

In line with changing technology landscape, our training team has built a robust E-Learning platform, with more than 700 learning modules for use by our field force.

### 3 TIER CERTIFICATION PROGRAM (PRIMA, MAGNA, MAXIMA)

This is a unique field-force program aimed at building capabilities for today and developing future managerial pipeline. This program is linked to career progression of field employees.

### EMPLOYEE HEALTH AND SAFETY (EHS) TRAINING

Training is provided to all the new employees on driving safely as a part of orientation program through external experts.

*weCare for Smiles*



# ABBOTT CARES

## GIVING BACK TO SOCIETY

While we are dedicated to helping people live their best and fullest lives through better health, we have a larger commitment to the community.



We are focusing on need-based interventions and measurable outcomes in our community developments efforts.

### TOTAL SANITATION PROJECT - A DAILY NEED

Nearly half of India's people have no toilets at home. Abbott has been addressing sanitation-related issues in India by investing in sanitation infrastructure, ecosystem building, and cultural awareness. Abbott helped achieve "open defecation free" status in the villages of Dadheda and Talodara in Bharuch, Gujarat.

A total of 512 household toilets and 7 school and community toilets were constructed as a part of the project.

We supported community education efforts to raise awareness of the connections between sanitation and health and taught appropriate use and maintenance of the new facilities. After the project, the villages went from having 30% to 100% toilet coverage.

Apart from improved productivity and increased attendance in schools, the project also resulted in increased awareness about the importance of health and hygiene. The percentage of households reporting disease fell from 40% to 7%, while 99% of women reported increased privacy.

TOTAL TOILETS BUILT IN  
**512**  
HOUSEHOLDS

**33%**  
DROP IN REPORTED DISEASES

**99%**  
WOMEN REPORTED INCREASE IN PRIVACY



*weCare for Empowerment*



**DAIRY PROJECT - BUILDING SHARED VALUE IN INDIA**

Around 70 million rural households in India depend on dairy farming for at least a part of their incomes. Abbott's shared value program for dairy farmer development aims to improve the quality and quantity of milk produced by small holder farmers in Ahmednagar.

We are helping to unlock the potential of these farmers – especially women farmers – by providing them training in financial and business skills, veterinary care, feeding and dairy development, by introducing transparent payment systems and by setting up milk cooling and testing infrastructure.

Through regular trainings, we have been raising the quality and safety of local dairy products and empowering dairy farmers with the expertise to improve their incomes and livelihoods. Though women conduct a majority of dairying activities, previously they had little decision-making power and inadequate training on farming techniques and business literacy.



**DAIRY PROJECT - BUILDING SHARED VALUE IN INDIA**

Our initiative is helping advance the role of women dairy farmers by targeting support towards them.

**iCARE SAFETY DAY – SAVING LIVES EVERYDAY**

India has one of the worst records of road safety in the world. Abbott India aims to reduce the number of accidents of not just its employees but also of the public in general.

Abbott India's iCare Road Safety Program focuses on the usage of helmets and seatbelts, along with an emphasis on avoiding distractions such as mobile phones while driving, controlling speed and following alert driving techniques.

Over the years, we have reached more than 1 million people through this project. In 2016, Abbott employees drove the program by visiting medical clinics, hospitals and schools, advising individuals on road safety guidelines.

They used the opportunity to share simple, actionable safe driving principles and encourage those they met to take a pledge to drive safely – resulting in 4,63,403 signed pledges.



**PROGRAMS TO EXPAND AWARENESS AND ACCESS TO HEALTHCARE**

Access to essential healthcare services and information is a continuing challenge for many in India.

Abbott supports the efforts of qualified doctors and healthcare professionals to expand disease diagnosis and access to care. This includes programs to raise awareness and improve care for epilepsy, thyroid and liver disease. In 2016-17, these programs reached approximately 165 districts in more than 25 states.

**4,63,403**

**PLEDGES TO DRIVE SAFELY**

**165**

**DISTRICTS COVERED UNDER AWARENESS PROGRAMS**

# RECOGNISED FOR EXCELLENCE



Gold Shield Award

## GOLD SHIELD AWARD

Abbott India's Annual Report for FY 2015-16 has been awarded the most prestigious "Gold Shield" Award by The Institute of Chartered Accountants of India for Excellence in Financial Reporting.

## CMO ASIA AWARDS

- Best use of Social Media and Digital Marketing in Healthcare – Thyronorm
- Best Marketing Campaign (Healthcare Industry) – Service + Pill
- Best Marketing Campaign (OTC) – New Digene Campaign
- Excellence in Training and Development – Abbott India Radio
- Best Marketing Campaign - Make India Thyroid Aware
- Best Mobile App in Healthcare - Vertin App & VR, AR, Robotics

## DIGITAL PHARMA EXCELLENCE AWARDS

- Best use of leveraging Technology for better patient management – Vertin
- Digitally visible Company of the year

## AWACS AWARD IN MARKETING EXCELLENCE

- New Introduction of the year – Viroclear

## HEALTHCARE LEADERSHIP AWARDS

- Best Mobile App – Vertin
- Excellence in Training and Development – Genesis 2.0.

## FLAME AWARDS ASIA 2016

- Best Education and Awareness initiative for Rural Patients and Practitioners - Thyroid on Wheels



AWACS Award

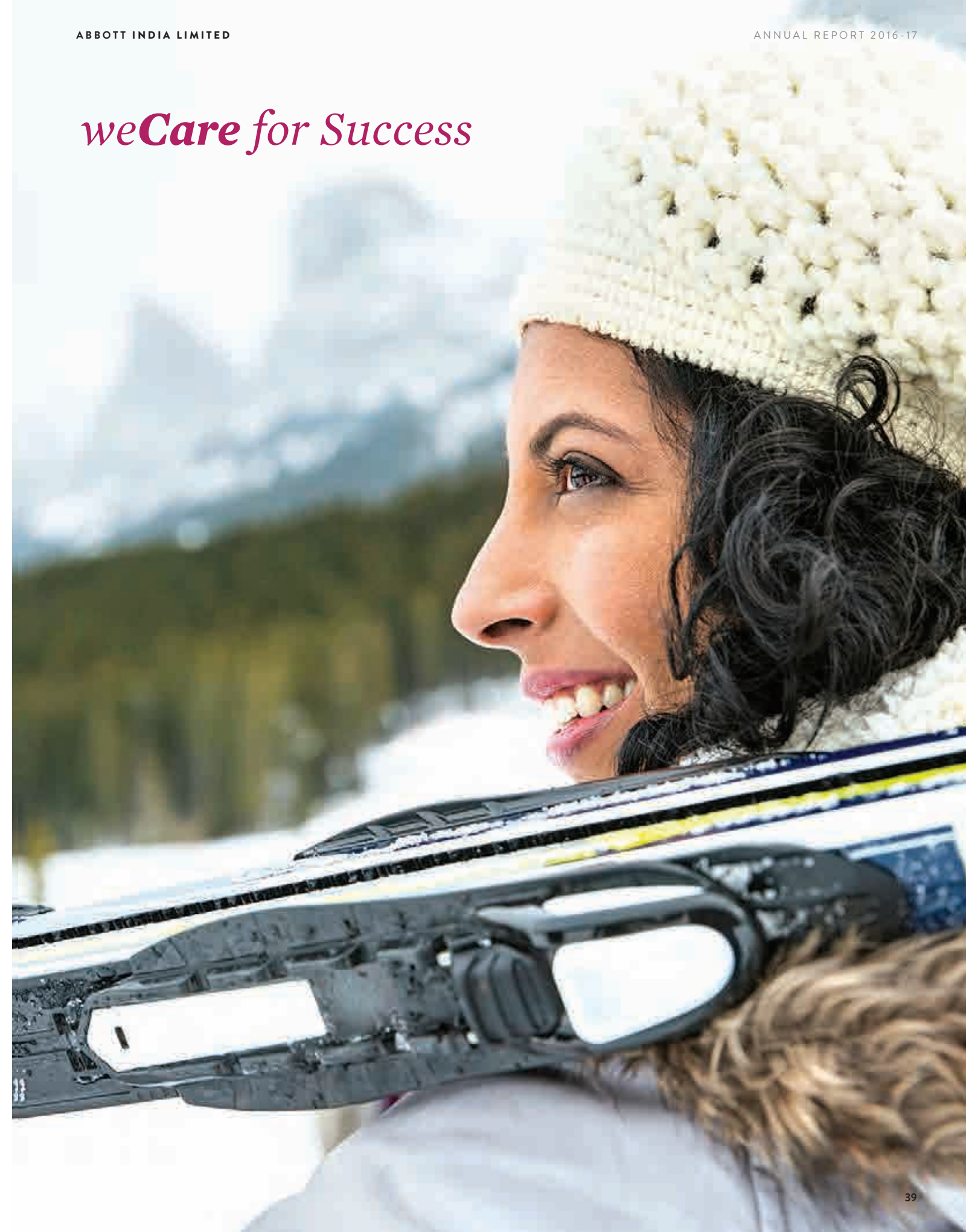
## EYE FOR PHARMA AWARDS - NORTH AMERICA

- Most valuable patient initiative - WiFi Thyroid Clinics
- Most valuable HCP initiative - In-clinic Scientific Detailing in Virtual Reality

## WORLD HRD CONGRESS Global Training & Development Leadership Awards

- Excellence in Training and Development Award - 3 Tier Certification Program
- Best Training Initiative for Pharmaceuticals - Quarterly upskilling workshops (ASK Workshops)
- Best Coaching Program - Coaching Olympiad

*weCare for Success*



# NOTICE

Notice is hereby given that the Seventy-third 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 Tuesday, July 18, 2017 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, 2017 together with the Reports of the Board of Directors and Auditors thereon.
- To declare a final dividend of ₹ 40/- per Equity Share for the financial year ended March 31, 2017.
- To appoint a Director in place of Mr Bhasker Iyer (DIN: 00480341), who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr Sachin Dharap (DIN : 00785700), who retires by rotation and, being eligible, offers himself 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-fourth 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 Kishore Bhatia & Associates, Cost Auditors for the financial year 2017-18**

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

**RESOLVED That** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of ₹ 6.65 Lakhs plus taxes, as applicable and reimbursement of out-of-pocket expenses (at actuals), as approved by the Board of Directors of the Company, payable to M/s Kishore Bhatia & Associates, Cost Accountants (Registration No: 00294) for conducting the Cost Audit of the Company for the financial year 2017-18, be and is hereby ratified.

- Appointment of Mr Ambati Venu (DIN: 07614849) as Director and Managing Director**

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

- RESOLVED That** Mr Ambati Venu (DIN: 07614849), who was appointed as Additional Director of the Company by the Board of Directors effective September 29, 2016, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member, in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

- RESOLVED That** in accordance with the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and subject to approval of the Central Government and such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr Ambati Venu (DIN: 07614849) as the Managing Director, not liable to retire by rotation for a period of 5 (five) years with effect from September 29, 2016, at a remuneration and upon such terms and conditions as set out in explanatory statement annexed hereto.

**RESOLVED Further That** the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend the terms and conditions of the appointment from time to time as may be agreed to by the Board and Mr Ambati Venu.

- Approval of transactions/contracts/arrangements with Related Party**

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

**RESOLVED That** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Audit Committee/Board of Directors to enter into transactions/contracts/arrangements with Abbott Healthcare Private Limited, [a 'Related Party' as per the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations], in the ordinary course of its business and on arm's length basis, for purchase and sale of products; goods; raw materials; active pharmaceutical ingredients; stock-in-trade, availing or rendering of services, reimbursement of expenses, recovery of costs, rent payments, buying/leasing of property, lending or borrowing of monies (as may be permissible under the applicable provisions of the Act) or such other transactions, on such terms and conditions as may be mutually agreed upon between the Company and such Related Party for an amount not exceeding ₹ 550 Crores (Rupees Five Hundred and Fifty Crores Only) in each financial year.

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

By Order of the Board

Mumbai  
May 19, 2017

**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/+91-22-3816 2000  
Fax: +91-22-6797 8727/+91-22-3816 2400  
Email: [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website: [www.abbott.co.in](http://www.abbott.co.in)

## NOTES:

- 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.

- 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.
  - 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.
  - The additional details of Directors in respect of Item Nos. 3, 4 and 7 pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, are annexed hereto.
  - The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 12, 2017 to Tuesday, July 18, 2017 (both days inclusive).
  - Final Dividend of ₹ 40/- 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 24, 2017, to the Members whose names appear on the Register of Members as on July 18, 2017, and to the Beneficial Owners of the shares as on July 11, 2017, as per the details furnished by the Depositories for this purpose.
  - The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, Members holding shares in dematerialised form are requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company or the Registrar & Share Transfer Agent.
  - 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.
  - Members holding shares in electronic form are requested to intimate immediately any change, if any, 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.

- The Company has transferred the amount lying in the following unpaid/unclaimed dividend accounts to Investor Education and Protection Fund since the date of last Annual General Meeting:

Sr No.	Particulars	Year	Details
1	52 <sup>nd</sup> Unpaid Dividend	2009	Abbott India Limited
2	Unpaid Interim Dividend	2009	Erstwhile Solvay Pharma India Limited
3	Unpaid Final Dividend	2009	Erstwhile Solvay Pharma India Limited

Members whose dividend has remained unpaid/unclaimed from the year 2010 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, 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 18, 2016) on the Company's website under the Investor Relations Section at <http://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

- The Company, in compliance of Regulation 39 (4) and Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has transferred 24,671 Equity Shares held by 191 shareholders to "Abbott India Limited - Unclaimed Suspense Account" on January 10, 2017.

All corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall also be credited to such demat suspense account or unclaimed suspense account, as applicable for a period of seven years and thereafter shall be transferred by the Company in accordance with provisions of Section 124(5) and (6) of the Companies Act, 2013 and, Rules framed thereunder.

The voting rights on such unclaimed shares shall remain frozen till the rightful owner claims such Equity Shares.

- Members seeking any information or clarifications on the Annual Report are requested to send their queries in writing to the Company at least one week prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- In case all the 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.
- Members are requested to bring their copy of Annual Report to the Meeting, as the same will not be distributed at the Meeting.
- Annual Report for the financial year 2016-17 along with the Notice of Seventy-third Annual General Meeting, remote e-voting form, proxy form and attendance slip will be sent through electronic mode to the Members whose email addresses are 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 note that the aforesaid documents can also be downloaded from the Company's website at <http://www.abbott.co.in/investor-relations/financials.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 this 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 Meeting").

The facility for voting through ballot papers will also be provided at the 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 Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at this Meeting.

The cut-off date for the purpose of remote e-voting and voting at the Meeting is July 11, 2017.

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

Commencement of remote e-voting : From 10 a.m. (IST) on July 15, 2017

End of remote e-voting : Upto 5 p.m. (IST) on July 17, 2017

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

Mr Taizoon M. Khumri, Practicing Company Secretary (CP No. 88) (Membership No. FCS 993) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The results shall be declared by the Chairman or any other person authorized by him in writing within forty-eight hours from the conclusion of this Meeting. The results declared along with the consolidated Report of the Scrutinizer shall be immediately placed on the website of the Company at [www.abbott.co.in](http://www.abbott.co.in) and on the website of Karvy Computershare Private Limited at <https://evoting.karvy.com>. The voting results shall simultaneously be forwarded to the BSE Limited, Mumbai.

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

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

**Item No. 6**

The Board, based on the recommendation of the Audit Committee, approved the appointment of M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294) as the Cost Auditors for conducting the Cost Audit of the Company for the financial year 2017-18 at a remuneration of ₹ 6.65 Lakhs plus taxes as applicable and reimbursement of out-of-pocket expenses (at actuals).

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 Kishore Bhatia & Associates, Cost Auditors, as stated above, requires ratification by the Members.

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

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

**Item No. 7 (i) & (ii)**

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Ambati Venu as Additional Director with effect from September 29, 2016 in terms of Section 161 of the Companies Act, 2013 read with Article 113 of the Articles of Association of the Company. He holds office up to the date of this Annual General Meeting.

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

The Board, based on the recommendation of the Nomination and Remuneration Committee also appointed Mr Ambati as Managing Director with effect from September 29, 2016 for a period of 5 (five) years, subject to the approval of the Central Government and Members of the Company.

Mr Ambati is an alumnus of the Indian Institute of Management, Ahmedabad and has a Bachelor's degree in Engineering (Mechanical) from the University of Bhopal. Mr Ambati comes with over 24 years' experience with GlaxoSmithKline Consumer Healthcare Limited ("GSK Consumer") in various leadership positions across the Indian sub-continent, Middle East, North Africa and Asia. His last role, till September 2015, was Regional Vice President & General Manager - Asia, GSK Consumer.

With an extensive background in consumer goods and OTC products, Mr Ambati brings strong business acumen and the ability honed in both developed and emerging markets. Having worked in various regions since joining GSK Consumer in 1992, one of his strongest assets is his ability to excel within diverse socio-cultural environments. Mr Ambati has diversified experience in handling international business operations and has led a number of strategic projects. He has excellent track record of success in building and leading high performing teams. He was instrumental in developing an excellent road map to enhance size and scale of business across the countries he was responsible for in GSK Consumer and recorded all round growth in its business.

The significant terms and conditions of appointment of Mr Ambati are as under:

1. Period of Appointment is 5 (five) years, commencing from September 29, 2016;
2. Mr Ambati shall perform such duties and exercise such powers as are entrusted to him from time to time by the Board of Directors (hereinafter called "the Board"), subject to the superintendence, control and directions of the Board;
3. Mr Ambati shall devote sufficient time to enable him to discharge his duties to the Company diligently;
4. During the period of his employment with the Company, Mr Ambati shall, whenever required to by the Board, undertake to travel in India and elsewhere as the Board may direct;
5. In consideration of the performance of his duties to the Company, Mr Ambati shall be entitled to the following remuneration subject to applicable taxes :

a. Salary and allowances: upto a ceiling of ₹ 4.52 Crores per annum; to be paid monthly/annually/one time, as may be approved by the Board;

b. Performance Linked Incentive or Bonus: Such sums as may be approved by the Board;

6. In addition to the above, Mr Ambati shall be entitled to furnished/non-furnished residential accommodation or housing allowance (currently ₹ 3.75 Lakhs per month), Company maintained car, medical reimbursement, club fees, mobile phone, telephone at residence (official calls) and other perquisites/benefits, such as group insurance and gratuity in accordance with the Company's Rules. Mr Ambati will be entitled to Restricted Stock Unit/any other stock options of Abbott Laboratories as per his eligibility;

The Company's contribution to provident fund, if required, shall not be included in the computation of the above ceiling on remuneration and allowances/perquisites/benefits;

7. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013 and Rules framed thereunder, the Board shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr Ambati may be entitled as aforesaid;

8. Where in any financial year during the tenure of Mr Ambati as the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Ambati shall be subject to the provisions of Section 197 and Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force;

9. Mr Ambati shall not directly or indirectly, engage himself in any other business or occupation or employment whatsoever, without the approval of the Board. PROVIDED HOWEVER that it shall be permissible to Mr Ambati to hold share(s) of any other company(ies);

10. So long as Mr Ambati functions as Managing Director, he shall not become interested or otherwise concerned directly or through his wife, sons or unmarried daughter, if any, in any selling agency of the Company, without the prior approval of the Board;

11. Mr Ambati shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and he shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be contravention of this Clause;

12. The employment of Mr Ambati shall forthwith be determined if he shall become insolvent or make any composition or arrangement with his creditors or if he is guilty of any misconduct or otherwise violates the Abbott Code of Business Conduct;

13. In case of the demise of Mr Ambati during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole and uncontrolled discretion may determine;

14. Either party shall be entitled to determine this Agreement by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause. However, the Company shall have the option to terminate the employment by giving 3 (three) months' remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such event, the appointment of Mr Ambati as director shall cease as provided in Section 167(1) (c) and (d) of the Companies Act, 2013 and simultaneously his employment with the Company shall also come to an end.

Mr Ambati is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to be appointed as Director.

Mr Ambati is a member of Corporate Social Responsibility, Stakeholders Relationship, Risk Management, Finance and Share Transfer Committees of the Company.

The other details of Mr Ambati as required under the Secretarial Standards issued by the Institute of Company Secretaries of India and Regulation 36(3) 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 Ambati does not hold any shares in the Company.

A copy of the agreement between Mr Ambati and the Company and other documents referred in this Notice shall be made available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays) upto the date of this Annual General Meeting.

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

Considering the rich and diversified experience of Mr Ambati, the Board recommends the resolutions set forth in Item No. 7 for the approval of Members as Ordinary Resolutions.

**Item No. 8**

The Company is engaged in the business of manufacturing, selling, distribution and marketing of Pharmaceuticals.

The Company, in the ordinary course of its business and on arm's length basis enters into various transactions, contracts, arrangements with various Abbott affiliates including Abbott Healthcare Private Limited ["Related Party" as per the provisions of the Companies Act, 2013 ("the Act") and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("the Regulations")].

The Transactions with Abbott Healthcare Private Limited inter alia include purchase and sale of products; goods; raw materials; active pharmaceutical ingredients; stock-in-trade, availing or rendering of services, reimbursement of expenses, recovery of costs, rent payments, buying/leasing of property, lending or borrowing of monies, (as may be permissible under the applicable provisions of the Act), etc., which are entered into in the ordinary course of business, at arms' length and in the best interest of the Company.

Considering the future business projections, the Company envisages that the transactions with Abbott Healthcare Private Limited may exceed the materiality threshold of 10% of the annual turnover of the Company. Thus, in terms of explanation (i) to Regulation 23 of the Regulations, by way of abundant caution, approval of the shareholders is being sought.



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

Name of the Related Party	Abbott Healthcare Private Limited
Name of Director(s) or Key Managerial Personnel who is related	NA
Nature of Relationship	Abbott Healthcare Private Limited and the Company both are indirect subsidiaries of Abbott Laboratories, USA
Material terms of the transactions/contracts/arrangements	Purchase and sale of products; goods; raw materials; active pharmaceutical ingredients; stock-in-trade, availing or rendering of services, reimbursement of expenses, recovery of costs, rent payments, buying/leasing of property, lending or borrowing of monies, (as may be permissible under the applicable provisions of the Act) or such other transactions.
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Whether the transactions would meet the arm's length standard in the opinion of the Company's Transfer Pricing Consultants	Yes
Whether the transactions have been approved by the Audit Committee and the Board of Directors	Yes
Aggregate amount of transactions to be entered with related party	Upto ₹ 550 Crores in each financial year

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Audit Committee and the Board, at their meetings held on May 19, 2017 considered and approved the aforesaid transactions. The Board is of the opinion that the above transactions shall be in the best interest of the Company.

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

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

By Order of the Board

**Krupa Anandpara**

Company Secretary

Membership No. : ACS 16536

Mumbai  
May 19, 2017

**Registered Office:**

Abbott India Limited  
CIN : L24239MH1944PLC007330  
3-4, Corporate Park, Sion-Trombay Road,  
Mumbai 400 071  
Telephone No. : +91-22-6797 8888/+91-22-3816 2000  
Fax : +91-22-6797 8727/+91-22-3816 2400  
Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)  
Website : [www.abbott.co.in](http://www.abbott.co.in)

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE SEVENTY-THIRD ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 AND SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

Name of Director	Mr Bhasker Iyer	Mr Sachin Dharap	Mr Ambati Venu
<b>Date of Birth</b>	March 7, 1956	April 8, 1976	May 26, 1969
<b>Date of Appointment</b>	February 20, 2013	February 20, 2013	September 29, 2016
<b>Expertise in Specific Functional Area</b>	Over 30 years of experience in Pharmaceutical Industry with expertise in sales and marketing	Expertise in area of financial planning and controlling	Diversified experience in handling international business operations with an excellent track record of success in building and leading high performing teams.
<b>Qualifications</b>	BSC, MMS from Mumbai University.	Fellow of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India	Alumnus of the Indian Institute of Management, Ahmedabad and Bachelor's degree in Engineering (Mechanical) from the University of Bhopal
<b>No. of Shares held in the Company</b>	NIL	NIL	NIL
<b>Other Directorships in Indian Companies</b>	None	None	None
<b>Membership of Committees in other Indian Companies</b>	None	None	None
<b>Relationship between Directors inter-se:</b>	None	None	None

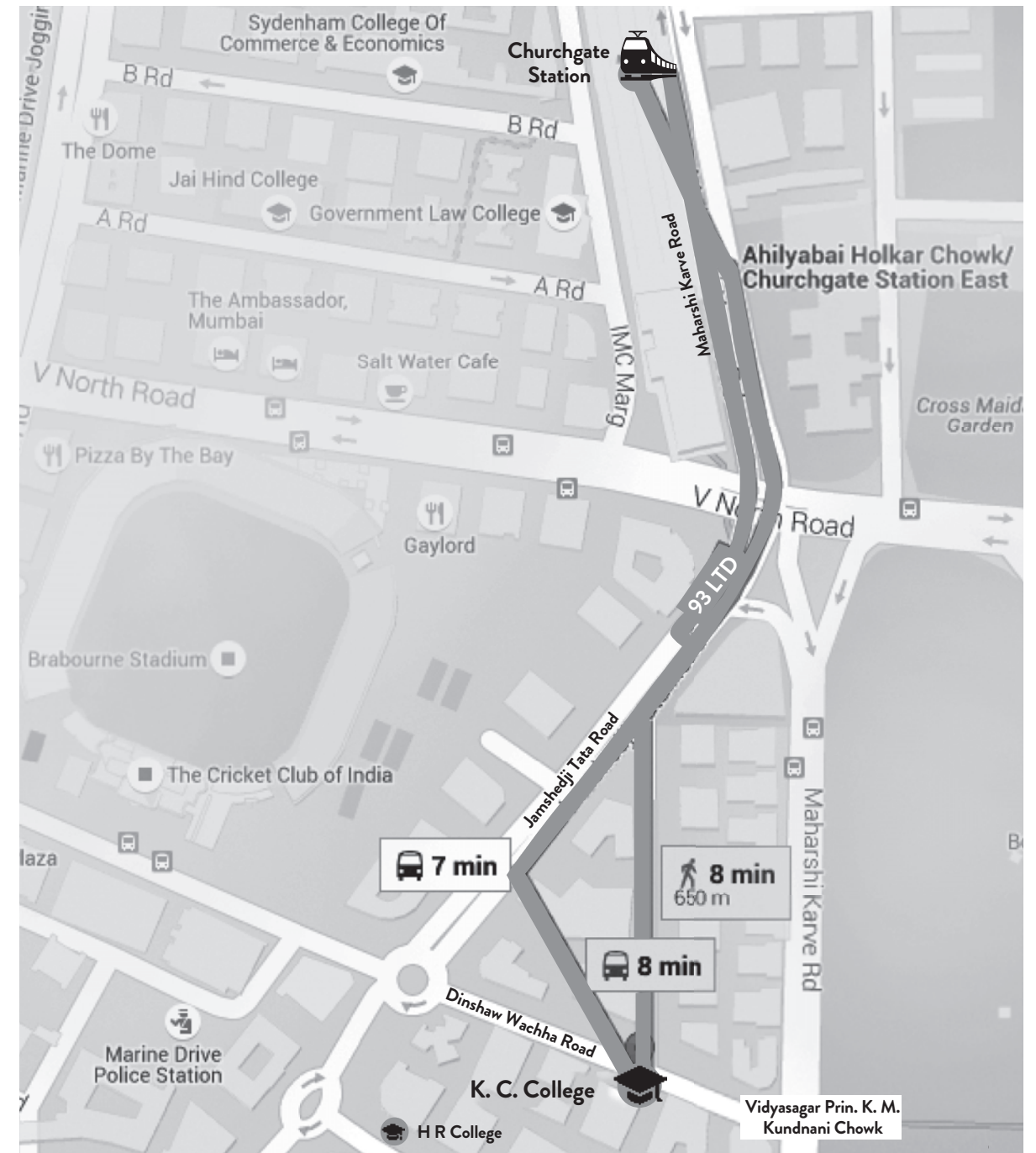
# ROUTE MAP

**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

## TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-third Annual Report and the Audited Financial Statements of the Company for the financial year 2016-17.

## FINANCIAL HIGHLIGHTS

	(₹ in Lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sales	2902,37.67	2613,05.95
Other Operating Income	36,31.45	32,58.22
Other Income	57,64.28	50,58.69
<b>Total Income</b>	<b>2996,33.40</b>	<b>2696,22.86</b>
Profit Before Tax	436,49.17	398,01.15
Profit After Tax	276,64.88	255,25.00
Balance brought forward	889,85.66	740,85.35
Other adjustments to Equity	(1,87.61)	(1,00.11)
Profit available for appropriation	1164,62.93	995,10.24
<b>Appropriations :</b>		
Dividend - FY 2015-16	74,37.26	-
FY 2014-15	-	65,87.28
Corporate Dividend Tax	15,14.05	13,41.02
Transfer to Reserves	27,66.49	25,96.28
Balance carried forward	1047,45.13	889,85.66

Note : The above figures are as per Indian Accounting Standards (Ind AS). For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards with April 1, 2015 as the transition date with IGAAP as the previous GAAP.

## INDIAN ACCOUNTING STANDARDS (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS) as per the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs (MCA). Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company has published financials using Ind AS for the year ended March 31, 2017 along with comparable as on March 31, 2016 and Opening Statement of Assets and Liabilities as on April 1, 2015.

Following are the major areas which had an impact on account of transition to Ind AS :

- Fair Valuation of certain financial instruments
- Employee costs pertaining to defined benefit obligations
- Discounting of certain long term liabilities
- Share based compensation to employees
- Deferred taxes on above areas

## DIVIDEND

Your Directors recommend a dividend of ₹ 40/- per share on 212,49,302 fully paid-up Equity Shares of ₹ 10/- each of the Company for the year ended March 31, 2017. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 84,99.72 Lakhs (Previous year : ₹ 74,37.26 Lakhs) and Corporate Dividend Tax of ₹ 17,30.34 Lakhs (Previous year : ₹ 15,14.05 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.

## OTHER EQUITY

During the year, ₹ 27,66.49 Lakhs was transferred to General Reserve. The total Reserves as at March 31, 2017 amounted to ₹ 1365,69.47 Lakhs comprising of Amalgamation Reserve ₹ 37.82 Lakhs, Capital Reserve ₹ 522.62 Lakhs, Capital Redemption Reserve ₹ 252.48 Lakhs, General Reserve ₹ 296,78.98 Lakhs, Share based Payment Reserve ₹ 13,32.44 Lakhs and Retained Earnings at ₹ 1047,45.13 Lakhs.

## MANAGEMENT DISCUSSION & ANALYSIS

### ECONOMIC OVERVIEW

The World Economic outlook published in April 2017 retained India's growth rate at 6.8% for the year 2016-17.

For 2017, India will maintain its tag as the fastest growing economy, outperforming other emerging markets such as China, Russia and Brazil, with a projected growth rate of 7.2% for the fiscal year. Comparatively, the global economy is expected to grow at 3.5% in 2017. The outlook also gave India a favorable growth forecast in the medium term, stressing that 8% growth is within reach.

The IMS Health Market Prognosis Report highlighted that manufacturing and services will drive GDP growth, with the manufacturing sector benefiting from initiatives such as 'Make in India' and steps to liberalize FDI. India's population growth rate is expected to slow, although the numbers will still grow by almost 78 million by 2020, to reach 1.39 billion.

Goods and Services Tax (GST) brings in a paradigm change in the business environment that will impact the very core of how business is conducted. It is likely to trigger a major business transformation. The taxation would shift from origin based - to consumption based. Various indirect taxes would be subsumed resulting in a simplified tax structure, which should lead to ease in doing business and the broadening of the tax base.

### INDIAN HEALTHCARE ENVIRONMENT

In India healthcare is provided by a mix of both public and private facilities; however, the private sector accounts for 80% of all outpatient consultations and over 60% of inpatient admissions. In March, 2017 the Government of India released the National Health Policy, aiming to raise public health expenditure to 2.5% of the GDP by 2025 from 1.15% of GDP in 2016 and also increase state sector health spending to more than 8% of their budget by 2020. There is an increased emphasis on the development of primary care and increased access to affordable essential medicines.

In 2015, Ministry of Health has revised and included new drugs in the National List of Essential Medicines, 2015 which increased the ambit and scope of the Drug Price Control Order, 2013.

The demonetization announced by the Government of India on November 8, 2016, caused a short term disruption at stockist level and the cash crunch led to a temporary capital squeeze in the supply chain, leading to a decrease in sales in November-February period.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Pharmaceutical Market (IPM) was estimated to be ₹ 1,179 billion in 2016 with a growth of 10.9%. India is the third largest pharmaceutical market in terms of volume and thirteen largest in terms of value globally.

The market is highly fragmented with close to 10,000 companies licensed by regulators and an average of 27 brands competing in every molecule. The top 10 therapies contribute 88% to the IPM with antibiotics continuing to be the biggest segment. The acute segment contributes approximately 66% of the market; however, the chronic segment shows faster growth at 14% and has grown to 34% in 2016 from 29% in 2012.

## OPPORTUNITIES AND THREATS

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

- **Drug Price Controls** - Drug Price Control is going to remain a big challenge in India. Ministry of Health is committed to revise the National List of Essential Medicines periodically, which will keep on increasing the ambit of price control for drugs. Department of Pharmaceuticals through an inter-ministerial committee, is contemplating a policy to control the prices of patented drugs in India.
- **Uniform Code of Pharmaceutical Marketing Practices (UCPMP)** - UCPMP, currently, voluntary, is expected to become mandatory shortly. A mandatory Code is expected to provide a level playing field and ethical marketing practices would be followed by all companies. The Company has strong compliance processes in place and would be in a good position under a more stringent regime.
- **Regulation of OTC Drugs** - With no specific regulatory framework for OTC drugs in India, the Government recently announced plans to establish a legal framework for the regulation of the same. The regulation will pave the way for drugs that are used for the treatment of mild disorders to be classified as OTC products and will ensure stricter enforcement of regulations for prescription only products.
- **Increased Focus on Healthcare** - As mentioned earlier, in the recently announced National Health Policy, 2017 by the Ministry of Health and Family Welfare, the Government's aim to increase health expenditure as a percentage of GDP from the existing 1.15% to 2.5% by 2025 was documented. The policy also announced several initiatives to strengthen and prioritize the role of the Government in shaping health systems in all its dimensions.
- **Increasing Digital Penetration** - The exponential growth in the adoption of mobile and digital media will see digital continue to be an important tool for patient engagement and a medium to raise disease awareness. We expect this trend to continue and gain importance.

## REVIEW OF OPERATIONS

### Financial performance

#### Sales

Sales for the year ended March 31, 2017 amounted to ₹ 2902,37.67 Lakhs, registering a growth of 11.1% over the previous year, mainly driven by volumes.

### Material Cost

Material Cost as a percentage of Sales has increased from 57.1% in financial year 2015-16 to 59.0% in the current year. This is mainly because of decreased Sales realisation on account of reduction in prices of price controlled products.

### Employee Benefit Expenses

During the year under review, the Company increased its people strength by 4.3% to 3,083. The increase in employee cost is mainly on account of merit increase. This increase was partly offset by reduction due to few senior level vacancies for part of the year.

### Other Expenses

Other Expenses including depreciation and finance cost increased by 8.0% over the prior year mainly on account of inflation, marketing spend to support volume growth, market research projects and new product launches. The spend, as a percentage of Sales, was 17.3% compared to 17.8% for the year financial year 2015-16.

### Other Income

During the year, Other Income grew by 13.9% mainly due to increase in Interest Income from Bank Deposits.

The Company continued to invest in Fixed Deposits with Banks having high credit ratings, with a view to safeguarding the principal and maintaining liquidity. Income from Bank Deposits grew by 21.0%. Investment strategy is reviewed periodically by the Finance Committee.

The Company has an investment portfolio as at March 31, 2017 of ₹ 1047,60.00 Lakhs.

### Profit Before Tax and Dividend

Profit Before Tax for the year ended March 31, 2017, stood at ₹ 436,49.17 Lakhs, being 15.0% of Sales as compared to 15.2% in the previous year.

The Board of Directors has recommended a dividend of ₹ 40/- 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 divisions i.e. (i) Women's Health & Gastrointestine, Gastroenterology and GI Prospera (erstwhile Hepatic Care); (ii) Specialty Care; (iii) GenNext & Vaccines and (iv) Consumer Care.

The key performance highlights of each business division for the year financial year 2016-17 are as follows :

### (i) Women's Health & Gastrointestine, Gastroenterology and GI Prospera Division

This 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), Creon (Digestive Enzymes), Ledviclear (Hepatic Care) and Tenfoclear (Hepatitis B) are part of this division.

### Women's Health & Gastrointestine

This segment posted strong growth of 15.9% during the year. Some of the key brands Duphaston, Udiliv 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 14.2% during the year. This growth was mainly driven by brands Cremaffin, Cremaffin Plus and Librax.

### GI Prospera

This segment grew by 8.3% during the year. The growth was majorly driven by brands Creon, Ledviclear and Tenfoclear.

### (ii) Specialty Care Division

This division consists of a comprehensive range of products in treatment of Metabolic disorders and Central Nervous System. It is present in 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.

### Metabolics

This segment grew by 7.6% during the year. The growth was mainly driven by Thyronorm which retains flagship position\* in its segment.

### Central Nervous System

This segment grew by 3.4% during the year. In the vertigo treatment sub-segment, Vertin continues as the market leader\* and has shown strong double digit growth.

### (iii) GenNext and Vaccines Division

#### GenNext

This division includes therapy areas including Pain Management and Vitamins. 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 preparations) and Digecaine (antacid anaesthetic). This division has shown negative growth of 1.2%. Arachitol and Duvadilan have shown positive growth. Zolfresh retains number 1 position\* in its segment.

#### Vaccines

The Company has licensing arrangement with Bharat Biotech India Limited to market vaccines in immunology segment. The key brands in vaccine portfolio are Influvac (Influenza vaccine), Enteroshield (typhoid vaccine) and Rotasure (rotavirus diarrhea vaccine). This segment showed growth of 30.0% and contributed 2.4% of Sales for the year. The double digit growth was majorly driven by Enteroshield.

### (iv) Consumer Care Division

Consumer Care Division is present in the Over The Counter (OTC) antacid segment. This division promotes all variants of Digene (antacid – antifatulent) – 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. This segment showed growth of 10.4%.

### New Product Launches

The Company launched 10 new products during the year in various therapy segments, which contributed 0.7% of the Sales of the Company. These products are Colospa X (IBS Management), PRO-9 (Preterm Labour), Actnew (Functional Dyspepsia), Cremalax Liquid (Constipation), Pankreoflat Liquid (Liquid formulation of Pankreoflat), Influvac Junior (Influenza vaccine for infants), two new flavours of Digene Fizz (Regular and Kaccha Aam), Snapit (Migraine), Rashfree (Baby Rash Cream) and CitroSoda (Urinary Alkaniser).

### GOODS AND SERVICES TAX (GST)

GST is a major transformational reform which will have a significant impact on the economy across business sectors. Under GST, simplified tax structure, where several central, state, municipal level taxes are subsumed, will be a major catalyst for consolidation across all levels of the Supply Chain. Major changes are expected in the distribution sector paving the way for the emergence of larger wholesalers with broader geographical reach. The announced rate of GST, pending notification, on drugs in general is 12% and for life saving drugs is 5%. In the short term, the market is likely to experience some disruption due to transition challenges. The Company is geared up to be GST compliant and has made suitable changes across IT systems and Supply Chain operations while also continuously engaging with trade partners for a smooth transition.

### MEDICAL RESEARCH

The Company conducts both non-interventional real-world as well as interventional (Registration) studies.

#### Non-interventional Real World Studies

Real-World Evidence (RWE) research studies are conducted to answer scientific questions which may help bridge the gaps between in-clinic patients management and suggest therapeutic recommendations/guidelines.

The Company initiated Real-World studies were presented/published at international congresses during the year under review.

#### Studies supporting the Thyroid Therapy

- The Thyroid Registry first analysis : Presented at European Thyroid Association.

Guidelines suggest a diagnosis of hypothyroidism based on TSH and T4 levels. However, most of the patients as observed in this registry received treatment based on TSH levels alone, thus highlighting the need for awareness and scientific education among clinicians in India.

\* Sources : IMS Health Outlook

- The Thyroid KAP (Knowledge, Attitude, Practice) Study : Presented at The 12<sup>th</sup> Asia and Oceania Thyroid Abstract Association Congress.

This Study emphasizes the need for continuous counseling by the physicians/effective awareness programs for the management of hypothyroidism in India.

#### Study supporting the Vertigo Therapy

- The One EPD Vertigo-Dizziness Registry : Presented at ASEAN Academy of Neuro-Otology & Audiology (AANO) Congress.

The Study observed that Vertigo has a negative impact on the patients' day-to-day activities and work productivity thereby impacting the overall health-related quality of life. KAP study revealed that the knowledge, attitude and practice patterns amongst Indian Vertigo patients is inadequate, highlighting the need for awareness and scientific education amongst these patients in India. Moreover, the healthcare providers should be trained to provide counseling to these patients effectively.

#### Study supporting the Constipation Therapy

- SCIoN study : Presented at ANMA & JSNM Joint Meeting 2017.

The Study reported that Functional Constipation (FC) is more prevalent than Irritable Bowel Syndrome Constipation (IBS-C) among the patients of constipation in Indian population (75.57% Vs 24.43%). Thus, there is a definite need to highlight importance of appropriate pharmacotherapy for effective constipation management and overall improvement in QoL.

#### Study supporting the Vaccines Therapy

- Influenza KAP Study : Published in JAPI

In this Study, 50% of corporate employees who were surveyed had low level of knowledge of Influenza, which highlights the need for awareness programs.

#### Interventional (Registration) Studies

The registration studies are done as a part of Company's commitment for portfolio expansion. These Studies are conducted for new indications and/or for new product introductions.

#### i. Lotus II

Study Title : A Study Comparing the Efficacy, Safety and Tolerability of Oral Dydrogesterone versus Crinone intravaginal progesterone gel for Luteal Support in In-Vitro Fertilization.

- Out of the 37 sites globally, 2 Indian sites were amongst the top five recruiters.
- India was also second highest recruiter in the study.

#### ii. Influvac Quadrivalent Vaccine (QIV)

Study Title : An Open-Label, Baseline-Controlled Study in Subjects Aged 6 Months and Older to Assess the Immunogenicity, Reactogenicity and Safety of a Quadrivalent Influenza Vaccine in India

### OUTLOOK

IMS Health has forecasted the Indian Pharmaceutical Market to grow at a compounded annual growth rate of 11% between 2017 and 2021, reaching approximately ₹ 2000 billion by 2021.

For the near future, the Company has identified specific opportunities to leverage for growth, capitalizing on its strengths and positioning itself as a leading science driven pharmaceutical company. Some of these are :

- Accelerate growth of existing brands through focused brand building, innovative marketing campaigns and partnerships to help patients and physicians. This will ensure we continue growing faster than the market and drive our therapy leadership.
- Provide services that go beyond just the pill. We have targeted interventions at each stage along the 'Continuum of Care' for patients that have a direct impact. For example, we help drive compliance in the Vertigo space through our Vertigo mobile App which has a pill reminder service.
- Increased portfolio depth through the launch of new products in our existing therapy areas. In the last three years alone we have launched over 30 new products and have a robust plan for future launches.
- Focus on internal talent development, engagement, retention and capability building. For example, we have done a baselining exercise for all our first line managers and assessed all our head office marketing resources to help identify and develop key talent.
- Digital differentiation and the use of technology, which complement our products to drive engagement with KOLs and patients. For example, in-clinic engagement through augmented and virtual reality interfaces such as the Vertigo App and out-of-clinic engagement through campaigns such as the Digene Youtube campaign.

### RISKS AND CONCERNS

The pharmaceutical regulatory environment across the world is becoming more stringent including that facing the Indian Pharmaceutical Industry, and further reform of the framework governing pharmaceuticals is expected to be pursued.

The span of price control under the Drug Price Control Order is also likely to increase, as the National List of Essential Medicines (NLEM) will be revised periodically by the Ministry of Health in 4 years intervals. This will ensure the continuing relevance of listed products, but also a means of controlling drug prices. The 2015 NLEM had brought the total number of listed drugs up from 348 to 376, and increased the number of therapeutic classes covered from 27 to 29.

### 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 controls 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, 2017 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

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 3,000 colleagues remains our biggest advantage in the highly competitive pharma industry. The Human Resource (HR) team has built specific programs to encompass the entire employee lifecycle attracting best talent, both internally and externally, retention via career management, rewards and development across all cadres.

The integrated approach to Talent Strategy helped us 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 abroad.

**Developing People :** We have established a number of training programs for our employees across all functions within the organization. These help in grooming internal talent for further growth and maintain continuity in operations. Some of such Programs conducted during the year include -

#### Field Training Programs :

New Field Employees on-boarding program (Genesis) to prepare new joiners to Abbott's way of working;

"Coaching Olympiad", first of its kind program which is designed to serve multiple objectives - build coaching capabilities and reward and recognise top coaches in the Company;

Technology Enablement in Training (ASTA Online), robust E-Learning platform comprising 700+ learning modules for use by our field force, thereby providing opportunity to learn at own speed and convenience;

Employee Health and Safety (EHS) Training to all the new employees on driving safety as part of their induction program through external experts.

#### Field Talent Development Programs :

Three Tier Certification Program (PRIMA, MAGNA, MAXIMA), for 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;

First Line Manager (FLM) and Second Line Manager (SLM) Assessments, structured assessment programs to create succession pipeline for First Line and Second Line high performing field managers.

#### Head Office Talent Acceleration Programs such as

- Leadership Development Program : MBAs from premier business schools in India and abroad bring a fresh and international perspective to our business.
- Business Analysts Program : Business Analysts with consulting background spend 2 years in the Company before joining business schools and play a key role in implementing critical projects.
- Future Leader Program : Freshers from reputed engineering schools (IITs) and MBAs from leading business schools are groomed to take on managerial positions.

#### Prevention of Sexual Harassment at Workplace

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

Appropriate Training is imparted to all employees every year. This training also forms part of New Employee 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, 2017 is 3,083.

### 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, 2017, 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, 2017 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.

### DIVIDEND DISTRIBUTION POLICY

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

### RELATED PARTY TRANSACTIONS

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

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

As per the said Policy, all Related Party Transactions are pre-approved by the Audit Committee and Board, as and when required. The 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 2016-17 with Related Parties were in the ordinary course of business and on arm's length basis. No material related party transactions, i.e. transaction exceeding 10% of the annual turnover as per the last audited financial statements, were entered during the year by the Company.

Details of Related Party Transactions entered into by the Company during the financial year 2016-17 are provided in Note 42 to the Financial Statements.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

#### 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.html>

### CSR initiatives undertaken during the financial year 2016-17

During the year, the Company spent an amount of ₹713.95 Lakhs on various CSR activities.

The Annual Report of CSR activities undertaken by the Company during the financial year 2016-17, 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-oriented 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 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

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, appointed Mr Ambati Venu (DIN : 07614849) as Additional Director and Managing Director of the Company for a period of 5 (five) years effective from September 29, 2016, subject to approval of the Central Government and Members at the ensuing Annual General Meeting.

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

Based on the recommendation of the Nomination and Remuneration Committee, your Directors recommend appointment/re-appointment of Mr Ambati Venu, Mr Bhasker Iyer and Mr Sachin Dharap on the Board of the Company.

#### Declaration of Independence

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

#### Number of Meetings of the Board

Six Board Meetings were held during the year on May 25, 2016; July 18, 2016; August 26, 2016; September 29, 2016; November 28, 2016 and February 6, 2017.

### 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

Pursuant to the requirements the Companies Act, 2013 read with Rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has adopted Performance Evaluation Framework and Policy which inter alia, contains various parameters for evaluation of Board, Committees and individual Directors. The said Policy is available at <http://www.abbott.co.in/investor-relations/policies.html>

The Nomination and Remuneration Committee and the Board conducted performance evaluation of each individual directors, the Board and Committees through self-assessment and group discussions. Evaluation was done based on the parameters stated under the aforesaid Framework and after taking into consideration Guidance Note issued by the Securities and Exchange Board of India on January 5, 2017. Independent directors, at their separate meeting, also evaluated performance of non-independent directors, the Board as a whole and the Chairman.

### KEY MANAGERIAL PERSONNEL

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

### AUDIT COMMITTEE

The Audit Committee comprises 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, forming part of this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited - Procedure for Internal Investigations" lays down a mechanism for reporting and investigation 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.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 various sources as provided under the said Policy or via toll free number 0008001001058 or online at <http://speakup.abbott.com>

### STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants, (ICAI Firm Registration No : 324982E/E300003), were appointed as the Statutory Auditors for a term of 5 years at the Seventieth 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 2016-17 does not contain any adverse remarks, qualifications or reservations or disclaimer, which require explanation/comments by the Board.

### COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. : 00294), having its office at 701/702, D wing, 7<sup>th</sup> Floor, Neelkanth Business Park, Nethani Road, Vidhyavihar (West), Mumbai - 400 086 are appointed as the Cost Auditors of the Company for the financial year 2017-18 at a remuneration of ₹ 6.65 Lakhs plus taxes as applicable and reimbursement of out-of-pocket expenses.

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

Cost Audit Report along with the Compliance Report for the financial year 2015-16, issued by M/s N I Mehta and Associates, then Cost auditors, was filed on August 2, 2016 (due date of filing was September 27, 2016).

### INTERNAL AUDITORS

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

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practicing Company Secretary (Membership No. : ACS 11950 and Certificate of Practice No. 2661) for the financial year ended March 31, 2017 does not contain any adverse remark, qualifications or reservations 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

#### Health and Safety :

Providing a safe workplace and keeping the employees healthy is the Company's top priority. Safe working is a condition for employment. The Employee Health and Safety (EHS) policy laid the foundation for our EHS philosophy and

performance expectations. The policy has been implemented through our Global EHS Standards, supported by a well-defined EHS organizational structure, EHS Standard Operating Procedures and EHS specific programs. 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. Routine self-audits and third party safety audits are conducted to verify compliance with the regulatory and internal safety requirements.

To build technical capabilities, training programs are conducted at the Plant on health and safety issues. Employees are also encouraged to attend external training programs. Some training topics included regulatory requirements, ergonomics, machine guarding, hot work safety, road safety, industrial hygiene and so on. A cross-functional team for emergency response and firefighting is in place. Mock drills for fire-fighting and rescue operations are conducted to keep the staff in a state of preparedness for any emergencies. The Company has a detailed Business Continuity plan in place. Behavior Based Safety (BBS) program was launched this year to further improve the safety culture at the Plant.

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. Each employee undergoes annual medical examination to include various tests over and above the local regulatory requirement.

The Plant celebrated National Safety Week from 4<sup>th</sup> to 11<sup>th</sup> of March, 2017. Safety week 2017 emphasized on the Leadership in Safety and Health to Enhance Business Sustainability. Key functions and events like Safety slogan, Drawing competition Spot the hazard, Monologue competition, EHS quiz were organized at the Plant with an intent to raise the leadership drive, involvement and participation from all employees in day to day safety activities. Health Training Programs for employees well-being were also conducted during the year.

#### Environment :

A responsibility towards the environment is part of Abbott's mandate. We continuously endeavor to minimize adverse environmental impact, and demonstrate our commitment to protecting the environment through everything we do. The Company has 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 State Pollution Control Board. Our Goa plant is a "ZERO" discharge plant. The treated water from our waste water treatment Plant is recycled for horticulture within the site. The site has achieved more than 30% absolute water reduction over the period of last 5 years. 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, well below the limits set by the State Pollution Control Board. Ambient air quality is monitored

on a regular basis to confirm to 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. In 2016, 56% of our waste was sent for recycling, 42 % for incineration and 2% for composting. Installation of a Filter Press System for drying ETP sludge will help in reducing the generation of ETP sludge.

Environmental Key Performance Indicators are shared and discussed with employees on a regular basis in order to continuously minimize the impact on environment. The site is working proactively in reducing its Environmental footprint. Use of alternative energy sources is being explored and plans are in place to implement the same in near future.

### 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report.

**BUSINESS RESPONSIBILITY REPORT**

In compliance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Report forms part of this Report.

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

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

**FIXED DEPOSITS**

No fixed deposits were accepted during the year.

**PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES**

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

**GENERAL**

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

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

**AWARDS AND RECOGNITIONS**

The Company's Annual Report for the year ended March 31, 2016 won the most prestigious "Gold Shield" Award by The Institute of Chartered Accountants of India for Excellence in Financial Reporting.

During the year, the Company also won several other prestigious awards and recognitions such as CMO ASIA National awards and CMO Healthcare Excellence awards, Business World Digital Pharma Excellence awards, UBM India Pharma awards, AWACS awards in Marketing Excellence, Flame awards Asia 2016, for its innovative and digital marketing initiatives and training and development initiatives.

**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 business partners, institutions, banks and in particular, the Members for their continued support to and trust in the Company.

For and on behalf of the Board

**Munir Shaikh**  
Chairman  
DIN : 00096273

**Ranjan Kapur**  
Director  
DIN : 00035113

**ANNEXURE I**

**Annual Report of CSR Activities for the financial year 2016-17**

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

**1. Brief outline of the Company's CSR Policy**

**Policy Statement**

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

**Core CSR areas identified by the Company**

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

- Enhancing access to healthcare across the country for a healthy society; conducting wellness 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 available on the Company's website at <http://www.abbott.co.in/investor-relations/policies.html>

**2. Composition of CSR Committee**

Composition of CSR Committee is as follows

Sr. No.	Name of the Member	Category
1	Mr Munir Shaikh Chairman	Non-Executive Director
2	Mr Ambati Venu*	Managing Director
3	Mr Ranjan Kapur	Independent Director
4	Mr Krishna Mohan Sahni	Independent Director
5	Mr Sachin Dharap	Non-Executive Director

\* appointed as Member effective November 28, 2016

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

₹ 342,45.00 Lakhs\*

\*calculated on the basis of Net Profits for the financial years 2013-14 (15 months), 2014-15 and 2015-16

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

₹ 6,84.90 Lakhs

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

- Total amount spent during the financial year – ₹ 7,13.95 Lakhs
- Amount unspent, if any - NIL
- Manner in which the amount was spent during the financial year is detailed below :

(₹ in Lakhs)

Sr. No.	CSR Project Name	Schedule VII Category	Location	Amount Outlay (Budget)	Amount spent on the projects or programs		Cumulative Expenditure	Amount Spent : Direct or through Implementing Agency
					Direct	Overheads		
1	iCARE Road Safety Drive	Promoting Education	PAN-India	1,21.20	86.74	34.46	1,21.20	Direct Implementation
2	Nirmal Dhara Dairy Project- Building a Sustainable Local Supply Chain	Rural Development, Promoting Gender Equality, Improving Livelihoods	Ahmednagar, Maharashtra	1,68.16	1,12.67	55.49	1,68.16	Direct Implementation
3	Programs to Expand Awareness and Access to Healthcare	Promoting Health	PAN-India	4,03.19	3,91.69	11.50	4,03.19	Direct Implementation
4	Administrative Expenses			21.40	-	21.40	21.40	Direct Implementation
	<b>Total</b>			<b>7,13.95</b>	<b>5,91.10</b>	<b>1,22.85</b>	<b>7,13.95</b>	

**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

**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 made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee (N&RC) 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
  - 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 to this Policy.

**6. Criteria for Appointment of Senior Management**

- 6.1 Individuals of high integrity who have a solid record of accomplishments 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 N&RC 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 shall be appointed by the Board of Directors upon recommendation from the Nomination and Remuneration Committee.
- 7.3 Senior Management Personnel shall be appointed by the Company as per Company policies.

**8. Term/Tenure**

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

**9. Independent Director**

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

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

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

## 11. Key Managerial Personnel and Senior Management

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

## 12. Removal

12.1 The Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director and Key Managerial Personnel subject to the provisions and compliance of the Companies Act, 2013, Rules made thereunder and other applicable regulations and applicable policies of the Company.

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

## 13. Succession Planning

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

## 14. Review of the Policy

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

## ANNEXURE

### 1. Criteria for Independence

1.1 A Director is considered Independent if the Board makes an affirmative determination after a review of all relevant information. In order for a Director to be considered Independent, the Director :

- 1.1.1 Shall not be Managing Director or a Whole-time Director or a Nominee Director.
- 1.1.2 Shall be a person of integrity and shall possess relevant expertise and experience.
- 1.1.3 Shall not be a promoter of the Company or its holding, subsidiary or associate Company.
- 1.1.4 Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company.
- 1.1.5 Apart from receiving Director's remuneration, shall not have any pecuniary relationships

with the Company, its holding, its subsidiary, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.

- 1.1.6 Relatives should not have or had pecuniary relationships or transactions with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- 1.1.7 Neither himself/herself nor any of his/her relatives shall hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- 1.1.8 Neither himself/herself nor any of his/her relatives is or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of :
  - 1.1.8.1 A firm of auditors (Internal/Statutory) or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;
  - 1.1.8.2 Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
  - 1.1.8.3 holds together with his relatives 2% or more of the total voting power of the Company;
  - 1.1.8.4 a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25%, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company.
- 1.1.9 Should not have 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 :

- 1.1 Section 178(3) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 require every Nomination and Remuneration Committee (N&RC) to devise a Policy on remuneration of Directors, Key Managerial Personnel (KMP) and other employees.
- 1.2 The N&RC is responsible for recommending to the Board, a Policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

### 2. Overview :

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

### 3. Company Philosophy

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

- 3.1.1 Being competitive with peer-group companies both within and outside of healthcare with financial performance similar to the Company;
- 3.1.2 Making individual performance the primary driver of total pay;
- 3.1.3 Linking pay to achievement of the Company's business goals.
- 3.2 Simply stated, the Company's compensation is intended to compare favorably with the pay programs of other leading healthcare companies as well as other high-performing companies outside of the healthcare arena that have a similar size, scope and financial performance to the Company and operate in markets where we compete for talent.
- 3.3 While employees are paid based on their skills and levels of performance, employee pay at the Company is on 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 the Company 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.

### 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 1<sup>st</sup> 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 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 :

- 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 all 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 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

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

**ANNEXURE III****Secretarial Audit Report for the financial year ended March 31, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No 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, 2017, 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, 2017 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 framed 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, 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 Securities and Exchange Board of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the 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, Guidelines and 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 Rules, 1945;
- b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
- c. Drugs (Price Control) Order, 2013;

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Decision is carried through Majority while the dissenting member's views, if any are captured and recorded as part of the minutes.

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

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

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

Place : Mumbai  
Date : May 19, 2017

**Annexure to the Secretarial Audit Report of Abbott India Limited for the financial year ended March 31, 2017**

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

Place : Mumbai  
Date : May 19, 2017

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

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

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

**A. Conservation of Energy****i. The Energy conservation measures taken**

- The existing FTL high power consuming lights replaced with energy saving LED lights for street, utility, technical and production areas.
- Operation of lights through motion sensors control signal in RMS I, RMS II & Cool room which helps in utilizing light only as per the requirements.
- VFD with in-built controllers is installed for new Air Handling Units (AHUs) in the recently upgraded facility.
- Study conducted for testing of working of steam line accessories along with Forbes Marshal for improving the efficiency of accessories and avoid the steam loss.

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

Nil

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

₹ 6.50 Lakhs

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

- Old collators of both filling machines replaced with new PLC-based shrink wrap machines.
- Manual Cup Insertion practice on one filling machine replaced by Cup Insertion machine.
- Replacement of screw type non-GMP standard pumps with new technology GMP standard lobe pumps for paste/product transfer.
- Many new products launched during the year through manufacturing at Third Party locations viz. Colospa X, new flavors of Digene Fizz (Regular and Kaccha Aam), Actnew, Snapit, Pro-9 and Pankreoflat liquid.

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

- The new shrink wrap machine contributed saving of 14 nos of manpower from both filling lines; additionally down time of machine is also reduced.

- The Cup Insertion machine saved 1 no of manpower and also helped for online cup insertion with clean and hygienic facility on machine.
- The new GMP standard lobe pumps have increased the product transfer rate, which helped faster manufacturing of products in hygienic manner as per GMP standard.

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

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

**iv. Expenditure on Research & Development**

Sr. No.	Particulars	₹ in Lakhs
(a)	Capital	4.35
(b)	Recurring	75.73
(c)	Total	80.08
(d)	Total R&D expenditure as a Percentage of total turnover	0.03%

**C. Foreign Exchange Earnings and Outgo**

	Particulars	₹ in Lakhs
<b>A.</b>	<b>Total Foreign Exchange used</b>	
a.	On import of raw materials, finished goods, consumable stores and capital goods	374,13.70
b.	On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	8,75.46
c.	On remittance during the period on account of dividend	55,76.92
<b>B.</b>	<b>Total Foreign Exchange earned</b>	
a.	From Exports	15,50.54
b.	Earnings from affiliates	4,66.28
c.	Recovery of expenses	2,60.77

**ANNEXURE V****Extract of Annual Return as on financial year ended March 31, 2017****FORM NO. MGT 9**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and 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/+91-22-38162000 Fax : +91-22-6797 8727/+91-22-38162400
Whether listed company	: Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	: 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	Abbott Capital India Limited Abbott House, Vanvall Business Park, Maidenhead, Berkshire SL64XE	NA	Holding	50.45	2 (46) of the Companies Act, 2013

**iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i Category-wise 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	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	-	-	-	-	-	-	-	-	-

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	
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2) :	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>15934048</b>	<b>-</b>	<b>15934048</b>	<b>74.99</b>	<b>15934048</b>	<b>-</b>	<b>15934048</b>	<b>74.99</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	1374255	150	1374405	6.47	1159314	150	1159464	5.46	-1.01%
b) Banks/FI	9359	408	9767	0.04	106866	408	107274	0.50	+0.46%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	39631	-	39631	0.19	39631	-	39631	0.19	-
g) FIIs	127008	150	127158	0.60	32020	150	32170	0.15	-0.45%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)									
Foreign Portfolio – Corp	260601	-	260601	1.23	549279	-	549279	2.58	+1.35%
<b>Sub-total (B)(1) :</b>	<b>1810854</b>	<b>708</b>	<b>1811562</b>	<b>8.53</b>	<b>1887110</b>	<b>708</b>	<b>1887818</b>	<b>8.88</b>	<b>+0.35%</b>
2) Non-Institutions									
a) Bodies Corp									
i) Indian	176619	4646	181265	0.85	161273	3590	164863	0.78	-0.07%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2433110	600273	3033383	14.28	2416297	555142	2971439	13.98	-0.3%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	176480	44928	221408	1.04	161637	44928	206565	0.97	-0.07%
c) Others (specify)									
Trust	1111	-	1111	-	175	-	175	-	-
NRI(Rep)	17597	1400	18997	0.09	26269	1400	27669	0.13	+0.04%
Clearing Member	-	-	-	-	12550	-	12550	0.06	+0.06%
NRI(Non Rep)	42008	5049	47057	0.22	38655	5049	43704	0.21	-0.01%
Foreign Corp Bodies	-	471	471	-	-	471	471	-	-
Foreign National/Bodies/OCB	-	-	-	-	-	-	-	-	-
NSDL in transit	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2) :</b>	<b>2846925</b>	<b>656767</b>	<b>3503692</b>	<b>16.48</b>	<b>2816856</b>	<b>610580</b>	<b>3427436</b>	<b>16.13</b>	<b>-0.35%</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4657779</b>	<b>657475</b>	<b>5315254</b>	<b>25.01</b>	<b>4703966</b>	<b>611288</b>	<b>5315254</b>	<b>25.01</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>20591827</b>	<b>657475</b>	<b>21249302</b>	<b>100.00</b>	<b>20638014</b>	<b>611288</b>	<b>21249302</b>	<b>100.00</b>	<b>-</b>

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Abbott Capital India Limited	10719097	50.45	-	10719097	50.45	-	-
2.	Abbott Healthcare Products Limited	3744951	17.62	-	3744951	17.62	-	-
3.	British Colloids Limited	1470000	6.92	-	1470000	6.92	-	-
	<b>Total</b>	<b>15934048</b>	<b>74.99</b>	<b>-</b>	<b>15934048</b>	<b>74.99</b>	<b>-</b>	<b>-</b>

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

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

Sr. No.	Name	Shareholding					Cumulative shareholding during the year (1/04/2016 to 31/03/2017)									
		No. of Shares at the beginning of the year (1/04/2016)	% 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	787368	3.71%	01.04.2016	-	-	787368	3.71%								
				08.04.2016	620	Transfer	787988	3.71%								
				06.05.2016	3410	Transfer	791398	3.72%								
				13.05.2016	100	Transfer	791498	3.72%								
				20.05.2016	250	Transfer	791748	3.73%								
				27.05.2016	2740	Transfer	794488	3.74%								
				03.06.2016	3650	Transfer	798138	3.76%								
				08.07.2016	690	Transfer	798828	3.76%								
				12.08.2016	-84808	Transfer	714020	3.36%								
				19.08.2016	-23000	Transfer	691020	3.25%								
				09.09.2016	-94150	Transfer	596870	2.81%								
				23.09.2016	-35295	Transfer	561575	2.64%								
				30.09.2016	-28000	Transfer	533575	2.51%								
				07.10.2016	-3000	Transfer	530575	2.50%								
2.	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA HIGH GROWTH COMPANIES FUND	-	-	01.04.2016	-	-	-	-								
				03.03.2017	300000	Transfer	300000	1.41%								
				10.03.2017	25000	Transfer	325000	1.53%								
				17.03.2017	100000	Transfer	425000	2.00%								
				31.03.2017	25000	Transfer	450000	2.12%								
				3.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE PHARMA FUND	362587	1.71%	01.04.2016	-	-	362587	1.71%				
								08.04.2016	-10000	Transfer	352587	1.66%				
								09.09.2016	-6000	Transfer	346587	1.63%				
								03.03.2017	-46000	Transfer	300587	1.41%				
								10.03.2017	-30000	Transfer	270587	1.27%				
								31.03.2017	-	-	270587	1.27%				
								4.	GOLDMAN SACHS INDIA FUND LIMITED	173774	0.82%	01.04.2016	-	-	173774	0.82%
												31.03.2017	419	Transfer	174193	0.82%

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2016 to 31/03/2017)	
		No. of Shares at the beginning of the year (1/04/2016)	% of total shares of the company	Date	Increase/Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
5.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED - A/C RELIANCE MID & SMALL CAP FUND	126349	0.59%	01.04.2016	-	-	126349	0.59%
				08.04.2016	-7200	Transfer	119149	0.56%
				10.02.2017	9987	Transfer	129136	0.61%
				24.03.2017	18000	Transfer	147136	0.69%
				31.03.2017	-	-	147136	0.69%
6.	LIFE INSURANCE CORPORATION OF INDIA	-	-	01.04.2016	-	-	-	-
				17.03.2017	25000	Transfer	25000	0.12%
				24.03.2017	74674	Transfer	99674	0.47%
				31.03.2017	550	Transfer	100224	0.47%
7.	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	-	-	01.04.2016	-	-	-	-
				12.08.2016	70199	Transfer	70199	0.33%
				31.03.2017	-	-	70199	0.33%
8.	THE MASTER TRUST BANK OF JAPAN, LIMITED AS TRUSTEE OF NISSAY INDIA EQUITY SELECTION MOTHER FUND	69245	0.33%	01.04.2016	-	-	69245	0.33%
				08.04.2016	3186	Transfer	72431	0.34%
				29.04.2016	287	Transfer	72718	0.34%
				27.05.2016	-802	Transfer	71916	0.34%
				03.06.2016	-500	Transfer	71416	0.34%
				10.06.2016	592	Transfer	72008	0.34%
				17.06.2016	185	Transfer	72193	0.34%
				24.06.2016	895	Transfer	73088	0.34%
				30.09.2016	-2121	Transfer	70967	0.33%
				14.10.2016	-70	Transfer	70897	0.33%
				28.10.2016	-99	Transfer	70798	0.33%
				04.11.2016	-137	Transfer	70661	0.33%
				25.11.2016	-178	Transfer	70483	0.33%
				02.12.2016	-1254	Transfer	69229	0.33%
				09.12.2016	-1009	Transfer	68220	0.32%
				16.12.2016	-803	Transfer	67417	0.32%
				23.12.2016	-771	Transfer	66646	0.31%
				30.12.2016	-107	Transfer	66539	0.31%
06.01.2017	-641	Transfer	65898	0.31%				
13.01.2017	-992	Transfer	64906	0.31%				
03.03.2017	-322	Transfer	64584	0.30%				
10.03.2017	-583	Transfer	64001	0.30%				
31.03.2017	-43937	Transfer	20064	0.09%				
9.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH & EMERGING MARKETS BROAD EQUITY PORTFOLIO	-	-	01.04.2016	-	-	-	-
				16.09.2016	55967	Transfer	55967	0.26%
				30.09.2016	5588	Transfer	61555	0.29%
				31.03.2017	-	-	61555	0.29%
10.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	49572	0.23%	01.04.2016	-	-	49572	0.23%
				15.04.2016	171	Transfer	49743	0.23%
				22.04.2016	258	Transfer	50001	0.24%
				06.05.2016	234	Transfer	50235	0.24%
				13.05.2016	128	Transfer	50363	0.24%
				20.05.2016	156	Transfer	50519	0.24%
				27.05.2016	440	Transfer	50959	0.24%
				03.06.2016	2	Transfer	50961	0.24%
				10.06.2016	348	Transfer	51309	0.24%
				17.06.2016	212	Transfer	51521	0.24%
				01.07.2016	64	Transfer	51585	0.24%
				08.07.2016	569	Transfer	52154	0.25%
				15.07.2016	331	Transfer	52485	0.25%
				22.07.2016	345	Transfer	52830	0.25%
				29.07.2016	416	Transfer	53246	0.25%
				09.09.2016	1123	Transfer	54369	0.26%
				16.09.2016	6061	Transfer	60430	0.28%
				24.03.2017	-60430	Transfer	-	-
				31.03.2017	-	-	-	-

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2016 to 31/03/2017)	
		No. of Shares at the beginning of the year (1/04/2016)	% of total shares of the company	Date	Increase/Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
11.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	47898	0.23%	01.04.2016	-	-	47898	0.23%
				10.06.2016	345	Transfer	48243	0.23%
				24.06.2016	1320	Transfer	49563	0.23%
				22.07.2016	270	Transfer	49833	0.23%
				29.07.2016	380	Transfer	50213	0.24%
				05.08.2016	233	Transfer	50446	0.24%
				12.08.2016	280	Transfer	50726	0.24%
				19.08.2016	326	Transfer	51052	0.24%
				26.08.2016	259	Transfer	51311	0.24%
				09.09.2016	420	Transfer	51731	0.24%
				07.10.2016	672	Transfer	52403	0.25%
				14.10.2016	462	Transfer	52865	0.25%
				21.10.2016	915	Transfer	53780	0.25%
				28.10.2016	630	Transfer	54410	0.26%
				11.11.2016	1365	Transfer	55775	0.26%
				25.11.2016	1040	Transfer	56815	0.27%
				02.12.2016	1338	Transfer	58153	0.27%
				06.01.2017	115	Transfer	58268	0.27%
				13.01.2017	632	Transfer	58900	0.28%
				20.01.2017	360	Transfer	59260	0.28%
				03.02.2017	366	Transfer	59626	0.28%
17.02.2017	300	Transfer	59926	0.28%				
31.03.2017	-	-	59926	0.28%				
12.	COBRA INDIA (MAURITIUS) LIMITED	11429	0.05%	01.04.2016	-	-	11429	0.05%
				15.04.2016	17200	Transfer	28629	0.13%
				12.08.2016	13126	Transfer	41755	0.20%
				20.01.2017	950	Transfer	42705	0.20%
				31.03.2017	-	-	42705	0.20%
13.	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN BUILD INDIA FUND (FBIF)	-	-	01.04.2016	-	-	-	-
				03.03.2017	15000	Transfer	15000	-
				10.03.2017	20000	Transfer	35000	0.16%
				31.03.2017	5000	Transfer	40000	0.19%
14.	NATIONAL INSURANCE COMPANY LTD	39631	0.19%	01.04.2016	-	-	39631	0.19%
				31.03.2017	-	-	39631	0.19%
15.	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	-	-	01.04.2016	-	-	-	-
				17.03.2017	39297	Transfer	39297	0.18%
31.03.2016	-	-	39297	0.18%				
16.	GREATER INDIA PORTFOLIO	-	-	01.04.2016	-	-	-	-
				23.09.2016	12382	Transfer	12382	0.06%
				30.09.2016	22534	Transfer	34916	0.16%
				31.03.2017	-	-	34916	0.16%
17.	ICICI PRUDENTIAL EXPORTS AND OTHER SERVICES FUND	-	-	01.04.2016	-	-	-	-
				19.08.2016	8716	Transfer	8716	0.04%
				26.08.2016	28	Transfer	8744	0.04%
				23.09.2016	25646	Transfer	34390	0.16%
				31.03.2017	-	-	34390	0.16%
18.	GOLDMAN SACHS (SINGAPORE) PTE	332	-	01.04.2016	-	-	332	-
				29.04.2016	-223	Transfer	109	-
				10.03.2017	510	Transfer	619	-
				17.03.2017	406	Transfer	1025	-
				24.03.2017	33226	Transfer	34251	0.16%
				31.03.2017	137	Transfer	34388	0.16%

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2016 to 31/03/2017)	
		No. of Shares at the beginning of the year (1/04/2016)	% of total shares of the company	Date	Increase/Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
19.	GIRDHAR LAL SHARDA	25550	0.12%	01.04.2016	-	-	25550	0.12%
				17.02.2017	100	Transfer	25650	0.12%
				31.03.2017	-	-	25650	0.12%
20.	RELIANCE LIFE INSURANCE COMPANY LIMITED	23852	0.11%	01.04.2016	-	-	23852	0.11%
				15.04.2016	130	Transfer	23982	0.11%
				27.05.2016	661	Transfer	24643	0.12%
				16.12.2016	-41	Transfer	24602	0.12%
				31.03.2017	-	-	24602	0.12%
21.	HEMRAJ CHATURBHUI ASHER	21242	0.10%	01.04.2016	-	-	21242	0.10%
				31.03.2017	-	-	21242	0.10%
22.	IDBIMF - DIVERSIFIED EQUITY FUND OPERATIVE A/C	20936	0.10%	01.04.2016	-	-	20936	0.10%
				08.04.2016	2000	Transfer	22936	0.11%
				29.04.2016	621	Transfer	23557	0.11%
				06.05.2016	426	Transfer	23983	0.11%
				10.06.2016	2000	Transfer	25983	0.12%
				30.09.2016	3000	Transfer	28983	0.14%
				31.03.2017	-	-	28983	0.14%

**v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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	6874	0.03	6874	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	6874	0.03	6874	0.03

None of the other Directors except Mr R. A. Shah 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				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change		NIL		
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of Managing Director		Total Amount
		Ambati Venu Managing Director (From September 29, 2016 to March 31, 2017)	Rehan A Khan Managing Director (From April 1, 2016 to April 30, 2016)	
1.	Gross Salary			
	Salary as per provisions contained in Section 17(1) of the Income – tax Act, 1961	2,35.32	44.03	2,79.35
	Value of perquisites under Section 17(2) of Income-tax Act, 1961*	23.54	22.07	45.61
	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others			
	Contribution to Provident Fund	6.01	2.24	8.25
	Contribution to Superannuation Fund	-	-	-
	<b>Total (A)</b>	<b>2,64.87</b>	<b>68.34</b>	<b>333.21</b>
	Ceiling as per the Act	₹ 44,96.84 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 is 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**

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	-	15.50	15.50	14.50	45.50
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>15.50</b>	<b>15.50</b>	<b>14.50</b>	<b>45.50</b>
2.	Other Non-Executive Directors					
	Fee for attending Board/Committee Meetings	14.00	-	-	-	14.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>14.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.00</b>
	<b>Total (B)=(1+2)</b>	<b>14.00</b>	<b>15.50</b>	<b>15.50</b>	<b>14.50</b>	<b>59.50</b>
	Ceiling as per the Act	₹ 4,49.68 Lakhs (being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

**C. Remuneration to Key Managerial Personnel Other than Managing Director**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Rajiv Sonalker Chief Financial Officer	Krupa Anandpara Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,69.29	42.84	2,12.13
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961*	37.31	4.94	42.25
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others			
	Contribution to Provident Fund	7.47	1.69	9.16
	<b>Total</b>	<b>2,14.07</b>	<b>49.47</b>	<b>2,63.54</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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**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 2016-17

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)	-	2.3
Mr R A Shah * (Independent Director)	-	2.5
Mr Ranjan Kapur * (Independent Director)	-	2.5
Mr Krishna Mohan Sahni* (Independent Director)	-	2.4
Mr Ambati Venu@ (Managing Director)	-	47
Mr Rajiv Sonalker (Chief Financial Officer)	15.7	NA
Ms Krupa Anandpara (Company Secretary)	24.0	NA

@ Appointed as Additional Director and Managing Director effective September 29, 2016.

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

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

8.8%

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

3083

iv. Price Earnings Ratio

Price Earning Ratio of the Company was 35.63 as on March 31, 2017 and was 39.19 as on March 31, 2016.

v. 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 ₹ 1,04.28 Lakhs as on March 31, 2017 (₹ 105.82 Lakhs as on March 31, 2016) indicating a Compounded Annual Growth Rate of 20.4%. This is excluding the dividend and other benefits accrued thereon.

vi. 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 2016-17 was 7.9%, whereas there is decrease in the managerial remuneration by 34.7%. Managerial remuneration is not comparable with previous year since (Mr Rehan Khan resigned effective April 30, 2016 and Mr Kaiyomarz Marfatia ceased to be whole-time Director effective February 29, 2016).

vii. 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 Nomination and Remuneration Committee and Human Resource Division as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

# BUSINESS RESPONSIBILITY REPORT

At Abbott India, we believe that innovative, responsible and sustainable business plays an important role in building a healthy and thriving society. We leverage our knowledge of science and business acumen to provide lasting solutions to global health challenges. The most important priority areas to our stakeholders and for growth are;

- **DELIVERING PRODUCT EXCELLENCE** - We are committed to continuously improve and innovate to address local and global health needs while ensuring high quality and manufacturing standards of our products.
- **IMPROVING ACCESS** - We seek to work with all stakeholders to enhance access to care to improve health outcomes.
- **SAFEGUARDING THE ENVIRONMENT** - We work towards reducing the environmental impacts – from the sourcing of raw materials, to the manufacture and distribution of our products, to the use and disposal of our products by patients, consumers and healthcare providers.

As part of a global healthcare company, Abbott India continually strives to foster economic, environmental and social well-being as we pursue the work of discovering, developing, manufacturing and distributing products that enable people to live quality lives. Being a responsible corporate citizen extends beyond philanthropy. We apply our science, expertise and technology to address the urgent and unmet needs in our communities - often through collaborative partnerships. We seek to act responsibly in all of our markets on behalf of our patients, employees, consumers, communities and all other stakeholders. Abbott India strives to implement sustainable practices to reduce the environmental impact of our products and operations. Every day, we put our unique talent to work toward building a strong business and a healthy, robust society.

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

## SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

Particulars	Company Information
Corporate Identity Number (CIN) of the Company	L24239MH1944PLC007330
Registered address	3-4, Corporate Park, Sion-Trombay Road, Mumbai – 400 071
Website	<a href="http://www.abbott.co.in">www.abbott.co.in</a>
E-mail id	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a> <a href="mailto:webmasterindia@abbott.com">webmasterindia@abbott.com</a>
Financial Year reported	2016-17
Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 21002 (Activity: Pharmaceuticals)
List three key products/services that the Company manufactures/provides (as in balance sheet)	Duphaston Thyronorm Udiliv
Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	None
b) Number of National Locations	Manufacturing plant located at Goa, Registered Office and Corporate Office at Mumbai, Sales offices and distribution hubs PAN-India
Markets served by the Company Local/State/National/International	PAN-India, Sri Lanka, Nepal, Maldives and Bhutan

## SECTION B : FINANCIAL DETAILS OF THE COMPANY

Particulars	Company Information
Paid Up Capital	₹ 212,493,020
Total Turnover :	₹ 2902,37.67 Lakhs
Total profit after taxes	₹ 276,64.88 Lakhs
Total Spending on Corporate Social Responsibility (CSR)	
a) IN ₹	₹ 7,13.95 Lakhs
b) As a percentage of profit after tax (%)	2.58% of PAT of FY 2016-17

Particulars	Company Information
List of activities in which expenditure in item no. 4 above has been incurred:	<ol style="list-style-type: none"> <li>1. iCare Road Safety Drive - Promotion of Road Safety Awareness through iCare Safety Day</li> <li>2. Nirmal Dhara Dairy Project – Building a Sustainable Local Supply Chain, and Rural Development through Training of Dairy Farmers and Women's Empowerment</li> <li>3. Programs to Expand Awareness and Access to Healthcare</li> </ol>

## SECTION C : OTHER DETAILS

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

## SECTION D : BUSINESS RESPONSIBILITY (BR) INFORMATION

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

(a) Details of the Director responsible for implementation of the BR policy/policies: Mr Ambati Venu, Managing Director

(b) Details of BR Head:

Particulars	Company Information
DIN Number	07614849
Name	Ambati Venu
Designation	Managing Director
Telephone Number	+91-22-3816 2000
E-mail ID	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a> <a href="mailto:webmasterindia@abbott.com">webmasterindia@abbott.com</a>

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

a. Details of Compliance (Y/N)

Question	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public policy	CSR	Customer Relations
	1	2	3	4	5	6	7	8	9
Do you have policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
Does the policy conform to any national/ international standards? If yes, specify?	These policies are aligned to/form part of Abbott Code of Business Conduct adopted globally, are in compliance with Indian laws and regulations and meet international standards.								
Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	These policies are adopted by the Board of Directors and are signed by the appropriate function heads. CSR Policy is signed by the Chairman of the CSR Committee.								
Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y		Y	Y
Indicate the link for the policy to be viewed online?	<a href="http://www.abbott.co.in/investor-relations/policies.html">http://www.abbott.co.in/investor-relations/policies.html</a>								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y		Y	Y
Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y		Y	Y
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y		Y	Y
Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	N	Y	Y		Y	Y



**b. If answer to Sr. No.1 against any principle is 'No', please explain why:**

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

**3. Governance related to Business Responsibility (BR) :**

Information with reference to BRR framework

No.	Questions	Information
1.	Indicate the frequency of review, by the Board of Directors, Committee of the Board or CEO to assess the BR performance. Within 3 months, 3-6 months, Annually, more than 1 year	Annually
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published first Business Responsibility Report for the financial year 2016-17 which forms part of Annual Report. The same is also available at <a href="http://www.abbott.co.in/investor-relations/policies.html">http://www.abbott.co.in/investor-relations/policies.html</a>

**SECTION E : PRINCIPLE-WISE INFORMATION**

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

At Abbott India, we are committed to adhering to the highest compliance and ethical standards. Accordingly, the Company has created and implemented a comprehensive corporate compliance program designed to help maintain those standards. The Company's Office of Ethics & Compliance provides employees with the information, tools, guidance, training and support they need when making day-to-day business decisions to ensure that Abbott's ethics and values are integrated into its business practices on a consistent basis around the world.

We earn our reputation every day by the decisions we make and the actions we take. Our Code of Business Conduct embodies our values and provides a foundation for our responsibilities and behaviors that

will help us make the best choices for Abbott, for ourselves, and for the many people we serve. The Company's Board and leadership team fully support the Code and the policies, procedures and principles it embodies.

- Does the policy relating to ethics, bribery and corruption cover only the company?** - No
- Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?** - Yes
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so**

The Company had received 42 stakeholder complaints during the financial year 2016-17. All complaints received are investigated in accordance with our Internal Investigation Policy and Compliance program and appropriately resolved.

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

We are committed to the protection of human health, safety and the environment where we conduct our business. Attainment of our long-range targets to reduce employee injuries, to lower environmental emissions, and to reduce our use of natural resources in all aspects of our product development, manufacturing and commercial operations remains a top priority. Meeting our targets, along with all of our other environment, health, safety and energy objectives, is the continuation of a long legacy of responsible business practices at Abbott India that reflect our core values: Pioneering, Achieving, Caring and Enduring. Toward this end our current key objectives include :

- Fostering a work environment that promotes employee health and productivity, and is ultimately free of injuries;
- Continuously improving the efficiency and sustainability of our business activities and products, resulting in the lowering of greenhouse gas emissions, water use, and minimizing landfill wastes;
- Expecting that contractors doing work on behalf of Abbott conform to regulatory requirements and meet applicable internal EHS&E standards;
- Promoting the use of safe and fuel efficient business vehicles.

We endeavor to delivering products with the highest quality standards. Our Commitment to the health and safety of the people who use our products is always at the forefront of everything we do. This effort starts with the sourcing of materials and the manufacture of our products and moves through how we market, sell and supply our products, including through our business partners.

We provide healthcare professionals and institutions with the information they need in order to use Company products safely and effectively. We take action to prevent counterfeiting, illegal diversion, and theft of our products. We adhere to all applicable trade regulations.

We have established written procedures for product actions and recalls, which require completion of a health hazard assessment, medical assessment and corrective and preventive action plan development. We take our responsibility to embed the highest product quality and safety standards across our supply chain very seriously. We maintain an evaluation and approval system that requires evidence that a supplier can consistently provide material or services meeting specified quality and safety requirements.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**  
Duphalac  
Digene Gel and Tablets  
Brufen tablets
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional) :**

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

Being a multiproduct facility, product-wise resource consumption is not measured, yet the site continuously takes measures to reduce the consumption. The site has taken aggressive targets to increase manufacturing yields so as to reduce the wastage of precious raw materials and packaging materials.

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

The boilers have been running on Biomass to reduce the CO2 emissions and the environmental impact. The site practices the principle of 3R - Reduce, Recycle and Reuse to continuously reduce the waste and environmental impacts. All the waste is disposed through Government approved agencies after audit and internal approval process.

Goa plant has reduced the total CO2 emissions by 4%, reduced total water intake by 31% and reduced the total waste generated by 32% on absolute basis as compared to 2015-16.

Below table shows water consumption, CO2 emissions and waste generated for 2016-17.

Sr No.	Parameter	Unit	Quantity
1	Total water used	KL	40,309
2	Waste generated	MT	228.58
3	Total CO2 equivalent emissions from purchased electricity	MT	3270

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? - Yes. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has been working to increase sourcing of local packing materials thereby reducing the transportation and the subsequent vehicular emissions.

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

The Company does procure goods and services from local and small producers particularly located near its manufacturing plant at Goa, in accordance with established procedures and requirements. Long term relationship is

developed with vendors and Third Party manufacturers to ensure business continuity and continuous availability of the products to our key stakeholders, i.e. the patients. All the key vendors for the Company are assessed for EHS practices and compliances to ensure sustainability and are audited regularly. Goa site reviewed the raw materials used with “Goa State Biodiversity Board” to verify none of them fall under the purview of “Utilization of Raw Material derived from Biodiversity or its components”.

**5. Does the company have a mechanism to recycle products and waste? - Yes**

**If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Goa site retains its certification of Zero Waste to landfill in purview of waste disposal. In 2016-17, 56% of our waste was sent for recycling, 42 % for incineration and 2% for composting.

**Principle 3 : Business should promote the wellbeing of all employees**

**Employee Development and Talent Management**

Global competition for talent is intense. By taking a proactive approach to recruitment and offering advancement and leadership development programs at all levels, we help our employees realize their potential. All employees have access to job-specific training and development to ensure successful performance in their current roles across the full range of Abbott jobs – from commercial and operations to research and development, as well as human resources, finance and supply chain. We develop current and future leaders through a robust combination of training, on-the-job experiences and formal and informal mentoring. There are various certification programs being conducted by training function for frontline field force which help them acquire higher level of competencies.

**Talent Management**

The Company’s robust approach to talent management incorporates skills assessments, performance appraisals, succession and development planning and career progressing. Our global, integrated talent management process gives increased visibility to talent within our organization, enhances the accuracy of our assessments and drives consistency in skills mapping across our organization.

A key element of this process is talent mapping, which consists of employee-developed, manager-approved talent profiles that capture key information. This empowers managers to partner with employees to create accelerated or multi-year development plans to support short and longer-term career objectives.

**Compensation and Benefits**

The Company’s compensation philosophy is to pay for performance. Our total compensation targets reference the median of other leading companies. The Company has set the following guiding principles for our employee total compensation programs:

- Base salaries are competitive in the markets where we compete for employees. Incentive plans are designed to balance short and long-term financial and strategic objectives that build shareholder value and reward overall company and individual performance.
- Incentive compensation (both annual and long-term) is a key component of Abbott India’s pay-for-performance philosophy. Our structure ties individual awards to both business and/or individual results, to motivate our employees to achieve superior performance.
- Compensation elements are designed to encourage behaviour that is consistent with the ethical values established in Abbott’s Code of Business Conduct.
- Benefits packages are competitive in and appropriate for the markets where we compete for talent.

**Work Life Harmony**

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

**Healthy Living Initiatives**

We inspire and motivate our employees with all types of health and wellness programs designed to help them live healthy lives.

**Exercise across Abbott** is one of our most popular – and global – wellness programs and has been in place for more than 15 years. Employees team up by department or with other colleagues to track their minutes of daily exercise. Each team is responsible for reporting their minutes online to compete for prizes in a variety of categories. In 2016-17, approximately 70 percent of participants increased their minutes each week consistently for four weeks.

**LIVELIFEWELL**

LIVELIFEWELL, an integrated wellness program, is offered to our employees; nearly 70 percent of employees and their spouses participate in this program. LIVELIFEWELL includes:

- Online health assessment and tools
- Personal health coaching and nutrition counselling
- Health awareness campaigns and events
- On-site immunizations and health screenings
- Employee assistance Program

LIVELIFEWELL helps the employees learn about their health risks and encourages them to make healthy choices. Under this umbrella, the Company continued with “Stepathlon” initiative in 2016-17. Stepathlon is pedometer based, mass participation event wherein it provides access to a fun, engaging and interactive race around a “virtual world” over 100 consecutive days, encouraging participants to be more active every day.

**Safety Trainings**

During the year, training has been imparted to 1,943 field employees online on “2 Wheeler Defensive Driving Training” using Abbott Sales Training Academy (ASTA). Also 48 managers are trained on “4 Wheeler Defensive Driving Refresher Training” using ASTA Online. In addition, every frontline Field employee is assessed on his Driving Safety Skills by his frontline manager twice a year.

- 1. Please indicate the total number of employees - 3,083**
- 2. Please indicate the total number of employees hired on temporary/hired on contractual/casual basis - 383**
- 3. Please indicate the number of permanent women employees - 96**
- 4. Please indicate the number of permanent employees with disabilities**  
  
To eliminate any possibilities of discrimination, the Company does not maintain any information pertaining to employee disabilities.
- 5. Do you have an employee association that is recognised by management? - Yes**
- 6. What percentage of your permanent employees is members of this recognised employee association? - 9%**
- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**  
  
There were no complaints related to child labour, forced labour, involuntary labour, sexual harassment received by the Company during the financial year 2016-17.
- 8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**  
  
97% of Permanent employees and 100% of Women employees were imparted training on Safety and Skill upgradation.

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

The Company engages with a broad range of stakeholders on an ongoing basis. Our major stakeholders are our Consumers; Governments and Regulators; Healthcare Professionals; Employees; NGOs; Local Communities; Suppliers and Shareholders. Regular communication with these stakeholders enhances our understanding about their needs and helps to serve them better and that builds the long lasting relationships.

Through our engagement mechanisms, we aim to ensure that we stay well-informed and up to date on the major issues of concern to all stakeholders wherever we operate.

- 1. Has the Company mapped its internal and external stakeholders? - Yes**
- 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**  
  
The Company attaches special focus to its marginalized stakeholders in its initiatives. Abbott India’s Total Sanitation Project in Gujarat laid special emphasis on the safety and privacy of women. Nirmal Dhara Dairy Project empowers smallholder farmers to produce increased volumes of higher-quality milk – which can help them build their small dairy-farming businesses and communities. Since 2016, our program has run nearly 200 training sessions and has directly reached nearly 1,500 smallholder dairy farmers, half of whom are women, in the State of Maharashtra.
- 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? - If so, provide details thereof.**

Yes, the Company has undertaken initiatives such as Nirmal Dhara Dairy Project and Total Sanitation Project that aimed at uplifting and empowering women. While the Nirmal Dhara Dairy Project focused more on providing livelihood engagements and financial freedom to women dairy farmers in the Ahmednagar district of Maharashtra, the Sanitation Project worked at providing complete sanitation facilities to communities in two villages in the Bharuch district of Gujarat. It helped ease the lives of students and elderly who did not have access to toilets before the project was commissioned, and as a result of this intervention, they are not only experiencing greater convenience, but also feel safe and secure. Access to essential healthcare services and information is an ever-growing challenge for many in India. The Company has been undertaking programs to expand awareness and healthcare focusing on thyroid disorders, epilepsy and liver diseases in areas of high prevalence with limited awareness and access to diagnosis facilities.

**Principle 5 : Businesses should respect and promote human rights**

We make a concerted effort to attract a diverse group of employees wherever we operate. We use internal and external research to develop a competitive, locally relevant employee value proposition and total rewards package. This approach enables us to address local talent challenges more effectively in areas such as diversity and inclusion. The Company believes that all employees have the right to be treated with dignity. We encourage a work environment that is built on mutual trust and respect.

We base employment decisions on business needs, skills, experience, and relative work performance. The Company prohibits discrimination based on race, colour, religion, creed, age, sex, national origin, gender identity or expression, sexual orientation, disability, marital status, veteran or military status, genetics or citizenship status, or any other legally protected status. We are committed to following the laws impacting our relationship with our employees across the Company.

The Company cares about and is concerned for the health and well-being of its employees. Employees should encounter a professional environment, free from intimidation and harassment. The Company encourages input from its employees on ways to enhance the inclusive and diverse atmosphere of its workplaces and promotes a workplace that is free from disruptive conduct by employees.

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

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

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

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

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

During the year, no complaints were received under the Sexual Harassment Act/ violation of Human Rights.

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

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

We also endeavor and make continuous efforts to reduce our use of energy and other natural resources. We support projects that generate energy from renewable sources at work and in our communities. We seek ways to reduce the environmental impact of our operations, such as through waste reduction and recycling and other activities to mitigate environmental risks. We adhere to the environmental laws and regulations applicable to our operations.

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

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

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

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

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

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

Yes, there are internal standards. Annual risk assessments are conducted and reviewed. Internal review by EHS team and independent third party review is conducted regularly.

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

No projects are undertaken under Clean Development Mechanism, however there is emphasis on usage of clean energy (like Biomass at Goa plant). CO2 emission reduction opportunities are formally assessed and emission reduction is a part of annual site targets and KPI's.

**5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? - Yes**

**If yes, please give hyperlink for web page etc.**

The Company is committed to environmental protection. Vermicomposting and rainwater harvesting is being practiced. Goa site is Zero Waste to Landfill (ZWL) certified with more than 60% of the waste generated being recycled or used beneficially. All the waste water is treated onsite and recycled for site use.

Site boilers have been converted to use Biomass as fuel. New energy efficient chillers have been installed and old motors replaced with Variable Frequency Drives (VFDs) for energy conservation. Traditional CFL lamps have been replaced with energy efficient LED lamps.

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

All the Emissions/Waste generated by the Company is within the permissible limits given by CPCB/ SPCB for the financial year being reported. The samples are tested by independent Government approved laboratory on regular basis.

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

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

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

The Company is a member of multiple national and international chambers of commerce and trade associations. The Company engages with these bodies regularly and actively submits comments / views on new policy / standards or regulatory developments pertaining to the pharmaceutical manufacturing industry as well as industry at large, broadly in areas concerning market access, predictability and business continuity, implementation of pricing matters, taxation, corporate governance and others.

The Company believes in level playing field for all and advocates for balanced policy decisions, to derive change in public policies that are beneficial to the industry and patients. It endorses the inclusive development policies and sustainable development through participating in CSR forums and discussions.

**1. Is your Company a member of any trade and chamber or association? - Yes**

**If Yes, Name only those major ones that your business deals with.**

1. Organization of Pharmaceutical Producers of India (OPPI)
2. Federation of Indian Chambers of Commerce & Industry (FICCI)
3. Associated Chambers of Commerce & Industry (ASSOCHAM)
4. Confederation of Indian Industries (CII)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? - Yes**

**If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Broad areas are;

1. Pricing implementation issues
2. Public Health Policies
3. Taxation policies
4. Inclusive Development policies
5. Drug Regulatory matters

**Principle 8 : Businesses should support inclusive growth and equitable development**

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

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

**Total Sanitation Project – a daily need**

Nearly half of India's people have no toilets at home. Abbott has been addressing sanitation related issues in India by investing in sanitation infrastructure, ecosystem building, and cultural awareness. Abbott helped achieve "open defecation free" status in the villages of Dadheda and Talodara in Bharuch, Gujarat, as a part of its CSR initiative for the year 2014-15. A total of 512 household toilets and 7 school and community toilets were constructed as a part of the project. We supported community education efforts to raise awareness of the connections between sanitation and health and taught appropriate use and maintenance of the new facilities. After the project, the villages went from having 30% to 100% toilet coverage. Apart from improved

productivity and increased attendance in schools, the project also resulted in increased awareness about the importance of health and hygiene. The percentage of households reporting disease fell from 40% to 7%, while 99% of women reported increased privacy.

**iCARE Road Safety Drive**

India has one of the worst records of road safety in the world. In 2015 alone, 1,46,133 people were killed in road accidents in India. Abbott aims to reduce the number of accidents of not just its employees but also of the public in general. Abbott’s iCare Road Safety Program focuses on the usage of helmets and seatbelts, along with an emphasis on avoiding distractions such as mobile phones while driving, controlling speed and following alert driving techniques. Over the years, we have reached more than 1 million people through this project. In 2016, 6,027 Abbott employees drove the program by visiting medical clinics, hospitals and schools, advising individuals on road safety guidelines. They used the opportunity to share simple, actionable safe driving principles and encourage those they met to take a pledge to drive safely – resulting in 4,63,403 signed pledges.

**Nirmal Dhara Dairy project - Building a sustainable, local supply chain**

Working with Prabhat, a local dairy supplier in the Ahmednagar district of Maharashtra, and TechnoServe, a global nonprofit organization seeking business solutions to poverty, the Company has developed a quality-focused demonstration model that strengthens Abbott’s local dairy supply chain and empowers smallholder farmers to produce increased volumes of higher-quality milk – which can help them build their small dairy-farming businesses and communities. Since 2016, our program has run nearly 200 training sessions and has directly reached nearly 1,500 smallholder dairy farmers, half of whom are women, in the State of Maharashtra. The combination of training, infrastructure and transparent pricing is already having an impact on the quality of milk supplied to Prabhat and the value that this represents to local communities. Farmers in the program have supplied nearly 2.3 million liters of high-quality milk to Prabhat in 2016.

**Programs to Expand Awareness and Access to Healthcare**

Access to essential healthcare services and information is a continuing challenge for many in India. Abbott supports the efforts of qualified doctors and healthcare professionals to expand disease diagnosis and access

to care. This includes programs to raise awareness and improve care for epilepsy, thyroid and liver disease. In 2016-17, these programs reached approximately 165 districts in more than 25 states.

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

iCare Road Safety Awareness Drive	Direct Implementation
Nirmal Dhara Dairy Project – Building a Sustainable Local Supply Chain	Direct Implementation
Programs to Expand Awareness and Access to Healthcare	Direct Implementation

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

Capturing and quantifying impact is of utmost importance to all of Abbott’s citizenship projects. All our initiatives have a needs assessment, midline and endline evaluation.

Currently, we are completing the endline evaluation for the Community-Led Total Sanitation Project and initiating midline evaluation for Nirmal Dhara Dairy Farmer Program.

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

Particulars	₹ in Lakhs
iCARE Road Safety Drive	1,21.20
Nirmal Dhara Dairy Project- Building a Sustainable Local Supply Chain	1,68.16
Programs to Expand Awareness and Access to Healthcare.	4,03.19
Administrative Expenses	21.40

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

For the Community-Led Total Sanitation Project and the Nirmal Dhara Dairy Project, we aimed at embedding sustainability into the core of our engagement with the

beneficiaries. Through continuous training and monitoring of the various interventions, we ensured that communities not only adopted our initiatives, but also embraced them benefits that they experienced as a result.

**Principle 9 : Business should engage with and provide value to their customers and consumers in a responsible manner**

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

Our statements about our products, in all materials and communications are balanced and truthful and consistent with the approved label. In promoting our products, we provide information that is consistent with scientific evidence, leading medical practise, and the approved product labelling requirement.

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

357 Complaints (medical and non-medical) were received by the Company and responded by March 31, 2017

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

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

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There are 3 cases filed against the Company alleging anti-competitive practices and pending in various stages before the Competition Commission of India

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

Yes

For and on behalf of the Board

**Munir Shaikh**  
Chairman  
DIN : 00096273

**Ranjan Kapur**  
Director  
DIN : 00035113

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

## BOARD OF DIRECTORS

- a) As on March 31, 2017, 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, 2017, 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 18, 2016)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	6 (including 2 meetings attended via video conferencing)	Yes	2	NIL
Mr Ambati Venu Managing Director (appointed as Additional Director and Managing Director effective September 29, 2016)	Executive Director	3	NA	NIL	NIL
Mr R. A. Shah	Non-Executive, Independent Director	6	Yes	11 <sup>3</sup> (includes Chairmanship of 3 companies and Vice-Chairmanship of 1 company and 1 alternate directorship)	6 (includes Chairmanship of 3 committees)
Mr Ranjan Kapur	Non-Executive, Independent Director	6	Yes	6 <sup>4</sup>	1
Mr Kaiyomarz Marfatia	Non-Executive Director	6	Yes	NIL	NIL
Mr Bhasker Iyer	Non-Executive Director	4	Yes	NIL	NIL
Mr Sachin Dharap	Non-Executive Director	6	Yes	NIL	NIL
Mr Krishna Mohan Sahni	Non-Executive, Independent Director	6	Yes	NIL	NIL
Ms Nancy Berce	Non-Executive Director	3 (including 1 meeting attended via video conferencing)	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.
- Mr R. A. Shah holds directorships in 9 other public companies, 1 private company and 1 foreign company.
- Mr Ranjan Kapur holds directorships in 1 other public company and 5 private companies.

- c) During the year under review, 6 Board Meetings were held on the following dates :  
May 25, 2016; July 18, 2016; August 26, 2016; September 29, 2016; November 28, 2016 and February 6, 2017.
- d) Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 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 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, 2017.
- 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 appointments/re-appointments/resignations of Directors during the year under review.

## FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

In terms of the Company's Policy on Induction and Continuing Education Program for Independent Directors, periodic presentations by the Commercial Directors/Managing Director/Key Managerial Personnel are arranged to familiarize the Independent Directors with the Company's business strategies, plans, operations and performance. These presentations also provide insights into the growth opportunities for the Company, operational and environmental challenges associated with the Company's business operations, products, Management's risk mitigation plans, human resources, etc.

Periodic presentations are made by relevant Functional Heads to brief the Independent Directors on the Company's policies and procedures, with regards to distribution channels, business model, cash and treasury management, accounting systems and internal controls.

The Company arranges for programs and presentations by external faculties, which aid the Independent Directors keep themselves updated with current happenings, relevant news and regulatory changes.

Details of such programs conducted by the Company for the financial year 2016-17 are available on the website of the Company at <http://www.abbott.co.in/investor-relations/policies.html>.

## MEETING OF INDEPENDENT DIRECTORS

A Meeting of Independent Directors was held on May 25, 2016 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, 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	5
2.	Mr Ranjan Kapur#	Independent Director	5	5
3.	Mr Munir Shaikh	Non-Executive Director	5	5 (attended 1 meeting via Video-conferencing)
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 statements are correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by them;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to the financial statements;

- f) disclosure of any related party transactions;
- g) modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- approval of appointment of Chief Financial Officer (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 may be prescribed under the Companies Act, 2013, Rules framed thereunder and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or as may be delegated by the Board, from time to time.

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

#### Meetings :

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

May 25, 2016; July 18, 2016; August 26, 2016; November 28, 2016 and February 6, 2017.

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

Mr R. A. Shah, Chairman of the Audit Committee attended the Annual General Meeting held on July 18, 2016 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, 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	3	3
2.	Mr R. A. Shah	Independent Director	3	3
3.	Mr Munir Shaikh	Non-Executive Director	3	3 (including 1 meeting attended via Video-conferencing)
4.	Mr Bhasker Iyer	Non-Executive Director	3	1

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 directors and the Board and evaluating the performance of the directors and 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 3 times on the following dates :

May 25, 2016, August 26, 2016 and November 28, 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, 2 Non-Executive Directors and 1 Executive Director.

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

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

\* appointed as Member effective November 28, 2016.

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 members 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 members and other security holders;
- ensure quick redressal of the complaints received from members and other security holders and maintain cordial relations with them;
- monitor the number of grievances received, resolved or pending at the beginning and end of the quarter and from time to time.

**Meetings :**

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

May 25, 2016; August 26, 2016; November 28, 2016 and February 6, 2017

**Summary of Shareholders' Grievances :**

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

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

\* includes one letter received from the BSE Limited and one letter from the Securities and Exchange Board of India (SCORES) relating to an investors grievance which were duly resolved.

As on March 31, 2017, there were no pending share transfers.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

**Composition :**

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

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

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Munir Shaikh Chairman	Non-Executive Director	4	3
2.	Mr Ranjan Kapur	Independent Director	4	4
3.	Mr Sachin Dharap	Non-Executive Director	4	4
4.	Mr Krishna Mohan Sahn	Independent Director	4	4
5	Mr Ambati Venu*	Managing Director	4	1

\* appointed as Member effective November 28, 2016.

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 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 4 times on the following dates :

May 25, 2016; August 26, 2016; November 28, 2016 and February 6, 2017.

**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 1 Independent Director, 2 Non-Executive Directors, 1 Executive Director and Chief Financial Officer.

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

Sr. No.	Name of the Member	Category	Number of Meetings	
			Held	Attended
1.	Mr Ambati Venu* Chairman	Managing Director	1	1
2.	Mr Kaiyomarz Marfatia	Non-Executive Director	1	1
3.	Mr Krishna Mohan Sahn	Independent Director	1	1
4.	Mr Sachin Dharap#	Non-Executive Director	1	1
5.	Mr Rajiv Sonalker	Chief Financial Officer	1	1

@ appointed as Member effective May 25, 2016.

\* appointed as Chairman effective November 28, 2016.

# appointed as Member effective November 28, 2016.

Mr Bhasker Iyer ceased to be Chairman/Member effective November 28, 2016.

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

**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 and Members are obtained, as and when necessary.

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

Terms of Agreement	₹ in Lakhs	
	Mr Ambati Venu Managing Director (September 29, 2016 to March 31, 2017)	Mr Rehan A. Khan* Managing Director (April 1, 2016 to April 30, 2016)
Period of appointment	5 years	5 years
Date of appointment	September 29, 2016	May 15, 2012
Salary & Other Allowances	202.75	18.70
Perquisites	23.54	22.07
Contribution to Provident Fund/ Superannuation Fund	6.01	2.24
Performance Linked Incentive	32.57	25.33
Notice Period	Three Months	Three Months
Severance Fees	There is no separate provision for payment of severance fees.	There was no separate provision for payment of severance fees.
Stock Option	The Company does not have any Stock Option Plan for its employees. However, Managing Director and Whole time Director are entitled to Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the requisite value of which is included above.	The Company did 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 requisite value of which is included above.

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

**Non-Executive Directors**

Mr Munir Shaikh, Mr R. A. Shah, Mr Ranjan Kapur and Mr Krishna Mohan Sahni were paid sitting fees amounting to ₹ 14.00 Lakhs, ₹ 15.50 Lakhs, ₹ 15.50 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 ₹ 86,489/- was remitted to M/s 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
2015-16	July 18, 2016	3.30 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020	1 (Re-appointment of Mr R. A. Shah as an Independent Director)
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)

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.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 - PAN India) and one Marathi newspaper (Loksatta) published from Mumbai. The quarterly results/shareholding patterns/notice of Board Meetings/official news release 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/analysts.

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

Tuesday, July 18, 2017 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, 2016 to March 31, 2017

**iii) Book Closure**

Wednesday, July 12, 2017 to Tuesday, July 18, 2017 (both days inclusive)

**iv) E-Voting Period**

From 10.00 a.m. (IST) on July 15, 2017 (Saturday) Upto 5.00 p.m. (IST) on July 17, 2017 (Monday)

**v) Dividend Payment Date**

On and from July 24, 2017

**vi) Listing on Stock Exchange**

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

The annual listing fees for the financial year 2016-17 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

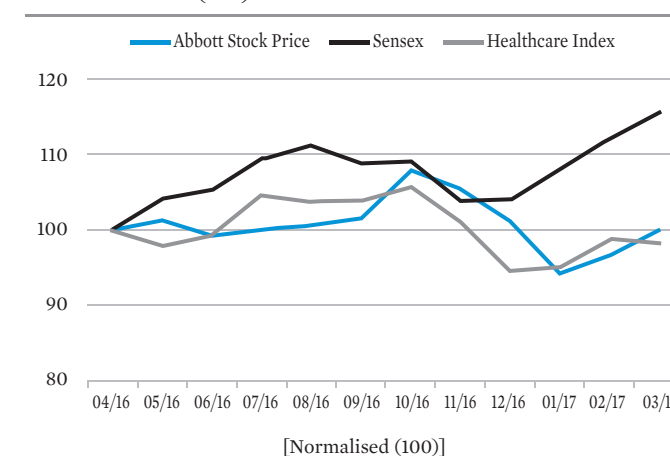
**x) Market Price Data (High/Low during each month) on BSE**

Month	High	Low
April, 2016	4,850.00	4,500.00
May, 2016	4,780.00	4,455.90
June, 2016	4,788.95	4,360.00
July, 2016	4,825.40	4,616.00
August, 2016	4,849.00	4,605.00
September, 2016	4,795.95	4,465.00
October, 2016	5,190.00	4,613.95
November, 2016	5,035.00	4,431.00
December, 2016	4,900.00	4,501.00
January, 2017	4,720.00	4,351.00
February, 2017	4,729.55	4,351.00
March, 2017	4,825.00	4,366.05

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

April 1, 2016 to March 31, 2017

Normalised (100)

**xii) Registrar and Share Transfer Agent**

**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

Email : [einward\\_ris@karvy.com](mailto:einward_ris@karvy.com)  
Website : [www.karvycomputershare.com](http://www.karvycomputershare.com)

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

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, 2017**

Distribution	No. of Shareholders	% to Total	No. of Shares held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	21,646	94.10	14,36,175	6.76
501 to 1000	734	3.19	5,30,176	2.50
1001 to 2000	359	1.56	5,12,091	2.41
2001 to 3000	113	0.49	2,76,678	1.30
3001 to 4000	45	0.20	1,59,577	0.75
4001 to 5000	33	0.14	1,49,796	0.70
5001 to 10000	29	0.13	2,01,541	0.95
ABOVE 10000	45	0.19	1,79,83,268	84.63
<b>TOTAL</b>	<b>23,004</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

**xv) Shareholding Pattern as on March 31, 2017**

Category of Shareholders	No. of Shares	% to Total
Promoters/Foreign Collaborators	1,59,34,048	74.99
Banks	5,722	0.03
Financial Institutions	1,01,507	0.48
Foreign Institutional Investors	32,170	0.15
Foreign Portfolio-Corp.	5,49,279	2.57
Insurance Companies	39,631	0.19
Mutual Funds	11,59,464	5.46
Domestic Companies	1,65,038	0.78
Non-Domestic Companies	471	0.00
Non-Resident Indians	71,373	0.34
Directors & Relatives	6,874	0.03
Others	31,83,725	14.98
<b>TOTAL</b>	<b>2,12,49,302</b>	<b>100.00</b>



xvi) Disclosure in respect of equity shares transferred in “Abbott India Limited - Unclaimed Suspense Account” is as under :

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2016	NIL	NIL
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	NIL	NIL
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	191*	24,671*
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2017	191	24,671

\*Transferred to “Abbott India Limited - Unclaimed Suspense Account” on January 10, 2017.

Voting rights on Shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

xvii) Dematerialisation of Shares as on March 31, 2017 and liquidity

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

2,06,38,014 Equity Shares representing 97.12% of the Company’s total paid-up share capital were held in dematerialised mode, as on March 31, 2017.

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

xix) Foreign exchange risk and hedging activities

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

xx) Plant Location

L-18/19, Verna Industrial Estate, Goa

xxi) Address for correspondence

Abbott India Limited  
CIN : L24239MH1944PLC007330

<b>Registered office :</b> 3-4, Corporate Park, Sion-Trombay Road, Mumbai – 400 071 Maharashtra, India Tel No : +91-22-6797 8888 Fax : +91-22-6797 8727	<b>Corporate Office :</b> 16th Floor, Godrej BKC, Plot C – 68, “G” Block, Bandra Kurla Complex, Near MCA Club, Bandra (East), Mumbai – 400 051 Tel No : +91-22-3816 2000 Fax : +91-22-3816 2400
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@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, Amblal Doshi Marg, Behind BSE Limited, Fort, Mumbai - 400 001 Tel No : +91-22-66235412
------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

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 Materiality 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.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 the Securities and Exchange Board of India 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 Executive Officer (CEO) and Chief Financial Officer (CFO) have made a certification to the Board of Directors in the prescribed format, which has been reviewed by the Audit Committee and taken on record by the Board.
- Code of Business Conduct for Board of Directors and Senior Management lays down various principles of ethics and compliance. The Code has been posted on the Company’s website <http://www.abbott.co.in/investor-relations/policies.html>
- The Company has complied with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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.

Compliance with Discretionary requirements :

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

For and on behalf of the Board

Mumbai May 19, 2017	<b>Munir Shaikh</b> Chairman DIN : 00096273	<b>Ranjan Kapur</b> Director 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, 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, 2017.

Mumbai  
March 31, 2017

**Ambati Venu**  
Managing Director  
DIN : 07614849

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members of Abbott India Limited  
3-4, Corporate Park,  
Sion-Trombay Road, Mumbai – 400 071.

- The accompanying Corporate Governance Report prepared by Abbott India Limited (hereinafter the “Company”), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (‘Applicable criteria’) with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management’s Responsibility

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

Auditor’s Responsibility

- Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
- We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board during the year;

- Obtained and read the Minutes of the following Committee Meetings held from April 1, 2016 to March 31, 2017 :
  - Board of Directors Meeting;
  - Audit Committee;
  - Nomination and Remuneration Committee;
  - Stakeholders Relationship Committee;
  - Risk Management Committee;
  - Corporate Social Responsibility Committee; and
  - Independent Directors Meeting.
- Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

Opinion

- Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 above.

Other matters and Restriction on Use

- This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP

Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner  
Membership Number: 49365  
Place: Mumbai  
Date: May 19, 2017

# INDEPENDENT AUDITOR'S REPORT

To the Members of Abbott India Limited

## REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of Abbott India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 40 to the Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- iv. The Company has provided requisite disclosures in Note 36 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management

representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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

**per Ravi Bansal**  
Partner  
Membership Number: 49365  
Place: Mumbai  
Date: May 19, 2017

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in Property, plant and equipment are held in the name of the Company, except for the following:

Sr. No	Asset Category	Gross Block at March 31, 2017 (₹ in lakhs)	Net Block at March 31, 2017 (₹ in lakhs)	Remarks
1	Buildings	1,882	1,195	The title deeds are in the erstwhile name of the Company
2	Buildings	3,432	2,911	The title deeds are in the name of the entities that was merged with the Company

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of formulations, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) 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.
- (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:

Name of Statute	Nature of Dues	Amount disputed in ₹ Lakhs (net of payments)	Forum where dispute is pending	Period to which the amount relates
Income Tax Act, 1961	Income Tax	3,79.66	ITAT	A.Y. 2006-2007, A.Y. 2009-2010 and A.Y. 2011-12
		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 - 1995
		2.51	Assistant Commissioner	1994 and 1997 to 2002
		26.72	CESTAT	2005 to 2006
The Bombay Sales Tax Act, 1959	Sales Tax	39.87	Deputy Commissioner of Sales Tax	1999-2000
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)	Central Sales Tax	8.36	Additional Commissioner of Commercial Tax (Appeals)	2010-2011
Kerala General Sales Tax Act, 1963	Sales Tax	13.05	Sales Tax Appellate Tribunal, Additional Bench	2002-2003
Central Sales Tax, 1956 (Goa)	Central 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)	Central Sales Tax	2,40.96	Deputy Commissioner of Commercial Taxes (Appeal)	2006-2007
Karnataka Value Added Tax Act, 2003	Value Added Tax	9.88	Joint Commissioner of Commercial Taxes (Appeals), Bengaluru	2010-11
Central Sales Tax Act 1956 (Delhi)	Central Sales Tax	6.76	Department of Trade and Taxes, Delhi	2012-13
Customs Act, 1962	Custom Duty	4.43	Commissioner (Appeals)	1996
		75.00	CESTAT	2011 to 2013

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans 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 explanation given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3 (xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**per Ravi Bansal**  
Partner  
Membership Number: 49365  
Place: Mumbai  
Date: May 19, 2017

**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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai  
Date: May 19, 2017

# BALANCE SHEET

As at March 31, 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Note	As At March 31, 2017	As At March 31, 2016	As At April 1, 2015
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	107,65.06	105,89.47
Capital work-in-progress	3	5,14.46	1,90.80
Other intangible assets	4	1,94.66	2,56.19
Intangible assets under development	5	1,13.48	92.62
<b>Financial assets</b>			
Loans	6	5,86.31	6,20.62
Other financial assets	7	21,18.69	13,25.43
Deferred tax assets (net)	19	12,38.05	9,38.69
Other non-current assets	8	17,94.93	25,73.77
<b>Total Non-current Assets</b>		<b>173,25.64</b>	<b>165,87.59</b>
<b>Current Assets</b>			
Inventories	9	500,63.12	370,10.29
<b>Financial assets</b>			
Trade receivables	10	174,22.38	145,02.02
Cash and cash equivalents	11	202,23.58	140,19.08
Bank balances other than cash and cash equivalents	12	888,68.46	699,23.11
Loans	13	1,62.07	2,09.34
Other financial assets	14	38,75.71	27,73.47
Current tax assets (net)		13,18.56	12,91.41
Other current assets	15	71,21.30	53,34.48
<b>Total Current Assets</b>		<b>1890,55.18</b>	<b>1450,63.20</b>
<b>TOTAL ASSETS</b>		<b>2063,80.82</b>	<b>1616,50.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	21,24.93	21,24.93
Other equity	17	1365,69.47	1174,34.97
<b>Total Equity</b>		<b>1386,94.40</b>	<b>1195,59.90</b>
<b>Non-current Liabilities</b>			
Provisions	18	47,21.95	38,63.54
<b>Total Non-current Liabilities</b>		<b>47,21.95</b>	<b>38,63.54</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	20	474,69.34	230,14.05
Other financial liabilities	21	41,06.19	52,49.86
Other current liabilities	22	34,83.71	34,39.94
Provisions	23	70,39.28	59,91.05
Current tax liabilities (net)		8,65.95	5,32.45
<b>Total Current Liabilities</b>		<b>629,64.47</b>	<b>382,27.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2063,80.82</b>	<b>1616,50.79</b>
Significant accounting policies	2		

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

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

per **RAVI BANSAL**  
Partner  
Membership No. 49365  
Place: Mumbai  
Date: May 19, 2017

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN: 07614849

**RANJAN KAPUR**  
Director  
DIN: 00035113

**RAJIV SONALKER**  
Chief Financial Officer  
Place: Mumbai  
Date: May 19, 2017

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

# STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

Note	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>INCOME</b>		
Revenue from operations	25	2938,69.12
Other income	26	57,64.28
<b>TOTAL INCOME</b>		<b>2996,33.40</b>
<b>EXPENSES</b>		
Cost of materials consumed	27	315,94.27
Purchases of stock-in-trade	28	1497,56.57
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(101,44.31)
Excise duty on sales		36,13.31
Employee benefits expense	30	345,27.04
Finance cost	31	2,03.65
Depreciation and amortisation expense	32	16,43.08
Other expenses	33	447,90.62
<b>TOTAL EXPENSES</b>		<b>2559,84.23</b>
<b>PROFIT BEFORE TAX</b>		<b>436,49.17</b>
<b>TAX EXPENSES</b>		
Current tax expense	19	156,88.21
Tax adjustment for earlier years	19	4,96.14
Deferred tax (credit)	19	(2,00.06)
<b>TOTAL TAX EXPENSES</b>		<b>159,84.29</b>
<b>PROFIT FOR THE YEAR</b>		<b>276,64.88</b>
<b>Other Comprehensive Income</b>		
Items that will not be reclassified to profit or loss		
Re-measurement gains/(losses) of post employment benefit plan	34	(2,86.91)
Income tax on above	19	99.30
<b>Total Other Comprehensive Income, net of tax</b>		<b>(1,87.61)</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>274,77.27</b>
<b>EARNINGS PER EQUITY SHARE</b>		
Basic and Diluted (face value of ₹ 10 each)	35	130.19
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 19, 2017

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN: 07614849

**RANJAN KAPUR**  
Director  
DIN: 00035113

**RAJIV SONALKER**  
Chief Financial Officer  
Place: Mumbai  
Date: May 19, 2017

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

# STATEMENT OF CHANGES IN EQUITY

For year ended March 31, 2017

## EQUITY SHARE CAPITAL :

(All amounts in ₹ Lakhs, unless otherwise stated)

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
<b>As at April 1, 2015</b>	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
<b>As at March 31, 2016</b>	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
<b>As at March 31, 2017</b>	<b>2,12,49,302</b>	<b>21,24.93</b>

## OTHER EQUITY :

	Other Equity						
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserve	General Reserve	Retained Earnings	Total Other Equity
<b>Balances as at April 1, 2015</b>	37.82	5,22.62	2,52.48	2,74.87	242,01.91	740,85.35	993,75.05
Profit for the year	-	-	-	-	-	255,25.00	255,25.00
Re-measurement of post employment benefits (OCI) (net of tax)	-	-	-	-	-	(1,00.11)	(1,00.11)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	254,24.89	254,24.89
Transfer from Profit and Loss to General Reserve	-	-	-	-	25,96.28	(25,96.28)	-
Dividend for the year ended March 31, 2015 (Refer Note 16)	-	-	-	-	-	(65,87.28)	(65,87.28)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(13,41.02)	(13,41.02)
Share based compensation to employees	-	-	-	5,63.33	-	-	5,63.33
<b>Balances as at March 31, 2016</b>	37.82	5,22.62	2,52.48	8,38.20	267,98.19	889,85.66	1174,34.97
Profit for the year	-	-	-	-	-	276,64.88	276,64.88
Re-measurement of post employment benefits (OCI) (net of tax)	-	-	-	-	-	(1,87.61)	(1,87.61)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	274,77.27	274,77.27
Transfer from Profit and Loss to General Reserve	-	-	-	-	27,66.49	(27,66.49)	-
Dividend for the year ended March 31, 2016 (Refer Note 16)	-	-	-	-	-	(74,37.26)	(74,37.26)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(15,14.05)	(15,14.05)
Share based compensation to employees	-	-	-	6,08.54	-	-	6,08.54
Transfer from Share based compensation reserve to General Reserve	-	-	-	(1,14.30)	1,14.30	-	-
<b>Balances as at March 31, 2017</b>	<b>37.82</b>	<b>5,22.62</b>	<b>2,52.48</b>	<b>13,32.44</b>	<b>296,78.98</b>	<b>1047,45.13</b>	<b>1365,69.47</b>

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

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

per **RAVI BANSAL**  
Partner  
Membership No. 49365  
Place: Mumbai  
Date : May 19, 2017

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**RAJIV SONALKER**  
Chief Financial Officer  
Place : Mumbai  
Date : May 19, 2017

**RANJAN KAPUR**  
Director  
DIN : 00035113

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

# STATEMENT OF CASH FLOWS

For the year ended March 31, 2017

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>436,49.17</b>	398,01.15
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation of Property, plant and equipment	<b>15,17.87</b>	13,32.14
Amortisation of intangible assets	<b>1,25.21</b>	1,11.94
Unrealised exchange (gain)/loss (net)	<b>(63.51)</b>	(2,70.09)
(Gain)/loss on sale/write off of Property, plant and equipment (net)	<b>18.81</b>	24.49
Finance income	<b>(57,64.28)</b>	(50,58.69)
Finance costs	<b>2,03.65</b>	2,52.49
Amortisation of deferred lease rentals	<b>17.64</b>	14.22
Provision for doubtful debts	<b>2,20.08</b>	0.39
Provision for likely sales returns, date expiry and damaged products (net)	<b>(96.22)</b>	6,31.30
Share based compensation expense	<b>6,08.54</b>	5,63.33
Liabilities/provisions no longer required written back	<b>(4,18.70)</b>	-
<b>Operating Profit before working capital changes</b>	<b>400,18.26</b>	374,02.67
<b>Movement in working capital :</b>		
<b>Adjustments for (increase)/decrease in :</b>		
(i) Trade receivables	<b>(31,90.27)</b>	(15,57.25)
(ii) Inventories	<b>(130,52.83)</b>	14,02.80
(iii) Loans, other financial assets and other assets	<b>(15,07.13)</b>	(40,41.24)
<b>Adjustments for increase/(decrease) in :</b>		
(i) Trade payables	<b>245,71.83</b>	39,03.92
(ii) Other financial liabilities, other liabilities and provisions	<b>(2,39.93)</b>	24,76.32
	<b>465,99.93</b>	395,87.22
Income tax paid (including TDS) (net)	<b>(158,78.00)</b>	(147,19.58)
<b>Net cash flows from operating activities (A)</b>	<b>307,21.93</b>	248,67.64
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of Property, plant and equipment	<b>13.89</b>	6.24
Purchase of Property, plant and equipment (including capital work-in-progress, intangible assets under development and capital advances)	<b>(21,50.57)</b>	(22,72.43)
Investment in fixed deposits maturing beyond three months but within twelve months (net)	<b>(189,36.96)</b>	(104,56.68)
Loan given to fellow subsidiary	-	(190,00.00)
Loan repaid by fellow subsidiary	-	190,00.00
Interest received (finance income)		
From fellow subsidiary	-	2,62.36
Others	<b>55,32.31</b>	47,41.30
<b>Net cash flows from investing activities (B)</b>	<b>(155,41.33)</b>	(77,19.21)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

## 1. COMPANY INFORMATION

Abbott India Limited ("The Company") is a public limited company domiciled and incorporated in India under the provisions of the Companies Act, 1913. The Company is listed and traded on the Bombay Stock Exchange and also traded on the National Stock Exchange. The registered office of the Company is 3-4, Corporate Park, Sion-Trombay Road, Mumbai - 400 071, India.

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with Accounting Standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Financial statements for the year ended March 31, 2016 have been restated to give comparative figures to the financial statements for the year ended March 31, 2017, being the first year for preparation of financial statements in accordance with Ind AS. The Company has adopted all the applicable Ind AS and the adoption was carried out in accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards'. (Also refer Note 46 on first-time adoption of Ind AS including reconciliation and description of the effect of the transition).

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

The financial statements are approved for issue by the Company's Board of Directors on May 19, 2017.

### 2.2 Summary of significant accounting policies

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

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities. An asset is treated as current when it is :

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### b) Foreign currency translation

##### Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>FINANCING ACTIVITIES</b>		
Interest paid	(24.79)	(1,00.76)
Payment of dividend	(74,37.26)	(65,87.28)
Dividend distribution tax	(15,14.05)	(13,41.02)
<b>Net cash flows used in financing activities (C)</b>	<b>(89,76.10)</b>	<b>(80,29.06)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>62,04.50</b>	91,19.37
Cash and cash equivalents at the beginning of the year	140,19.08	48,99.71
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>202,23.58</b>	140,19.08

Significant accounting policies (Refer Note 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 19, 2017

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**RAJIV SONALKER**  
Chief Financial Officer  
Place: Mumbai  
Date : May 19, 2017

**RANJAN KAPUR**  
Director  
DIN : 00035113

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

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at historical cost in foreign currency, are not retranslated.

**c) Fair value measurement**

The Company measures financial instruments at fair value at each Balance Sheet date. Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either :

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where required/appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which change has occurred.

**d) Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company has assumed that recovery of excise duty flows to the Company on its own account and thus, revenue includes excise duty.

However, sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

**Sale of Goods**

Revenue from sale of goods is recognised when the risk and reward of ownership is passed on to the customers. Revenue from sale of goods is stated exclusive of sales tax, value added tax (VAT) and are net of sales returns, discounts, provision

for anticipated returns on expiry, made on the basis of management expectation taking into account past experience. Other operating revenue is recognised on accrual basis.

Rental income is deemed income from the anaesthetic equipments placed with hospitals, free of cost (Refer Note 3(b)). It is calculated based on useful life and other economic factors such as expected business and maintenance expenditure.

**Rendering of services**

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

**Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

**e) Taxes****Current income tax**

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

Current income tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

**Deferred tax**

Deferred tax is recognised using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is expected to be recovered or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised, either in other comprehensive income or directly in equity, is also recognised in other comprehensive income or in equity, as appropriate and not in the Statement of Profit and Loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities.

**f) Property, plant and equipment**

Under the Previous GAAP, all Property, plant and equipment were carried at in the Balance Sheet on basis of historical cost. The Company has elected to consider carrying amount of Property, plant and equipment as on March 31, 2015 under the Previous GAAP as deemed cost on April 1, 2015, the date of transition to Ind AS.

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment in value, if any. Cost for subsequent additions comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditures are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

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

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

Depreciation is provided, pro-rata for the period of use, on the straight line method, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

The management believes that useful lives currently used, which is as prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of Property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

<b>Method of Depreciation :</b>	<b>Straight Line</b>
<b>Type of assets</b>	<b>Useful life in years</b>
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 Equipments	5 years
Others	9 to 10 years
Furniture and Fixtures	10 years
Office Equipment	
Computers	3 years
Others	5 years
Vehicles *	5 years

\* In respect of these assets, the management estimate of useful lives, based on technical assessment is lower than the useful life prescribed under part C of Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of Property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

#### g) Intangible assets

Under the Previous GAAP, all Intangible assets were carried at in the Balance Sheet on basis of historical cost. The Company has elected to consider carrying amount of Intangible assets as on March 31, 2015 under Previous GAAP as deemed cost on April 1, 2015, the date of transition to Ind AS.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

<b>Method of Amortisation :</b>	<b>Straight Line</b>
<b>Type of assets</b>	<b>Useful life in years</b>
Software	3 to 5 years

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

#### h) Asset held for sale

Property, plant and equipment are classified as Asset held for sale, if their carrying amounts are to be recovered principally through a sale rather than through continuing use.

Property, plant and equipment retired from actual use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under 'Other current assets'. Once classified as held for sale, these assets are not depreciated or amortised.

#### i) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate :

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment and depreciation.

#### j) Leases

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Company as a lessee

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

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of an assets are classified as operating lease. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the year in which they are earned.

#### k) Inventories

Inventories consists of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value. Cost is determined on First-In-First-Out basis.

Cost of raw materials and packing materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods includes excise duty and other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.



**l) Impairment****Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

**Non-financial assets**

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

**m) Provisions and contingencies****Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provision for sales return and date expiry :

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience, market conditions and specific contractual terms and are provided for.

**Contingencies**

A contingent liability is :

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- a present obligation that arises from past events but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised or disclosed in the financial statements.

**n) Retirement and other employee benefits**

Contributions to defined contribution schemes such as State governed Provident Fund and Employee Pension Scheme, Employees' State Insurance Scheme, Superannuation, Employees' Deposit Linked Insurance and Group Life Insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes and the Company has no further defined obligations beyond the contributions.

If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The Company has defined benefit plans in the form of Gratuity, Compensated Absences, Long Service Benefits and Post Retirement Medical Benefits as per policies of the Company. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset/(liability), which need to be accounted for in the books of accounts of the Company.

As required by Ind AS 19 'Employee Benefits', the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the Balance Sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in the form of reductions in future contributions.

The Company recognises re-measurements of actuarial gains and losses in post retirement benefit plans immediately in other comprehensive income and all the other expenses related to post retirement benefit plans as employee benefits expense in the Statement of Profit and Loss. Re-measurements are not reclassified to Statement of Profit and Loss in the subsequent period.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the Statement of Profit and Loss when the plan amendment or when a curtailment or settlement occurs.

**o) Earnings per equity share**

The Basic Earnings per equity share ('EPS') is computed by dividing the net profit after tax for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share are computed by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

**p) Share based compensation**

Abbott Laboratories, USA, being the Ultimate Holding Company has given restricted stock option plan to the employees of Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognises an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

**q) Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

**Financial assets****Recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as 'Financial assets measured at amortised cost'.

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial assets at amortised cost
- Financial assets at fair value

A financial asset is measured at amortised cost net of impairment, if the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through the Statement of Profit and Loss.

#### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

#### Financial liabilities

##### Recognition and measurement

Financial liabilities are classified, at initial recognition, as either 'Financial liabilities at fair value through profit or loss' or 'Other financial liabilities'.

- (a) Financial liabilities are classified as 'Financial liabilities at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognised in profit or loss.
- (b) Other financial liabilities, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### r) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

#### s) Dividend distribution to equity shareholders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity in the year of approval.

#### t) Cash Flow Statement

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

### 3. PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Lakhs, unless otherwise stated)

	Leasehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>								
<b>As at April 1, 2015</b> (Refer Note (a) below)	37.55	3.72	54,30.53	28,41.84	3,12.02	6,21.08	59.02	93,05.76
Additions	-	-	50.60	21,34.35	54.75	3,95.40	-	26,35.10
Other adjustment (Refer Note (e) below)	-	-	11.48	-	-	-	-	11.48
Disposals	-	-	-	(33.30)	(0.41)	(4.15)	-	(37.86)
<b>As at March 31, 2016</b>	37.55	3.72	54,92.61	49,42.89	3,66.36	10,12.33	59.02	119,14.48
Additions	-	31.65	13.66	13,47.58	29.14	3,04.13	-	17,26.16
Disposals	-	-	(4.47)	(55.94)	(2.12)	(36.11)	(4.35)	(1,02.99)
<b>As at March 31, 2017</b>	<b>37.55</b>	<b>35.37</b>	<b>55,01.80</b>	<b>62,34.53</b>	<b>3,93.38</b>	<b>12,80.35</b>	<b>54.67</b>	<b>135,37.65</b>

#### Accumulated depreciation

<b>As at April 1, 2015</b>	-	-	-	-	-	-	-	-
Depreciation charge for the year	0.50	3.12	1,69.34	6,82.37	74.50	3,72.01	30.30	13,32.14
Disposals	-	-	-	(6.64)	(0.07)	(0.42)	-	(7.13)
<b>As at March 31, 2016</b>	0.50	3.12	1,69.34	6,75.73	74.43	3,71.59	30.30	13,25.01
Depreciation charge for the year	0.50	4.59	1,71.14	8,45.77	1,29.09	3,44.47	22.31	15,17.87
Disposals	-	-	(0.42)	(29.94)	(1.42)	(34.16)	(4.35)	(70.29)
<b>As at March 31, 2017</b>	<b>1.00</b>	<b>7.71</b>	<b>3,40.06</b>	<b>14,91.56</b>	<b>2,02.10</b>	<b>6,81.90</b>	<b>48.26</b>	<b>27,72.59</b>

#### Net Book Value

<b>As at March 31, 2017</b>	<b>36.55</b>	<b>27.66</b>	<b>51,61.74</b>	<b>47,42.97</b>	<b>1,91.28</b>	<b>5,98.45</b>	<b>6.41</b>	<b>107,65.06</b>
<b>As at March 31, 2016</b>	37.05	0.60	53,23.27	42,67.16	2,91.93	6,40.74	28.72	105,89.47
<b>As at April 1, 2015</b>	37.55	3.72	54,30.53	28,41.84	3,12.02	6,21.08	59.02	93,05.76

#### Details of Capital work-in-progress

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital work-in-progress	5,14.46	1,90.80	2,99.64
	5,14.46	1,90.80	2,99.64

#### Notes :

- a) For Property, plant and equipment existing as on April 1, 2015, i.e. the date of transition to Ind AS, the Company has elected to use Previous GAAP carrying values as deemed costs under Ind AS.
- b) Included in plant and equipment are anaesthetic equipment, installed at various hospitals free of cost with the intention of procuring business for the Company's products :

Class of asset	Net Block		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plant and Equipment	4,44.53	3,92.30	4,17.68

- c) Included in buildings is an amount of ₹ 0.00 Lakhs (March 31, 2016 : ₹ 0.00 Lakhs and April 1, 2015 : ₹ 0.00 Lakhs) representing value of shares in co-operative housing society.
- d) Additions include capital expenditure of ₹ 4.35 Lakhs (March 31, 2016 : ₹ 6.69 Lakhs) incurred at Company's inhouse R&D facility at Goa.
- e) Adjustments represent assets held for sale shown under 'Other current assets' in March 31, 2015 (Refer Note 15) now re-instated as Property, plant and equipment in March 2016, for change in plan of sale.
- f) The title deeds of certain freehold land and buildings having net book value of ₹ 41,05.60 Lakhs (March 31, 2016 : ₹ 42,16.08 Lakhs and April 1, 2015 : ₹ 43,26.57 Lakhs) are in process of being registered in the name of the Company.
- g) The amount of contractual commitments for the acquisition of Property, plant and equipment is disclosed in Note 40(c).

#### 4. OTHER INTANGIBLE ASSETS

(All amounts in ₹ Lakhs, unless otherwise stated)

	Software
<b>Cost</b>	
<b>As at April 1, 2015</b> (Refer Note (a) below)	2,97.85
Additions	70.28
Disposals	-
<b>As at March 31, 2016</b>	3,68.13
Additions	63.68
Disposals	(0.08)
<b>As at March 31, 2017</b>	<b>4,31.73</b>
<b>Amortisation</b>	
<b>As at April 1, 2015</b>	-
Amortisation for the year	1,11.94
Disposals	-
<b>As at March 31, 2016</b>	1,11.94
Amortisation for the year	1,25.21
Disposals	(0.08)
<b>As at March 31, 2017</b>	<b>2,37.07</b>
<b>Net Book Value</b>	
<b>As at March 31, 2017</b>	<b>1,94.66</b>
<b>As at March 31, 2016</b>	2,56.19
<b>As at April 1, 2015</b>	2,97.85

#### Note:

- a) For intangible assets existing as on April 1, 2015, i.e. the date of transition to Ind AS, the Company has used Previous GAAP carrying values as deemed costs under Ind AS.

#### 5. INTANGIBLE ASSETS UNDER DEVELOPMENT

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Intangible assets under development	1,13.48	92.62	91.46
	<b>1,13.48</b>	92.62	91.46

#### 6. NON-CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits with body corporates and others :			
For premises	4,68.92	5,25.38	6,66.77
Against tenders	1,17.39	95.24	12.63
	<b>5,86.31</b>	6,20.62	6,79.40

#### 7. NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits with banks with maturity of more than twelve months	2,99.99	2,72.78	2,24.43
Expected reimbursement towards likely sales return - Reimbursable (Refer Note 18)	18,18.70	10,52.65	9,66.76
	<b>21,18.69</b>	13,25.43	11,91.19

#### 8. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital advances	54.37	3,13.76	3,63.43
VAT deposits	62.46	37.45	41.34
Deposit against co-marketing agreement	16,50.00	22,00.00	-
Deferred lease assets	28.10	22.56	18.93
	<b>17,94.93</b>	25,73.77	4,23.70

#### 9. INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials and packing materials #	94,32.09	65,23.57	64,39.87
Work-in-progress	9,95.94	13,50.78	11,32.24
Finished goods	66,78.06	62,72.06	68,28.82
Stock-in-trade @	329,57.03	228,63.88	240,12.16
	<b>500,63.12</b>	370,10.29	384,13.09

# Includes goods in transit ₹ 40,42.76 Lakhs (March 31, 2016 : ₹ 15,03.38 Lakhs and April 1, 2015 : ₹ 13,71.57 Lakhs)

@ Includes goods in transit ₹ 1,36.91 Lakhs (March 31, 2016 : ₹ 6,03.67 Lakhs and April 1, 2015 : ₹ 2,08.48 Lakhs)

During the year ended March 31, 2017, an amount of ₹ 17,96.55 Lakhs (March 31, 2016 : ₹ 17,09.51 Lakhs) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

**10. TRADE RECEIVABLES**

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	159,54.76	140,29.11	129,14.83
Receivables from Related parties (Refer Note 42(D))	14,67.62	4,72.91	-
	<b>174,22.38</b>	145,02.02	129,14.83

**Break-up for security details :**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade receivables</b>			
Secured, considered good	-	-	-
Unsecured, considered good	174,22.38	145,02.02	129,14.83
Doubtful	11,77.30	12,08.16	12,73.51
	<b>185,99.68</b>	157,10.18	141,88.34
Provision for doubtful receivables	(11,77.30)	(12,08.16)	(12,73.51)
	<b>174,22.38</b>	145,02.02	129,14.83

There are no trade or other receivables which are due from directors or other officers of the Company either severally or jointly with any other person. Also, there are no trade or other receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

For terms and conditions relating to Related party receivables refer Note 42.

**11. CASH AND CASH EQUIVALENTS**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks			
In current accounts	37,23.28	63,68.29	36,98.95
Deposits with original maturity of less than three months <sup>@</sup>	165,00.00	76,50.00	12,00.00
Cash on hand	0.30	0.79	0.76
	<b>202,23.58</b>	140,19.08	48,99.71

<sup>@</sup> The deposits maintained by the Company with various banks comprise time deposits at fixed rates, which can be withdrawn by Company at any point without prior notice or penalty on the principal.

**12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Margin deposit and deposit against guarantees and tenders	3,42.38	1,32.63	1,16.94
Earmarked bank balance towards dividend <sup>#</sup>	2,66.08	2,30.48	2,05.35
Term deposits with original maturity of more than three months but less than twelve months <sup>@</sup>	882,60.00	695,60.00	591,67.36
	<b>888,68.46</b>	699,23.11	594,89.65

<sup>#</sup> These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

<sup>@</sup> The deposits maintained by the Company with various banks comprise time deposits at fixed rates, which can be withdrawn by Company at any point without prior notice or penalty on the principal.

**13. CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD)**

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits with body corporates and others :			
For premises	1,62.07	2,09.34	65.52
	<b>1,62.07</b>	2,09.34	65.52

**14. CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest accrued but not due on bank deposits	12,58.56	10,44.33	10,03.75
Receivables from other Related parties (Refer Note 42(D))	4,04.79	2,94.87	2,73.92
Expected reimbursement towards likely sales return - Reimbursable (Refer Note 23)	15,77.66	9,17.12	7,43.47
Other receivables *	6,34.70	5,17.15	9,39.89
	<b>38,75.71</b>	27,73.47	29,61.03

\* Balance as on April 1, 2015 includes settlement fees of ₹ 8,12.13 Lakhs received from a vendor on discontinuation of distributorship agreement with its then existing terms. Balance amounts, including for March 31, 2016 and March 31, 2017 are primarily reimbursements receivable from the vendor under the revised distributorship agreement as reentered thereafter.

**15. OTHER CURRENT ASSETS**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid expenses	5,34.04	5,21.50	4,32.20
Advances to employees and suppliers	45,26.27	30,13.20	14,56.84
Assets held for sale (At lower of net book value and net realisable value) <sup>@</sup>	-	-	11.48
Balance with customs and excise on current account	19,69.32	17,08.11	12,92.95
Other receivables	91.67	91.67	-
	<b>71,21.30</b>	53,34.48	31,93.47

<sup>@</sup> Assets held for sale as at April 1, 2015 was re-instated as fixed assets in year ended March 31, 2016 due to change in the intention to use the assets. (Refer Note 3(e)).

**16. EQUITY SHARE CAPITAL****Authorised Share Capital :**

Equity shares of ₹ 10 each

	Number of shares	Amount
<b>As at April 1, 2015</b>	2,75,00,000	27,50.00
Changes during the year	-	-
<b>As at March 31, 2016</b>	2,75,00,000	27,50.00
Changes during the year	-	-
<b>As at March 31, 2017</b>	<b>2,75,00,000</b>	<b>27,50.00</b>

**Terms/rights attached to equity shares**

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

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

(All amounts in ₹ Lakhs, unless otherwise stated)

<b>Issued, Subscribed and Paid up Capital :</b>	<b>Number of shares</b>	<b>Amount</b>
<b>Equity shares of ₹ 10 each fully paid</b>		
<b>As at April 1, 2015</b>	2,12,49,302	21,24.93
Changes during the year	-	-
<b>As at March 31, 2016</b>	2,12,49,302	21,24.93
Changes during the year	-	-
<b>As at March 31, 2017</b>	<b>2,12,49,302</b>	<b>21,24.93</b>

<b>Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the Ultimate Holding Company :</b>	<b>As at March 31, 2017</b>	As at March 31, 2016	As at April 1, 2015
i) <b>1,07,19,097</b> (March 31, 2016 and April 1, 2015 : 1,07,19,097) Abbott Capital India Ltd., U.K. (Holding Company)	<b>10,71.91</b>	10,71.91	10,71.91
ii) <b>37,44,951</b> (March 31, 2016 and April 1, 2015 : 37,44,951) Abbott Healthcare Products Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	<b>3,74.50</b>	3,74.50	3,74.50
iii) <b>14,70,000</b> (March 31, 2016 and April 1, 2015 : 14,70,000) British Colloids Ltd., U.K. (Subsidiary of the Ultimate Holding Company) The Ultimate Holding Company is Abbott Laboratories, USA.	<b>1,47.00</b>	1,47.00	1,47.00

<b>Details of shareholders holding more than 5% shares in the Company :</b>	<b>As at March 31, 2017</b>		As at March 31, 2016		As at April 1, 2015	
	<b>Number of shares</b>	<b>% Holding</b>	Number of shares	% Holding	Number of shares	% Holding
i) Abbott Capital India Ltd., U.K.	<b>1,07,19,097</b>	<b>50.45%</b>	1,07,19,097	50.45%	1,07,19,097	50.45%
ii) Abbott Healthcare Products Ltd., U.K.	<b>37,44,951</b>	<b>17.62%</b>	37,44,951	17.62%	37,44,951	17.62%
iii) British Colloids Ltd., U.K.	<b>14,70,000</b>	<b>6.92%</b>	1,4,70,000	6.92%	1,4,70,000	6.92%
	<b>1,59,34,048</b>	<b>74.99%</b>	1,59,34,048	74.99%	1,59,34,048	74.99%

<b>Dividend paid and proposed</b>	<b>For the year ended March 31, 2017</b>	For the year ended March 31, 2016
<b>Dividend on equity shares declared and paid :</b>		
Final Dividend for the year ended March 31, 2016 : ₹ 35 per share (Previous year : ₹ 31 per share)	<b>74,37.26</b>	65,87.28
Dividend distribution tax on final dividend	<b>15,14.05</b>	13,41.02
Date of approval (date of Annual General Meeting)	<b>July 18, 2016</b>	July 29, 2015
<b>Proposed dividend on equity shares :</b>		
Final dividend for the year ended March 31, 2017 : ₹ 40 per share (Previous year : ₹ 35 per share)	<b>84,99.72</b>	74,37.26
Dividend distribution tax on proposed dividend	<b>17,30.34</b>	15,14.05

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2017 and March 31, 2016.

**17. OTHER EQUITY**

(All amounts in ₹ Lakhs, unless otherwise stated)

	<b>Amalgamation Reserve</b>	<b>Capital Reserve</b>	<b>Capital Redemption Reserve</b>	<b>Share Based Compensation Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total Other Equity</b>
<b>As at April 1, 2015</b>	37.82	5,22.62	2,52.48	2,74.87	242,01.91	740,85.35	993,75.05
Profit for the year	-	-	-	-	-	255,25.00	255,25.00
Re-measurement of post employment benefits (OCI) (net of tax)	-	-	-	-	-	(1,00.11)	(1,00.11)
Transfer from Profit and Loss to General Reserve	-	-	-	-	25,96.28	(25,96.28)	-
Dividend for the year ended March 31, 2015 (Refer Note 16)	-	-	-	-	-	(65,87.28)	(65,87.28)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(13,41.02)	(13,41.02)
Share based compensation to employees	-	-	-	5,63.33	-	-	5,63.33
<b>As at March 31, 2016</b>	<b>37.82</b>	<b>5,22.62</b>	<b>2,52.48</b>	<b>8,38.20</b>	<b>267,98.19</b>	<b>889,85.66</b>	<b>1174,34.97</b>
Profit for the year	-	-	-	-	-	276,64.88	276,64.88
Re-measurement of post employment benefits (OCI) (net of tax)	-	-	-	-	-	(1,87.61)	(1,87.61)
Transfer from Profit and Loss to General Reserve	-	-	-	-	27,66.49	(27,66.49)	-
Dividend for the year ended March 31, 2016 (Refer Note 16)	-	-	-	-	-	(74,37.26)	(74,37.26)
Dividend distribution tax (Refer Note 16)	-	-	-	-	-	(15,14.05)	(15,14.05)
Share based compensation to employees	-	-	-	6,08.54	-	-	6,08.54
Transfer from Share Based Compensation Reserve to General Reserve*	-	-	-	(1,14.30)	1,14.30	-	-
<b>As at March 31, 2017</b>	<b>37.82</b>	<b>5,22.62</b>	<b>2,52.48</b>	<b>13,32.44</b>	<b>296,78.98</b>	<b>1047,45.13</b>	<b>1365,69.47</b>

\* On account of cancellation of share options awarded to employees

**Nature and purpose of reserves :****1. Amalgamation Reserve**

This was created on amalgamation of Beem Healthcare Limited and Valencia Pharmaceuticals Limited, wholly owned subsidiaries of the Company with appointed date as July 1, 1998. All assets and liabilities of erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were cancelled. The amalgamation was accounted under 'Pooling of Interests method' as prescribed in then applicable Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

**2. Capital Reserve**

This was created on amalgamation of Lenbrook Pharmaceuticals Limited, a wholly owned subsidiary of the Company with the appointed date as October 1, 2003. All the assets and liabilities of erstwhile Lenbrook Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in the erstwhile Lenbrook Pharmaceuticals Limited were cancelled. The amalgamation was accounted under the 'Purchase Method' as prescribed in then applicable Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

**3. Capital Redemption Reserve**

This was created according to Section 77A of the Companies Act, 1956 by transferring the face value of shares bought back during the period 2003 to 2008 from free reserves.

**4. Share Based Compensation Reserve**

The Company's employees are awarded Restricted Stock Units (RSUs) of the Ultimate Holding Company, Abbott Laboratories, USA. The Share Based Compensation reserve is used to recognise the fair value of the RSUs awarded to the employees. The award represents in substance equity contributions by the Ultimate Holding Company.

**5. General Reserve**

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**6. Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

**18. NON-CURRENT PROVISIONS**

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Provision for employee benefits :</b>			
Post Retirement Medical Benefits	1,08.40	96.88	87.69
Long Service Benefits	92.51	73.44	68.40
<b>Others :</b>			
For likely sales returns and date expiry (Refer Note 24)	27,02.34	26,40.57	23,25.23
For likely sales returns - Reimbursable (Refer Note 24)	18,18.70	10,52.65	9,66.76
	<b>47,21.95</b>	<b>38,63.54</b>	<b>34,48.08</b>

**19. INCOME TAXES**

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are :

Extract of Statement of Profit and Loss :

Profit and Loss section :

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Current income tax :</b>		
Current income tax charge	156,88.21	143,72.57
Tax adjustment for earlier years	4,96.14	41.78
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(2,00.06)	(1,38.20)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>159,84.29</b>	<b>142,76.15</b>

Other Comprehensive Income (OCI) section - Deferred tax related to items recognised in OCI during the year :

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Net loss/(gain) on re-measurements of defined benefit plans	(99.30)	(52.98)
<b>Income tax expense charged to OCI</b>	<b>(99.30)</b>	<b>(52.98)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016 :

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Accounting profit before income tax</b>	<b>436,49.17</b>	<b>398,01.15</b>
At India's statutory income tax rate of 34.61% (March 31, 2016 : 34.61%)	151,06.11	137,74.38
Adjustments in respect of current income tax of previous years	4,96.14	41.78
Non-deductible expenses for tax purposes	3,82.04	4,59.99
<b>At the effective income tax rate of 36.62% (March 31, 2016 : 35.87%) Income tax expense reported in the Statement of Profit and Loss</b>	<b>159,84.29</b>	<b>142,76.15</b>

**Deferred tax :**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

(All amounts in ₹ Lakhs, unless otherwise stated)

	Balance Sheet			Statement of Profit and Loss	
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Deferred tax assets</b>					
Provision for compensated absences	9,13.99	7,30.16	6,32.17	(1,83.83)	(97.99)
Gratuity and other employee benefits	2,174.5	1,48.85	2,18.48	(68.60)	69.63
Provision for doubtful debts	4,074.4	4,18.12	4,40.74	10.68	22.62
Disallowance under section 43B and 40(a)(ia) of the Income Tax Act, 1961	4,275.1	4,29.25	2,28.17	1.74	(2,01.08)
Other items giving rise to temporary differences	2,04.88	2,14.10	2,12.01	9.22	(2.09)
<b>Deferred tax liabilities</b>					
Depreciation	(8,02.14)	(8,69.04)	(8,66.87)	(66.90)	2.17
Other items giving rise to temporary differences	(1,31.08)	(1,32.75)	(1,17.19)	(1.67)	15.56
<b>Net deferred tax assets</b>	<b>12,38.05</b>	<b>9,38.69</b>	<b>7,47.51</b>		
<b>Deferred tax income</b>				<b>(2,99.36)</b>	<b>(1,91.18)</b>
Deferred tax income credited to Profit and Loss				(2,00.06)	(1,38.20)
Deferred tax income credited to other comprehensive income				(99.30)	(52.98)
				<b>(2,99.36)</b>	<b>(1,91.18)</b>

Reflected in the Balance Sheet as follows :

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	21,71.27	19,40.48	17,31.57
Deferred tax liabilities	(9,33.22)	(10,01.79)	(9,84.06)
<b>Deferred tax assets (net)</b>	<b>12,38.05</b>	<b>9,38.69</b>	<b>7,47.51</b>

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Reconciliation of deferred tax assets (net)</b>		
<b>Opening balance as at April 1</b>	<b>9,38.69</b>	<b>7,47.51</b>
Tax income during the year recognised in Profit or Loss	2,00.06	1,38.20
Tax income during the year recognised in OCI	99.30	52.98
<b>Closing balance as at March 31</b>	<b>12,38.05</b>	<b>9,38.69</b>

**20. TRADE PAYABLES**

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Due to Micro and Small Enterprises (Refer (a) below)	62.07	1,18.41	16.34
Due to related parties (Refer Note 42(D))	78,58.34	61.65.36	63,52.24
Due to others	395,48.93	167,30.28	129,87.30
	<b>474,69.34</b>	230,14.05	193,55.88

For terms and conditions with Related parties, refer Note 42.

For explanations on Financial risk management objectives and policies, refer Note 44.

**(a) Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) \***

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) The Principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	62.07	1,18.41	16.34
(ii) Interest due on above remaining unpaid	-	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
(v) Interest accrued and remaining unpaid	-	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	-

\* The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**21. OTHER CURRENT FINANCIAL LIABILITIES**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits from customer	60.35	60.35	60.35
Payables for capital expenditure	3.97	2,79.56	3.97
Unpaid dividend #	2,66.08	2,30.48	2,05.35
Salaries, wages, incentives and bonus payable to employees	36,15.27	44,82.19	35,88.99
Others (primarily royalties payable)	1,60.52	1,97.28	57.55
	<b>41,06.19</b>	52,49.86	39,16.21

# 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, 2017, March 31, 2016 and April 1, 2015.

**22. OTHER CURRENT LIABILITIES**

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory dues including provident fund and tax deducted at source	8,44.74	11,82.10	4,25.09
Value added tax payable	13,99.21	11,42.72	6,97.50
Advance from customers	21.87	16.93	28.21
Others (primarily provision for employee travel etc.)	12,17.89	10,98.19	8,08.47
	<b>34,83.71</b>	34,39.94	19,59.27

**23. CURRENT PROVISIONS**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for employee benefits :			
Compensated absences	26,40.96	22,78.01	19,94.85
Post retirement medical benefits	8.83	8.35	7.15
Long service benefits	6.72	3.62	3.67
Gratuity	4,11.87	4,30.08	6,31.29
Superannuation	1,03.49	1,02.67	1,04.41
Provision for likely sales returns and date expiry (Refer Note 24)	22,89.75	22,51.20	17,63.28
Provision for likely sales returns - Reimbursable (Refer Note 24)	15,77.66	9,17.12	7,43.47
	<b>70,39.28</b>	59,91.05	52,48.12

**24. DISCLOSURE PURSUANT TO IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS' TOWARDS PROVISIONS FOR SALES RETURN, DATE EXPIRY AND DAMAGED PRODUCTS**

	Likely sales returns and date expiry	Likely sales returns - Reimbursable	Total
<b>Carrying amount as at April 1, 2015*</b>	40,88.51	17,10.23	57,98.74
Add : Net amount provided/(written back) during the year	8,03.26	2,59.54	10,62.80
<b>Carrying amount as at March 31, 2016*</b>	48,91.77	19,69.77	68,61.54
Add : Net amount provided/(written back) during the year	1,00.32	14,26.59	15,26.91
<b>Carrying amount as at March 31, 2017*</b>	<b>49,92.09</b>	<b>33,96.36</b>	<b>83,88.45</b>

\* Carrying amount comprises of :

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current provision</b>			
For likely sales returns and date expiry (Refer Note 18)	27,02.34	26,40.57	23,25.23
For likely sales returns - Reimbursable (Refer Note 18)	18,18.70	10,52.65	9,66.76
<b>Current provision</b>			
For likely sales returns and date expiry (Refer Note 23)	22,89.75	22,51.20	17,63.28
For likely sales returns - Reimbursable (Refer Note 23)	15,77.66	9,17.12	7,43.47
	<b>83,88.45</b>	68,61.54	57,98.74

**Nature of provision :**

The provision is for anticipated returns on expiry which is made on the basis of management expectation taking into account historical experience and market conditions.

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

**25. REVENUE FROM OPERATIONS**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Sale of products (including excise duty) (Refer (a) below)	2902,37.67	2613,05.95
Rendering of services (Refer (b) below)	21,15.10	24,80.80
	<b>2923,52.77</b>	2637,86.75
Other operating revenue		
Input tax credit	6,41.44	4,67.43
Sale of scrap	75.04	51.28
Insurance, customs and carriers claims	1,80.06	1,05.49
Rental income (Refer Note 40(b))	39.05	44.04
Miscellaneous income		
Write back of provisions no longer required	4,18.70	-
Duty drawback	18.57	59.63
Others	1,43.49	49.55
Total other operating revenue	15,16.35	7,77.42
	<b>2938,69.12</b>	2645,64.17

**(a) Sale of products :**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Tablets	1119,36.28	1001,11.52
Injectables	1164,29.59	1036,62.39
Liquids	440,02.28	424,59.41
Capsules	111,00.93	101,24.50
Ointments	11,96.18	6,81.82
Granules	6,24.53	5,08.73
Powder	16,48.32	8,86.94
Others	32,99.56	28,70.64
	<b>2902,37.67</b>	2613,05.95

**(b) Service income includes :**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Shared and support services rendered to Abbott Healthcare Private Limited, India	16,48.82	15,82.96
Shared and support Service to Abbott Products Operations AG., Switzerland	4,66.28	8,55.59
Other service income	-	42.25
	<b>21,15.10</b>	24,80.80

**26. OTHER INCOME**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Interest income on financial assets carried at amortised cost :</b>		
Interest income on loans to Related parties (Refer Note (a) and (b) below)	-	2,91.51
Interest income on fixed deposits	57,25.74	47,30.43
Interest income on others (from employees and on overdue receivables)	20.80	22.30
Interest income on security deposit	17.74	14.45
	<b>57,64.28</b>	50,58.69

(a) During the year ended March 31, 2016, the Company had 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 ended March 31, 2016 by AHPL along with interest of ₹ 2,91.51 Lakhs.

(b) 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, 2017	Maximum balance outstanding during the year ended March 31, 2017	As at March 31, 2016	Maximum balance outstanding during the year ended March 31, 2016 <sup>@</sup>
Loan given to fellow subsidiary : Abbott Healthcare Private Ltd., India	Project funding	-	-	-	192,91.51

<sup>@</sup> Including interest.

**27. COST OF MATERIALS CONSUMED**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Inventory at the beginning of the year	65,23.57	64,39.87
Add : Purchases during the year	345,02.79	313,61.43
Less : Inventory at the end of the year	(94,32.09)	(65,23.57)
	<b>315,94.27</b>	312,77.73

**28. PURCHASES OF STOCK-IN-TRADE**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Tablets	187,10.46	136,70.63
Injectables	1134,19.27	898,60.00
Liquids	107,14.37	79,21.11
Capsules	10,25.92	13,72.81
Ointments	7,89.26	3,61.86
Granules	2,72.96	2,86.60
Powder	14,20.75	7,04.30
Others	34,03.58	22,61.10
	<b>1497,56.57</b>	1164,38.41



**29. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Opening stock		
Finished goods	62,72.06	68,28.82
Stock-in-trade	228,63.88	240,12.16
Work-in-progress	13,50.78	11,32.24
Less : Closing stock		
Finished goods	(66,78.06)	(62,72.06)
Stock-in-trade	(329,57.03)	(228,63.88)
Work-in-progress	(9,95.94)	(13,50.78)
	<b>(101,44.31)</b>	14,86.50

**30. EMPLOYEE BENEFITS EXPENSE**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Salaries, wages and bonus	312,55.06	310,25.99
Contribution to provident and other funds	20,42.14	19,49.73
Share based compensation to employees (Refer Note 39(c))	6,08.54	5,63.33
Staff welfare expense	6,21.30	5,69.69
	<b>345,27.04</b>	341,08.74

**31. FINANCE COSTS**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Interest expense (on various statutory payments)	7.11	80.53
Unwinding of discounting and effect of changes in discount rate on provisions	1,96.54	1,71.96
	<b>2,03.65</b>	2,52.49

**32. DEPRECIATION AND AMORTISATION EXPENSE**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Depreciation of tangible assets (Refer Note 3)	15,17.87	13,32.14
Amortisation of intangible assets (Refer Note 4)	1,25.21	1,11.94
	<b>16,43.08</b>	14,44.08

**33. OTHER EXPENSES**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Consumption of stores	6,61.14	4,16.83
Power and fuel	7,73.97	6,97.70
Rent (Refer Note 40(a))	15,72.94	12,55.24
Repairs to buildings	1,62.89	1,74.01
Repairs to plant and machinery	2,25.03	2,28.04
Repairs (others)	3,83.36	3,75.38
Insurance	3,04.08	3,08.85
Rates and taxes	11,23.79	11,56.49
Advertising, publicity and sales promotion	86,96.59	90,12.23
Freight and forwarding charges	27,61.16	33,15.39
Travelling and business meetings	97,09.56	94,92.67
Commission to carrying and forwarding agents	33,75.24	28,99.68
Exchange loss (net)	4,83.63	3,38.52
Bad debts written off	2,50.94	65.74
Less : Adjusted against earlier year's provision	<b>(2,50.94)</b>	(65.74)
	-	-
Provision for doubtful debts	2,20.08	0.39
Professional fees and other services	75,71.19	67,62.21
Loss on sale/write off of Property, plant and equipment (net)	18.81	24.49
Excise duty (Refer Note (c) below)	2,89.63	2,42.56
Payment to auditors (Refer Note (a) below)	1,33.48	1,32.50
CSR expenditure (Refer Note (b) below)	7,13.95	6,45.34
Miscellaneous expenses	56,10.10	42,21.50
	<b>447,90.62</b>	417,00.02

**(a) Payments to the auditor (including service tax) :**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>As auditor</b>		
Audit fees	60.03	56.38
Tax audit fees	14.44	15.63
Limited review	25.88	22.26
<b>In other capacity</b>		
Other services (certification fees)	25.26	30.89
Reimbursement of expenses	7.87	7.34
	<b>1,33.48</b>	1,32.50

**(b) Details of Corporate Social Responsibility (CSR) expenditure :**

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 do 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 CSR obligations, the Company undertook several initiatives during the year. These included, Road Safety Awareness drive through iCare safety day and Nirmal Dhara Dairy Project, which focuses 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 PAN India.

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	6,84.90	5,60.42

Amount spent during the year ending March 31, 2017 :	Amount in ₹ (Full figures)		
	In cash	Yet to be paid in cash	Total
On various programmes to expand awareness and access to healthcare	3,62.94	40.25	4,03.19
On iCare Road Safety Awareness drive	1,08.09	13.11	1,21.20
On Nirmal Dhara Dairy Project	1,68.16	-	1,68.16
Administrative expenses related to CSR activities	21.40	-	21.40
	<b>6,60.59</b>	<b>53.36</b>	<b>7,13.95</b>

Amount spent during the year ending March 31, 2016 :	Amount in ₹ (Full figures)		
	In cash	Yet to be paid in cash	Total
On various programmes to expand awareness and access to healthcare	2,44.03	65.58	3,09.61
Donations	67.00	-	67.00
On iCare Road Safety Awareness drive	79.95	-	79.95
On Nirmal Dhara Dairy Project	1,88.78	-	1,88.78
	<b>5,79.76</b>	<b>65.58</b>	<b>6,45.34</b>

(c) Excise duty included under 'Other Expenses' represents the difference in amount of excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as free goods/medical samples.

**34. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)**

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Re-measurements of post employment benefits :		
Gratuity	2,76.01	1,43.46
Post retirement medical benefit scheme	10.90	9.63
	<b>2,86.91</b>	1,53.09

The above has been aggregated in retained earnings of the respective years.

**35. EARNINGS PER EQUITY SHARE (EPS)**

The following reflects the income and share data used in the Basic and Diluted EPS computations :

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Profit attributable to equity holders for Basic/Diluted earnings (₹ in Lakhs)	276,64.88	255,25.00
Weighted average number of equity shares for Basic/Diluted EPS *	2,12,49,302	2,12,49,302
<b>Basic/Diluted EPS (Face value of ₹ 10 per share)</b>	<b>130.19</b>	120.12

\* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

**36. DISCLOSURE OF SPECIFIED BANK NOTES**

In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, the Company has disclosed the following details pertaining to the details of Specified Bank Notes ('SBN') held and transacted during the period November 8, 2016 to December 30, 2016 :

	Amount in ₹ (Full figures)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	8,500.00	36,173.00	44,673.00
Add : Permitted receipts	-	47,771.00	47,771.00
Less : Permitted payments	-	(54,310.00)	(54,310.00)
Less : Amount deposited in banks*	(8,500.00)	(13,756.00)	(22,256.00)
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>15,878.00</b>	<b>15,878.00</b>

\* Out of the total amount of ₹ 8,500.00 held as SBNs, ₹ 3,000.00 was exchanged in Bank to the denomination of ₹ 100 on November 10, 2016 and balance amount of ₹ 5,500.00 was deposited in the Bank account of the Company.

**37. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

**JUDGEMENTS**

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements :

**Lease of plant and equipments not in legal form of lease**

Significant judgement is required to apply lease accounting rule under Appendix C to Ind AS 17 'Leases' : whether an arrangement contains a lease. In assessing the applicability to arrangement entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of transaction including legally enforced arrangement and other significant terms and conditions of the arrangement to conclude whether the arrangement meets the criteria under Appendix C to Ind AS 17 'Leases'. Consequently, the Company has considered an estimated portion of the total sales from reagents as rent towards the use of anaesthetic equipments. The estimated portion is arrived based on useful lives of the anaesthetic equipments and its expected maintenance cost.

**ESTIMATES AND ASSUMPTIONS**

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Discounting of security deposit**

The Company has considered State Bank of India (SBI) base rate of respective periods in which transaction had occurred for measuring deposit, being financial assets, at amortised cost. Refer Note 26 - Interest income on security deposits.

**Useful lives of Property, plant and equipment**

The Company reviews the useful life of Property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2 (f) for management estimate of useful lives.

**Defined benefit plans (Gratuity benefits)**

The cost of the defined benefit gratuity plan and other post employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 38.

**Share based compensation to employees**

The fair value of restricted stock units plan is measured at the date of grant using the Black Scholes option pricing model. The estimate also requires determination of the most appropriate inputs to the valuation model, including the volatility, dividend yield, risk free interest rates, expected life of share option etc., which are disclosed in the Note 39.

**Intangible asset under development**

The Company capitalises an intangible assets under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, future economic benefits are probable, the Company has the intention and ability to complete and use the asset and the cost can be measured reliably.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. Also refer Note 43.

**Provision for inventories**

Provision is made in the financial statements for slow and non-moving items based on estimates regarding their usability. Further for finished goods and stock-in-trade, all inventories expiring within six months and not expected to be sold, have been fully provided for. Also refer Note 9.

**Provision for doubtful debts**

The impairment provision for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculations, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Also refer Note 10.

**Provision for sales return and date expiry**

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience and market conditions and are provided for accordingly. Also refer Note 24.

**38. EMPLOYEE BENEFITS****(a) Defined contribution plans**

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

**The Company has recognised following amounts as expense in the Statement of Profit and Loss :**

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>Included in contribution to Provident and Other Funds (Refer Note 30)</b>		
Employer's contribution to Provident Fund/Employees' Pension Fund	<b>13,41.57</b>	12,60.24
Employer's contribution to Superannuation Fund	<b>3,05.38</b>	3,07.24
<b>Included in staff welfare expenses (Refer Note 30)</b>		
Employer's contribution to Employees' Deposit Linked Insurance Scheme	<b>41.36</b>	34.38
Premium paid in respect of Group Life Insurance Cover	<b>40.97</b>	35.53
Premium paid in respect of Employees' State Insurance Scheme	<b>17.77</b>	16.72

**(b) Defined benefit plans**

- i. **Gratuity :** (Included as part of contribution to provident and other funds in Note 30 - Employee benefits expense)  
Gratuity is payable to all eligible employees of the Company on retirement, death, permanent disablement and resignation in terms of the provision of the Payment of Gratuity Act, 1972 or Company's Scheme whichever is more beneficial. Benefits would be paid at the time of the separation.
- ii. **Post Retirement Medical Benefits (PRMB) :** (Included as part of staff welfare expenses in Note 30 - Employee benefits expense)  
Under this scheme, select group of senior employees and their spouse are covered for hospitalisation benefits after the employee has retired from the Company. The cover is available to these beneficiaries until they are alive. The Company has procured a group hospitalisation cover from an insurance company for providing these benefits to these beneficiaries.
- iii. **Long Service Benefits (LSB) :** (Included as part of salaries and wages in Note 30 - Employee benefits expense)  
Under this scheme, long service benefits accrues to the employees, while in service and is payable upon completion of stipulated service with the Company.

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>I Change in present value of defined benefit obligation during the year</b>				
Present value of defined benefit obligation at the beginning of the year	39,07.73	35,25.36	1,05.23	94.84
Interest cost	2,95.68	2,66.44	7.98	7.25
Current service cost	3,65.21	3,39.64	0.89	0.98
Past service cost	-	6.29	-	-
Liability assumed/(settled)	-	(97.27)	-	-
Benefits paid	(2,97.29)	(2,96.83)	(7.77)	(7.47)
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	3,33.62	1,08.49	6.40	0.45
Actuarial changes arising from changes in experience adjustments	(39.75)	55.61	4.50	9.18
Present value of defined benefit obligation at the end of the year	45,65.20	39,07.73	1,17.23	1,05.23
<b>II Change in fair value of plan assets during the year</b>				
Fair value of plan assets at the beginning of the year	34,77.65	28,94.07	-	-
Interest income	2,73.55	2,28.17	-	-
Contributions paid by the employer	6,81.56	7,28.86	7.77	7.47
Benefits paid from the fund	(2,97.29)	(2,96.83)	(7.77)	(7.47)
Assets acquired/(settled) - inter group transfer	-	(97.27)	-	-
Return on plan assets excluding interest income	17.86	20.65	-	-
Fair value of plan assets at the end of the year	41,53.33	34,77.65	-	-

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>III Net (asset)/liability recognised in the Balance Sheet</b>				
Present value of defined benefit obligation at the end of the year	45,65.20	39,07.73	1,17.23	1,05.23
Fair value of plan assets at the end of the year (unquoted insurer managed funds)	(41,53.33)	(34,77.65)	-	-
Amount recognised in the Balance Sheet/Net funded obligation	4,11.87	4,30.08	1,17.23	1,05.23
Net liability-current (Refer Note 23)	4,11.87	4,30.08	8.83	8.35
Net liability-non-current (Refer Note 18)	-	-	1,08.40	96.88

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non Funded)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2017	For the Year ended March 31, 2016
<b>IV Expenses recognised in the Statement of Profit and Loss for the year</b>				
Current service cost	3,65.21	3,39.64	0.89	0.98
Past service cost	-	6.29	-	-
Interest cost on benefit obligation (net)	22.13	38.26	7.98	7.25
One Year Renewable Term Assurance (OYRTA) Premium	24.61	20.45	-	-
Total expenses included in Employee benefits expense (Refer Note 30)	4,11.95	4,04.64	8.87	8.23
<b>V Recognised in other comprehensive income for the year</b>				
Actuarial changes arising from changes in demographic assumptions	-	-	-	-
Actuarial changes arising from changes in financial assumptions	3,33.62	1,08.50	6.40	0.45
Actuarial changes arising from changes in experience adjustments	(39.75)	55.61	4.50	9.18
Return on plan assets excluding interest income	(17.86)	(20.65)	-	-
Recognised in other comprehensive income for the year	2,76.01	1,43.46	10.90	9.63
<b>VI Maturity profile of defined benefit obligation</b>				
Within the next 12 months (next annual reporting period)	4,05.84	3,29.88	8.83	8.35
Between 2 and 5 years	15,13.22	14,40.78	36.73	34.81
Between 6 and 9 years	13,10.82	12,36.88	37.95	36.34
For 10 years and above	82,71.68	74,56.25	1,90.45	1,83.87

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	<b>VII Sensitivity analysis for significant assumption is as below:</b>			
<b>1. Increase/(decrease) on present value of defined benefits obligation at the end of the year</b>				
Impact of 50 bps increase in discount rate	(4.86%)	(4.63%)	(4.25%)	(4.12%)
Impact of 50 bps decrease in discount rate	5.27%	5.02%	4.60%	4.45%
Impact of 100 bps increase in healthcare cost	-	-	9.63%	9.36%
Impact of 100 bps decrease in healthcare cost	-	-	(8.34%)	(8.14%)
Impact of increase by 1 year in life expectancy	-	-	3.63%	5.82%
Impact of decrease by 1 year in life expectancy	-	-	(3.63%)	(6.01%)
Impact of 50 bps increase in rate of salary increase	3.69%	3.57%	-	-
Impact of 50 bps decrease in rate of salary increase	(3.62%)	(3.45%)	-	-

## 2. Sensitivity analysis method

The Sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)			Post Retirement Medical Benefits (Non-funded)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>VIII The major categories of plan assets as a percentage of total</b>						
Insurer managed funds	100%	100%	100%	-	-	-
<b>IX Actuarial assumptions</b>						
Discount rate	7.25%	7.90%	7.95%	7.25%	7.90%	7.95%
Salary escalation	10% until year 2 inclusive, and 7% thereafter	11% until year 2 inclusive, and 7% thereafter	11% until year 2 inclusive, and 7% thereafter	-	-	-
Mortality rate during employment	Indian Assured lives Mortality (2006-08) Ult table	Indian Assured lives Mortality (2006-08) Ult table	Indian Assured lives Mortality (2006-08) Ult table	-	-	-
Mortality post retirement rate	-	-	-	PA (90) Mortality table	PA (90) Mortality table	PA (90) Mortality table
Annual increase in healthcare costs	-	-	-	6%	6%	6%

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period ₹ **4,12.00 Lakhs** (March 31, 2016 : ₹ 4,30.00 Lakhs)

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is **10.12 years** (March 31, 2016 : 9.64 years) and for PRMB is **8.84 years** (March 31, 2016 : 8.00 years).

### Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

## 39. SHARE BASED COMPENSATION TO EMPLOYEES

### a) International Stock Ownership Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)

Abbott Laboratories, USA has an 'Affiliate Employee Stock Purchase Plan' (employee share purchase plan) whereby specified employees of its subsidiaries have been given a right to purchase shares of Abbott Laboratories, USA. Every employee who opts for the scheme contributes, by way of payroll deductions, up to 10% of his cash remuneration (i.e. basic salary for officers and basic salary and dearness allowance for staff category) towards purchase of shares on a monthly basis over the purchase cycle of six months.

The maximum that an employee can contribute to the plan is 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.

During the year ended March 31, 2017, **15,967 shares** (March 31, 2016 : 15,484 shares) were purchased by employees at weighted average fair value of **US \$ 33.99** (March 31, 2016 : US \$ 34.62) per share.

### b) Employees Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)

Abbott Laboratories, USA has an 'Incentive Stock Option Program' whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of Abbott Laboratories, USA at a fixed price (grant price), which shall be at least 100% of the fair market value of the common share for a fixed period of time. All the options under this scheme have vested before April 01, 2015, and hence, as per the exemption availed in Ind AS 101 'First-time adoption of Indian Accounting Standards' (Refer Note 46 (ii)), no options compensation expenses are incurred by the Company during the year. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third installments over a three year period and have a 10 years contractual life.

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of options	Weighted Average Exercise Price US \$	Number of options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	14,600	27.08	38,400	25.99
Less : Exercised during the year	(6,900)	26.27	(9,000)	22.08
Less : Expired during the year	-	-	(5,000)	27.78
Less : Transfer out during the year	-	-	(9,800)	27.04
<b>Outstanding at the end of the year</b>	<b>7,700</b>	<b>27.80</b>	14,600	27.08
Exercisable at the end of the year	7,700	27.80	14,600	27.08

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 50.66** (March 31, 2016 : US \$ 46.30) and weighted average remaining contractual life is **0.88 years** (March 31, 2016 : 1.43 years)

The range of exercise prices for options outstanding at the end of the year was **US \$ 26.27 to US \$ 27.80** (March 31, 2016 : US \$ 22.08 to US \$ 27.78)

**c) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

Abbott Laboratories, USA as part of the 'Long Term Incentive Program' has offered Restricted Stock Units (RSUs) to specified employees of its subsidiaries, whereby the employees covered by the plan are granted units. The units when vested, become shares of Abbott Laboratories, USA at a Nil Cost. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third installments over a three year period. Pursuant to Ind AS 102 'Share-based payment', the fair value of the RSUs have been recorded by the Company. The fair value of the RSUs is estimated at the grant date using Black Scholes Option Pricing Model, taking into account the terms and conditions upon which such RSUs were granted.

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Number of options	Weighted Average Exercise Price US \$	Number of options	Weighted Average Exercise Price US \$
Outstanding at the beginning of the year	53,208	NA	47,153	NA
Add : Granted during the year	36,224	NA	37,014	NA
Add : Transfers in during the year	308	NA	-	NA
Less : Exercised during the year	(16,037)	NA	(20,195)	NA
Less : Cancelled/Expired during the year	(12,730)	NA	(2,244)	NA
Less : Transfers out during the year	(5,306)	NA	(8,520)	NA
<b>Outstanding at the end of the year</b>	<b>55,667</b>	<b>NA</b>	<b>53,208</b>	<b>NA</b>

The weighted average share price at the date of exercise for stock options exercised during the year was **US \$ 44.69** (March 31, 2016 : US \$ 38.28)

The following tables list the inputs to the models used for the RSUs option plan for the years ended March 31, 2017 and March 31, 2016, respectively :

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Dividend yield (%)	0%	0%
Expected volatility (%)	23.08%	20.76%
Risk-free interest rate (%)	1.21%	0.76%
Expected life of Restricted Stock Units (years)	2	2
Weighted average share price (INR)	2,930.32	2,598.42
Model used	Black Scholes	Black Scholes

The expected life of the RSUs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**40. COMMITMENTS AND CONTINGENCIES**

**a. Leases**

**Operating lease commitments – Company as lessee**

The Company has obtained various residential/office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These 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 :

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
i) Operating lease payments recognised in the Statement of Profit and Loss under 'Rent' (Refer Note 33)	15,72.94	12,55.24
ii) Future minimum lease rental payables under non-cancellable operating lease :		
Within one year	5,46.36	3,17.93
After one year but not more than five years	4,89.32	4,59.76
More than five years	-	-

There are no sub-leases.

**b. Operating lease commitments – Company as lessor**

The Company has recognised contingent rent amounting to ₹ **39.05 Lakhs** (March 31, 2016 : ₹ 44.04 Lakhs) as income in the current period in accordance with Ind AS 17 'Leases'. For further details on calculation of above mentioned contingent rent, refer Note 37.

**c. Commitments**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,60.66	3,25.93	6,83.46

**d. Contingent liabilities**

**Claims against Company not acknowledged as debts**

i) In February 1996, the Government had made a tentative claim for a sum of ₹ 11,11.66 Lakhs to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for ₹ 3,46.64 Lakhs (including interest of ₹ 1,90.39 Lakhs upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, contested the above final demand of ₹ 3,46.64 Lakhs and filed a writ petition before the Bombay High Court to restrain the government from recovering the said amount. The Bombay High Court has admitted the writ petition and granted stay of the recovery of the amount subject to the Company furnishing a bank guarantee in respect of the principal amount of ₹ 1,56.25 Lakhs. The said bank guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts

and circumstances of the case provided for a sum of ₹ 1,07.89 Lakhs (March 31, 2016 : ₹ 1,03.99 Lakhs and April 1, 2015 : ₹ 1,00.09 Lakhs) including interest liability till date.

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ii) Sales Tax	7,77.67	9,19.53	9,20.26
iii) Service Tax	-	10.44	10.44

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.

#### 41. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and the Company has only one reportable business segment i.e. 'Pharmaceuticals'.

#### 42. RELATED PARTY DISCLOSURE

##### A) Parties where control exists:

Ultimate Holding Company : Abbott Laboratories, USA

Holding Company : Abbott Capital India Ltd., UK

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

###### I) Fellow subsidiaries:

British Colloids Ltd., U.K.

Abbott Healthcare Products Ltd., U.K

Abbott Healthcare Private Ltd., India

Abbott International LLC, USA

Abbott Laboratories S.A., Switzerland

Abbott Products Operations AG., Switzerland

Abbott Laboratories (Singapore) Pte Ltd., Singapore

Abbott Manufacturing Pte Ltd., Singapore

Abbott Lab (Malaysia) Sdn. Bhd.

Abbott Laboratories, De Mexico

Abbott Laboratories S.A., Dubai

###### II) Key management personnel :

Mr. Ambati Venu, Managing Director (w.e.f. September 29, 2016)

Mr. Rehan A. Khan, Managing Director (till April 30, 2016)

Mr. Kaiyomarz Marfatia, Whole-Time Director (till February 29, 2016)

Mr. Munir Shaikh, Chairman

Mr. Rajendra Shah, Independent Director

Mr. Ranjan Kapur, Independent Director

Mr. Krishna Mohan Sahni, Independent Director

#### C) Transactions during the year :

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

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Abbott Capital India Ltd., UK</b>		
Remittance of dividend	37,51.68	33,22.92

##### II) Transactions with fellow subsidiaries during the year

###### (i) Remittance of dividend :

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>British Colloids Ltd., U.K.</b>		
Remittance of dividend	5,14.50	4,55.70
<b>Abbott Healthcare Products Ltd., U.K</b>		
Remittance of dividend	13,10.73	11,60.93

###### (ii) Sales to fellow subsidiaries :

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Abbott Healthcare Private Ltd., India</b>		
Sales of stock-in-trade	47,94.12	20,05.54
Sales of raw materials	32,49.89	-

###### (iii) Purchases from fellow subsidiaries :

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Abbott Healthcare Private Ltd., India</b>		
Purchase of stock-in-trade	93,84.27	29,36.26
Purchase of promotional goods	2,74.82	2,26.73
Conversion charges	4,61.34	1,54.08
<b>Abbott Products Operations AG., Switzerland</b>		
Purchase of raw materials	224,95.84	177,61.52
Purchase of stock-in-trade	20,91.75	30,92.55

## (iv) Loan and interest to/from fellow subsidiaries : (Refer Note 26)

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Abbott Healthcare Private Ltd., India</b>		
Inter-company loan	-	190,00.00
Interest income on above loan	-	2,91.51

## (v) Reimbursements to and from fellow subsidiaries:

	Reimbursement to		Reimbursement from	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Abbott Healthcare Private Ltd., India</b>				
Shared and support services	11,65.26	9,01.05	-	-
Rent charges	2,12.82	-	-	-
Market research and other expenses	1,06.59	1,18.80	-	15.83
Excise duty payment/Cenvat recovery on Loan Licensee manufacturing	2,47.02	-	2,29.12	-
<b>Abbott International LLC, USA</b>				
Employee benefits expense, travel and other expenses	37.12	16.00	6.39	3.39
<b>Abbott Manufacturing Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	-	-	33.87	9.76
<b>Abbott Lab (Malaysia) Sdn. Bhd.</b>				
Employee benefits expense, travel and other expenses	-	-	-	8.88
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	18.33	11.47	-	-
<b>Abbott Laboratories, De Mexico</b>				
Other expenses	-	-	-	3.45
<b>Abbott Laboratories S.A., Switzerland</b>				
Other expenses	-	-	-	0.63
<b>Abbott Products Operations AG., Switzerland</b>				
Employee benefits expense, travel and other expenses	-	-	2,20.51	1,34.25

## (vi) Service income from fellow subsidiaries :

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>Abbott Healthcare Private Ltd., India</b>		
Shared and support services	16,48.81	15,82.96
<b>Abbott Products Operations AG., Switzerland</b>		
Shared and support services	4,66.28	8,55.59

## (vii) Key management personnel remuneration \*:

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Mr. Ambati Venu, Managing Director (w.e.f. September 29, 2016)	2,64.87	-
Mr. Rehan A. Khan, Managing Director (till April 30, 2016)	68.34	5,63.28
Mr. Kaiyomarz Marfatia, Whole-Time Director (till February 29, 2016)	-	1,59.02

\* During the year, as a part of the 'Long Term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA carrying perquisite value of ₹ NIL (March 31, 2016 : ₹ 1,08.49 Lakhs) have been granted to the above employees. (Also refer Note 39(c)).

Also, provision for post employment benefits as contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

## (viii) Non-Executive, Other Directors' sitting fees:

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Mr. Munir Shaikh, Chairman	14.00	12.50
Mr. Rajendra Shah, Independent Director	15.50	12.00
Mr. Ranjan Kapur, Independent Director	15.50	18.00
Mr. Krishna Mohan Sahni, Independent Director	14.50	14.50

## D) Outstanding:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade payable to fellow subsidiaries (Refer Note 20)</b>			
Abbott Products Operations AG., Switzerland	73,23.38	50,57.33	60,27.47
Abbott Laboratories (Singapore) Pte Ltd., Singapore	3.53	-	-
Abbott Laboratories S.A., Switzerland	-	-	0.62
Abbott International LLC, USA	18.26	-	6.64
Abbott Healthcare Private Ltd., India	5,13.17	11,08.03	3,11.15
Abbott Laboratories S.A., Dubai	-	-	6.36
	<b>78,58.34</b>	61,65.36	63,52.24



(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade receivables from fellow subsidiaries (Refer Note 10)</b>			
Abbott Healthcare Private Ltd., India	14,67.62	4,72.91	-
	<b>14,67.62</b>	4,72.91	-
<b>Other receivables from fellow subsidiaries (Refer Note 14)</b>			
Abbott International LLC, USA	1,50.58	-	1,86.13
Abbott Laboratories S.A., Switzerland	-	0.65	-
Abbott Manufacturing Pte Ltd., Singapore	9.20	-	3.86
Abbott Products Operations AG., Switzerland	82.58	1,73.15	3.33
Abbott Healthcare Private Ltd., India	1,62.43	1,21.07	80.60
	<b>4,04.79</b>	2,94.87	2,73.92

**Terms and conditions of transactions with related parties :**

The sales to and purchases from related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.

**43. FAIR VALUES DISCLOSURE****A. The carrying value and fair value of financial assets/liabilities by categories are as follows :**

	Carrying value of the financial assets/liabilities			Fair value of the financial assets/liabilities		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets/liabilities at amortised cost</b>						
<b>Financial assets at amortised cost (non-current) :</b>						
Loans (Refer Note 6)	5,86.31	6,20.62	6,79.40	5,86.31	6,20.62	6,79.40
Other financial assets (Refer Note 7)	21,18.69	13,25.43	11,91.19	21,18.69	13,25.43	11,91.19
<b>Financial assets at amortised cost (current) :</b>						
Trade and other receivables (Refer Note 10)	174,22.38	145,02.02	129,14.83	174,22.38	145,02.02	129,14.83
Cash and cash equivalents (Refer Note 11)	202,23.58	140,19.08	48,99.71	202,23.58	140,19.08	48,99.71
Bank balances other than cash and cash equivalents (Refer Note 12)	888,68.46	699,23.11	594,89.65	888,68.46	699,23.11	594,89.65
Loans (Refer Note 13)	1,62.07	2,09.34	65.52	1,62.07	2,09.34	65.52
Other financial assets (Refer Note 14)	38,75.71	27,73.47	29,53.05	38,75.71	27,73.47	29,53.05
<b>Financial liabilities at amortised cost (current) :</b>						
Trade payables (Refer Note 20)	474,69.34	230,14.05	193,55.88	474,69.34	230,14.05	193,55.88
Other financial liabilities	38,33.99	50,75.73	39,16.21	38,33.99	50,75.73	39,16.21

	Carrying value of the financial assets/liabilities			Fair value of the financial assets/liabilities		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets/liabilities at fair value through Profit or Loss</b>						
<b>Financial assets at fair value through Profit or Loss (current) :</b>						
Forward contract receivable	-	-	7.98	-	-	7.98
<b>Financial liabilities at fair value through Profit or Loss (current) :</b>						
Forward contract payable	2,72.20	1,74.13	-	2,72.20	1,74.13	-

**B. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values :**

	Carrying amount As at March 31, 2017	Fair value As at March 31, 2017	Fair value hierarchy		
			Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
<b>Loans (non-current)</b>					
Deposits for premises (Refer Note 6)	4,68.92	4,68.92	-	-	4,68.92
Against tenders (Refer Note 6)	1,17.39	1,17.39	-	-	1,17.39
Other financial assets (Refer Note 7)	21,18.69	21,18.69	-	-	21,18.69
	<b>27,05.00</b>	<b>27,05.00</b>	-	-	<b>27,05.00</b>
<b>Financial liabilities at fair value through Profit or Loss</b>					
Forward contract payable	2,72.20	2,72.20	-	2,72.20	-
	<b>2,72.20</b>	<b>2,72.20</b>	-	<b>2,72.20</b>	-

	Carrying amount As at March 31, 2016	Fair value As at March 31, 2016	Fair value hierarchy		
			Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
<b>Loans (non-current)</b>					
Deposits for premises (Refer Note 6)	5,25.38	5,25.38	-	-	5,25.38
Against tenders (Refer Note 6)	95.24	95.24	-	-	95.24
Other financial assets (Refer Note 7)	13,25.43	13,25.43	-	-	13,25.43
	<b>19,46.05</b>	<b>19,46.05</b>	-	-	<b>19,46.05</b>
<b>Financial liabilities at fair value through Profit or Loss</b>					
Forward contract payable	1,74.13	1,74.13	-	1,74.13	-
	<b>1,74.13</b>	<b>1,74.13</b>	-	<b>1,74.13</b>	-

	Carrying amount	Fair value	Fair value hierarchy		
	As at April 1, 2015	As at April 1, 2015	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
<b>Loans (non-current)</b>					
Deposits for premises (Refer Note 6)	6,66.77	6,66.77	-	-	6,66.77
Against tenders (Refer Note 6)	12.63	12.63	-	-	12.63
Other financial assets (Refer Note 7)	11,91.19	11,91.19	-	-	11,91.19
<b>Financial assets at fair value through Profit or Loss</b>					
Forward contract receivable	7.98	7.98	-	7.98	-
	18,78.57	18,78.57	-	7.98	18,70.59

The following methods and assumptions were used to estimate the fair values :

Fair value of cash and bank balances, short term loans, trade and other short term receivables, trade payables, other financial current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2016.

During the reporting period ending March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique :**

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair values of the foreign exchange forward contract has been determined using valuation techniques with adequate observable inputs. This model incorporate various inputs including the credit quality of counter parties and foreign exchange forward rates.

**Description of significant unobservable inputs to valuation (Level 3) :**

The following table shows the valuation techniques and inputs used for financial instruments that are not carried at fair value :

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deposits for premises	<b>Discounted cashflow method using interest rate for similar financial instrument</b>	Discounted cashflow method using interest rate for similar financial instrument	Discounted cashflow method using interest rate for similar financial instrument
(b) Financial assets/liabilities other than (a) above.	<b>Expected Cash Flow for the financial instruments</b>	Expected Cash Flow for the financial instruments	Expected Cash Flow for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

#### 44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

##### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below :

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks.

(All amounts in ₹ Lakhs, unless otherwise stated)

	Carrying amount		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Fixed rate instruments</b>			
Financial Assets	<b>1047,60.00</b>	772,10.00	603,67.36

##### Fair value sensitivity analysis for fixed rate instruments :

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

The Company's exposure to foreign currency risk is as follows :

	(₹ in Lakhs)					
	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	USD	Euro	USD	Euro	USD	Euro
Trade receivables	<b>5,93.36</b>	-	5,25.83	-	12,42.67	-
Other financial assets	<b>2,73.57</b>	<b>9,42.12</b>	1,88.06	5,24.14	2,86.46	2,39.24
Trade payables	<b>109,08.70</b>	<b>6,02.97</b>	78,86.53	4.42	10,13.31	6.92
Other financial liabilities	<b>18.26</b>	-	32.92	-	67.75	-

##### Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, being the most transacted currencies, with all other variables held constant. The exchange rate between Rupee and USD/Euro has changed substantially in the recent years and may fluctuate substantially in the future. Consequently the results of the Company's operations could be affected as the Rupee appreciates/depreciates against these currencies.

(All amounts in ₹ Lakhs, unless otherwise stated)

Currency	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(1,00.60)	1,00.60	(72.05)	72.05	26.10	(26.10)
Euro	3.39	(3.39)	5.20	(5.20)	2.46	(2.46)
Increase/(Decrease) in Profit or Loss	(97.21)	97.21	(66.85)	66.85	28.56	(28.56)

**(b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balance with banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 1332,56.90 Lakhs as at March 31, 2017 (March 31, 2016 : ₹ 1033,72.28 Lakhs and April 1, 2015 : ₹ 822,00.57 Lakhs). Customer credit risk is managed for each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Further, significant sales of the Company are against advance payment/collection on delivery terms. Outstanding customer receivables are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The credit risk on liquid funds such as balances with banks in current and deposit accounts is limited because the counter parties are banks with reasonably high credit ratings.

The aging of trade receivables at the reporting dates was:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Gross	Provision	Gross	Provision	Gross	Provision
Not yet due	150,40.47	-	119,79.31	-	105,84.35	-
Past due 1-30 days	18,05.22	7.02	14,76.45	5.74	11,57.48	4.50
Past due 31-60 days	2,79.37	0.85	2,47.38	0.76	4,11.22	1.26
Past due 61-90 days	2,59.68	31.60	2,61.74	31.85	3,19.52	38.89
Over 90 days	12,14.94	11,37.83	17,45.30	11,69.81	17,15.77	12,28.86
	185,99.68	11,77.30	157,10.18	12,08.16	141,88.34	12,73.51

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

Financial assets other than trade receivables and bank balances are not exposed to any material credit risk.

**(c) Liquidity risk**

Liquidity Risk is the risk that company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company

manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

As at March 31, 2017, the Company's financial liabilities of ₹ 515,75.53 Lakhs (March 31, 2016 : 282,63.91 Lakhs and April 1, 2015 : 585,17.09 Lakhs) are all current and due in next financial year.

**45. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2017 and March 31, 2016.

**46. FIRST TIME ADOPTION OF IND AS**

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with guidance prescribed in Ind AS 101 'First-time adoption of Indian Accounting Standards'. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

**Ind AS 101 Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per Previous GAAP and use that as its deemed cost at the date of transition after making necessary adjustments for decommissioning liability. This exemption is also used for intangible assets covered under Ind AS 38 'Intangible assets'. Accordingly, the Company has opted to consider the carrying value for all of its Property, plant and equipments and intangibles as recognised in its Previous GAAP financials as its deemed cost at the transition date.
- The Company is allowed to apply Ind AS 102 'Share-based payment' to equity instruments that remain unvested as of transition date. Accordingly, the Company has not applied Ind AS 102 to equity instruments in Share-based payment transactions pertaining to employees stock options plan (Refer Note 39 (b)) that vested before April 1, 2015.
- Appendix C to Ind AS 17 'Leases' requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemptions and has done the assessment of lease in contracts based on conditions as prevailing at the date of transition.

**Estimates**

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

## RECONCILIATION OF EQUITY AS AT APRIL 1, 2015 (DATE OF TRANSITION TO IND AS)

(All amounts in ₹ Lakhs, unless otherwise stated)

	Footnotes	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		93,05.76	-	93,05.76
Capital work-in-progress		2,99.64	-	2,99.64
Other intangible assets		2,97.85	-	2,97.85
Intangible assets under development		91.46	-	91.46
Financial assets				
Loans		6,79.40	-	6,79.40
Other financial assets	1	13,39.63	(1,48.44)	11,91.19
Deferred tax assets (net)	8	6,52.68	94.83	7,47.51
Other non-current assets	5	4,04.77	18.93	4,23.70
<b>Total Non-current Assets</b>		<b>130,71.19</b>	<b>(34.68)</b>	<b>130,36.51</b>
<b>Current Assets</b>				
Inventories		384,13.09	-	384,13.09
Financial assets				
Trade receivables		129,14.83	-	129,14.83
Cash and cash equivalents		48,99.71	-	48,99.71
Bank balance other than cash and cash equivalents		594,89.65	-	594,89.65
Loans	5	86.74	(21.22)	65.52
Other financial assets		29,61.03	-	29,61.03
Current tax assets (net)		16,80.64	-	16,80.64
Other current assets	3, 12	38,46.22	(652.75)	31,93.47
<b>Total Current Assets</b>		<b>1242,91.91</b>	<b>(6,73.97)</b>	<b>1236,17.94</b>
<b>TOTAL ASSETS</b>		<b>1373,63.10</b>	<b>(7,08.65)</b>	<b>1366,54.45</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		21,24.93	-	21,24.93
Other equity	1,2,3,4,5,8,12	916,25.92	77,49.13	993,75.05
<b>Total Equity</b>		<b>937,50.85</b>	<b>77,49.13</b>	<b>1014,99.98</b>
<b>Non-current Liabilities</b>				
Provisions	1	39,16.20	(4,68.12)	34,48.08
<b>Total Non-current Liabilities</b>		<b>39,16.20</b>	<b>(4,68.12)</b>	<b>34,48.08</b>
<b>Current Liabilities</b>				
Financial liabilities				
Trade payables		193,55.88	-	193,55.88
Other financial liabilities	12	39,77.57	(61.36)	39,16.21
Other current liabilities		19,59.27	-	19,59.27
Provisions	2	131,76.42	(79,28.30)	52,48.12
Current tax liabilities (net)		12,26.91	-	12,26.91
<b>Total Current Liabilities</b>		<b>396,96.05</b>	<b>(79,89.66)</b>	<b>317,06.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1373,63.10</b>	<b>(7,08.65)</b>	<b>1366,54.45</b>

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

## RECONCILIATION OF EQUITY AS AT MARCH 31, 2016

(All amounts in ₹ Lakhs, unless otherwise stated)

	Footnotes	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		105,89.47	-	105,89.47
Capital work-in-progress		1,90.80	-	1,90.80
Other intangible assets		2,56.19	-	2,56.19
Intangible assets under development		92.62	-	92.62
Financial assets				
Loans		6,20.62	-	6,20.62
Other financial assets	1	14,95.60	(1,70.17)	13,25.43
Deferred tax assets (net)	8	8,57.34	81.35	9,38.69
Other non-current assets	5	25,51.21	22.56	25,73.77
<b>Total Non-current Assets</b>		<b>166,53.85</b>	<b>(66.26)</b>	<b>165,87.59</b>
<b>Current Assets</b>				
Inventories		370,10.29	-	370,10.29
Financial assets				
Trade receivables		145,02.02	-	145,02.02
Cash and cash equivalents		140,19.08	-	140,19.08
Bank balance other than cash and cash equivalents		699,23.11	-	699,23.11
Loans	5	2,33.96	(24.62)	2,09.34
Other financial assets		27,73.47	-	27,73.47
Current tax assets (net)		12,91.41	-	12,91.41
Other current assets	3,12	59,99.73	(6,65.25)	53,34.48
<b>Total Current Assets</b>		<b>1457,53.07</b>	<b>(6,89.87)</b>	<b>1450,63.20</b>
<b>TOTAL ASSETS</b>		<b>1624,06.92</b>	<b>(7,56.13)</b>	<b>1616,50.79</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		21,24.93	-	21,24.93
Other equity	1,2,3,4,5,8,12	1086,37.38	87,97.59	1174,34.97
<b>Total Equity</b>		<b>1107,62.31</b>	<b>87,97.59</b>	<b>1195,59.90</b>
<b>Non-current Liabilities</b>				
Provisions	1	43,94.73	(5,31.19)	38,63.54
<b>Total Non-current Liabilities</b>		<b>43,94.73</b>	<b>(5,31.19)</b>	<b>38,63.54</b>
<b>Current Liabilities</b>				
Financial liabilities				
Trade payables		230,14.05	-	230,14.05
Other financial liabilities	12	53,21.09	(71.23)	52,49.86
Other current liabilities		34,39.94	-	34,39.94
Provisions	2	149,42.35	(89,51.30)	59,91.05
Current tax liabilities (net)		5,32.45	-	5,32.45
<b>Total Current Liabilities</b>		<b>472,49.88</b>	<b>(90,22.53)</b>	<b>382,27.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1624,06.92</b>	<b>(7,56.13)</b>	<b>1616,50.79</b>

\* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

**RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(All amounts in ₹ Lakhs, unless otherwise stated)

	Footnotes	Previous GAAP	Adjustments	Ind AS
<b>INCOME</b>				
Revenue from operations	1,6,11	2628,42.13	17,22.04	2645,64.17
Other income	5	50,44.24	14.45	50,58.69
<b>TOTAL INCOME</b>		<b>2678,86.37</b>	<b>17,36.49</b>	<b>2696,22.86</b>
<b>EXPENSES</b>				
Cost of materials consumed		312,77.73	-	312,77.73
Purchases of stock-in-trade	11	1180,43.39	(16,04.98)	1164,38.41
Changes in inventories of finished goods, stock-in-trade and work-in-progress		14,86.50	-	14,86.50
Excise duty on sales	6	-	31,13.74	31,13.74
Employee benefits expense	4,7	336,98.50	4,10.24	341,08.74
Finance cost	1	80.53	1,71.96	2,52.49
Depreciation and amortisation expense		14,44.08	-	14,44.08
Other expenses	3,5	416,83.18	16.84	417,00.02
<b>TOTAL EXPENSES</b>		<b>2277,13.91</b>	<b>21,07.80</b>	<b>2298,21.71</b>
<b>PROFIT BEFORE TAX</b>		<b>401,72.46</b>	<b>(3,71.31)</b>	<b>398,01.15</b>
<b>TAX EXPENSES</b>				
Current tax expense		143,72.57	-	143,72.57
Tax adjustment for earlier years		41.78	-	41.78
Deferred tax (credit)	8	(2,04.66)	66.46	(1,38.20)
<b>TOTAL TAX EXPENSES</b>		<b>142,09.69</b>	<b>66.46</b>	<b>142,76.15</b>
<b>PROFIT FOR THE YEAR</b>		<b>259,62.77</b>	<b>(4,37.77)</b>	<b>255,25.00</b>
<b>Other Comprehensive Income*</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Re-measurement gains/(losses) of post employment benefit plan	7	-	(1,53.09)	(1,53.09)
Income tax on above	7	-	52.98	52.98
<b>Total Other Comprehensive Income, net of tax</b>		<b>-</b>	<b>(1,00.11)</b>	<b>(1,00.11)</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>259,62.77</b>	<b>(5,37.88)</b>	<b>254,24.89</b>

\* Under the Previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expenses, gains or losses are required to be presented in Other Comprehensive Income.

**FOOTNOTES TO THE RECONCILIATION OF EQUITY AS AT APRIL 1, 2015 AND MARCH 31, 2016 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2016****1 Discounting of provisions**

Under Previous GAAP, the Company has accounted for provisions, including long term provisions, at the undiscounted amount. In contrast, Ind AS 37 'Provisions, contingent liabilities and contingent assets' requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. This led to a decrease in provision on the date of transition by ₹ 4,68.12 Lakhs (March 31, 2016 : ₹ 5,31.19 Lakhs) and which was adjusted against retained earnings.

A corresponding decrease of ₹ 1,48.44 Lakhs (March 31, 2016 : ₹ 1,70.17 Lakhs) is recognised in other non-current financial assets which represents the reimbursable portion of the above provision.

During the year ended March 31, 2016, the Company has recognised ₹ 41.32 Lakhs in the Statement of Profit and Loss on account of discounting of provisions, of which ₹ 2,13.28 Lakhs is added back to revenue and ₹ 1,71.96 Lakhs is added to finance cost.

**2 Proposed dividend**

Under Previous GAAP, proposed dividends including Dividend Distribution Tax (DDT) are recognised as a liability in the year to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the year in which it is declared by the Company (usually when approved by the shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after year end. Therefore, the liability of ₹ 79,28.30 Lakhs for the year ended March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 1, 2015. The proposed dividends for the year ended on March 31, 2016 of ₹ 89,51.30 Lakhs recognised under Previous GAAP was reduced from other payables with the corresponding impact in the retained earnings.

**3 Reversal of sample inventory**

Under Ind AS 2 'Inventories', the cost of production of the samples have to be expensed as and when manufactured/procured and are not to be carried forward in the Balance Sheet as 'Other current assets' as the same does not meet the definition of an asset. Hence, sample inventory of ₹ 5,91.39 Lakhs as on the transition date and ₹ 5,94.01 Lakhs as on March 31, 2016 have been reversed with corresponding impact in retained earnings respectively and on account of above, ₹ 2.62 Lakhs is debited in the Statement of Profit and Loss.

**4 Employee share based compensation**

Share options issued by Abbott Laboratories, USA to employees of the Company have to be treated as equity settled plan under Ind AS 102 'Share-based payments'. Accordingly, the Company has recognised grant date fair value of the award over the vesting period with corresponding credit to equity contribution by the parent. Impact due to recognition of fair value as on transition date i.e. April 1, 2015 is ₹ 2,74.87 Lakhs and as on March 31, 2016 is ₹ 5,63.33 Lakhs.

**5 Amortisation of security deposit**

Under Ind AS 17 'Leases', security deposits paid are measured at amortised cost. This led to a recognition of non-current deferred lease asset of ₹ 18.93 Lakhs on the transition date (March 31, 2016 : 22.56 Lakhs). Also, a decrease of ₹ 21.22 Lakhs (March 31, 2016 : ₹ 24.62 Lakhs) is recognised in Current Financial Assets - Loans as adjustments to security deposit due to their measurement at amortised cost. Net impact of ₹ 2.29 Lakhs (March 31, 2016 : ₹ 0.23 Lakhs) is adjusted against retained earnings on transition date.

During the year ended March 31, 2016, the Company has expensed out deferred lease expenses of ₹ 14.22 Lakhs and recorded interest income on security deposit of ₹ 14.45 Lakhs.

**6 Excise duty**

Under Previous GAAP, sale of goods was presented as net of excise duty. However, under Ind AS 18 'Revenue', sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased by ₹ 31,13.74 lakhs with a corresponding increase in expenses.

**7 Employee benefits expense**

As per Ind AS 19 on 'Employee Benefits', actuarial gains and losses on post retirement defined benefits of ₹ 1,53.09 Lakhs and tax thereon of ₹ 52.98 Lakhs are recognised in other comprehensive income and not reclassified to the Statement of Profit and Loss in the subsequent period.

**8 Deferred taxes**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 'Income taxes', requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP. In addition, the various transitional adjustments led to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings. On the date of transition, the net impact in deferred tax assets is of ₹ 94.83 Lakhs (March 31, 2016 : ₹ 81.35 Lakhs)

During the year ended March 31, 2016, net decrease in deferred tax of ₹ 66.46 Lakhs is debited to Statement of Profit and Loss.

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
 Joint Shareholders may obtain additional slip at the Venue of the Meeting

**9 Other comprehensive income**

Under Previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Previous GAAP profit to total comprehensive income as per Ind AS 1 'Presentation of financial statements'.

**10 Statement of Cash Flows**

The transition from Previous GAAP to Ind AS did not have a material impact on the Statement of Cash Flows.

**11 Cash discount**

Under Previous GAAP, cash discount was disclosed under revenue from operations under 'Revenue from operations'. As per Ind AS 2 'Inventories', cash discount is to be netted off against purchases during the year. Accordingly, cash discount of ₹ 16,04.98 Lakhs for the year ended March 31, 2016 has been regrouped.

**12 Regroupings**

Balance of ₹ 61.36 Lakhs and ₹ 71.23 Lakhs are on account of regroupings in the Previous GAAP for the year ended March 31, 2015 and March 31, 2016 respectively.

**46A. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The standards issued, but not yet effective upto the date of issuance of the Company's financial statements is disclosed below. The Company shall adopt this standard when it becomes effective.

**a) Ind AS 115 'Revenue from Contracts with Customers'**

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard may supersede few revenue recognition practices under current Ind AS. The Company is in the process of analysing the impact of the proposed standard. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company shall adopt the new standard on the required effective date.

**b)** In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 102 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 'Statement of Cash Flows' and IFRS 2 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

**Amendment to Ind AS 7 :**

The amendment to Ind AS 7 'Statement of Cash Flows', requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its effect on the financial statements.

**Amendment to Ind AS 102 :**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is currently not having any cash settled share based payments. No impact is currently foreseen.

47 The Company has bank overdraft arrangement secured by hypothecation of all stocks and book debts, against which there are no borrowings.

48 The Previous GAAP figures have been reclassified to conform to current year's Ind AS presentation requirements.

As per our report of even date For <b>S R B C &amp; CO LLP</b> Chartered Accountants ICAI Firm Registration No. 324982E/E300003  per <b>RAVI BANSAL</b> Partner Membership No. 49365 Place : Mumbai Date : May 19, 2017	For and on behalf of the Board of Directors  <table border="0"> <tr> <td style="width: 50%;"><b>AMBATI VENU</b> Managing Director DIN : 07614849</td> <td style="width: 50%;"><b>RANJAN KAPUR</b> Director DIN : 00035113</td> </tr> <tr> <td><b>RAJIV SONALKER</b> Chief Financial Officer Place : Mumbai Date : May 19, 2017</td> <td><b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536</td> </tr> </table>	<b>AMBATI VENU</b> Managing Director DIN : 07614849	<b>RANJAN KAPUR</b> Director DIN : 00035113	<b>RAJIV SONALKER</b> Chief Financial Officer Place : Mumbai Date : May 19, 2017	<b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536
<b>AMBATI VENU</b> Managing Director DIN : 07614849	<b>RANJAN KAPUR</b> Director DIN : 00035113				
<b>RAJIV SONALKER</b> Chief Financial Officer Place : Mumbai Date : May 19, 2017	<b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536				

No. of shares held : ..... Registered Folio No./ DP ID/ Client ID\* : .....

I certify that I am a Member/Proxy for the Member of the Company.

I hereby record my presence at the **Seventy-third Annual General Meeting** of the Company held on Tuesday, July 18, 2017 at 3.30 p.m. at RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai, Maharashtra 400 020.

.....  
 Name of the Member/Proxy  
 (in BLOCK letters)

.....  
 Signature of the Member/Proxy

\*Applicable for Members holding shares in electronic form.

**ABBOTT INDIA LIMITED**

Corporate Identification Number (CIN) : L24239MH1944PLC007330  
 Registered Office : 3-4, Corporate Park, Sion-Trombay Road, Mumbai - 400 071  
 Tel. : +91-22-6797 8888/+91-22-3816 2000 Fax : +91-22-6797 8727/+91-22-3816 2400  
 Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) Website : [www.abbott.co.in](http://www.abbott.co.in)

**PROXY FORM**

FORM-MGT 11

[pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) : ..... Folio No/ Client Id\* : .....

Registered address : ..... DP ID\* : .....

E-mail Id : .....

\* Applicable for Members holding shares in electronic form.

I/We, being the Member(s) of ..... shares of Abbott India Limited, hereby appoint :

- Name : .....  
 Address : .....  
 E-mail ID : ..... Signature : ..... , or failing him/her
- Name : .....  
 Address : .....  
 E-mail ID : ..... Signature : ..... , or failing him/her
- Name : .....  
 Address : .....  
 E-mail ID : ..... Signature : ..... , or failing him/her

as my/our proxy to and vote (on a poll) for me/us and on my/our behalf at the Seventy-third Annual General Meeting of the Company, to be held on Tuesday, July 18, 2017 at 3.30 p.m. at RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai, Maharashtra 400 020 and at any adjournment thereof in respect of such resolutions as indicated below :

**ORDINARY RESOLUTIONS**

- To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.
- To declare a final Dividend of ₹ 40/- per share for the financial year ended March 31, 2017.
- To appoint a Director in place of Mr Bhaskar Iyer (DIN : 00480341), who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr Sachin Dharap (DIN : 00785700), who retires by rotation and, being eligible, offers himself for re-appointment.
- To ratify the appointment of S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003) as Statutory Auditors to hold office till the conclusion of Seventy-fourth Annual General Meeting.
- To ratify remuneration of ₹ 6.65 Lakhs payable to M/s Kishore Bharia & Associates (Registration No. 00294), Cost Auditors for the financial year 2017-18.
- To appoint Mr Ambati Venu (DIN : 07614849) as Director and Managing Director for a period of 5 years effective September 29, 2016, not liable to retire by rotation.
- To approve Related Party Transactions with Abbott Healthcare Private Limited.

Signed this ..... day of ..... 2017

Affix  
 Revenue  
 Stamp

Signature of Member

Signature of Proxy Holder(s)

# 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 Member(s) 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  
Ambati Venu, Managing Director  
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

Ambati Venu, Managing Director  
Rajiv Sonalker, Group Finance Director (CFO)  
Milind Tendulkar, Commercial Director  
Sandeep Khandelwal, Commercial Director  
Ramanathan V, Commercial Director  
Burjor Dadachanji, Commercial Director  
Nitu Bhushan, Director – Human Resources  
Dr. Rashmi Hegde, Director – Medical  
Mahadeo Karnik, Director – Finance

## 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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

16<sup>th</sup> Floor, Godrej BKC,  
Plot C – 68, “G” Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051

## 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: +91-40-67162222,  
Fax No: +91-40-23431551

**ABBOTT INDIA LIMITED**

**CIN : L24239MH1944PLC007330**

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

**© ABBOTT INDIA LIMITED ALL RIGHTS RESERVED. REPRODUCTION IN WHOLE OR PART WITHOUT  
WRITTEN PERMISSION IS STRICTLY PROHIBITED.**

