



Abbott India Ltd  
Godrej BKC, Plot C-68, G. Block,  
15-16th Floor, BKC,  
Near MCA Club, Bandra (E),  
Mumbai - 400 051. India

Registered Office:  
3, 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 : L24239MH1944PLCO07330

To,

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

June 23, 2018

Scrip Code: 500488

Dear Sir,

**Sub: Submission of Annual Report for the year ended March 31, 2018 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, 2018.

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'.

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



**Encl: a/a**



**Abbott**

# **PUSHING BOUNDARIES STAYING AHEAD**

**Abbott India Limited | Annual Report 2017-18**



Scan the QR code or download  
"Abbott India Ltd Annual Report"  
(AR app)\* from Playstore to view  
the augmented 3D experience on  
this page



\*The AR app shall go live on July 18, 2018.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Munir Shaikh** - Chairman  
**Ambati Venu** - Managing Director  
**R A Shah** - Independent Director  
**Krishna Mohan Sahni** - Independent Director  
**Anisha Motwani** - Independent Director  
**Jawed Zia** - Non-Executive Director  
**Kaiyomarz Marfatia** - Non-Executive Director  
**Rajiv Sonalker** - CFO and Whole-time Director

### KEY MANAGEMENT TEAM

**Ambati Venu** - Managing Director  
**Rajiv Sonalker** - CFO and Whole-time Director  
**Sandeep Khandelwal** - Commercial Director  
**Milind Tendulkar** - Commercial Director  
**Ramanathan V** - Commercial Director  
**Burjor Dadachanji** - Commercial Director  
**Nitu Bhushan** - Director - Human Resources  
**Mahadeo Karnik** - Director - Finance  
**Dr Srirupa Das** - Director - Medical Affairs  
**Dr Vijay Patil** - Associate Director - NPI and TAS

### COMPANY SECRETARY

Krupa Anandpara

### STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants

### INTERNAL AUDITORS

M/s KPMG, Chartered Accountants

### COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants

### SECRETARIAL AUDITOR

Ms Neena Bhatia, Practicing Company Secretary

### FORWARD - LOOKING STATEMENT

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

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

### REGISTERED OFFICE

3, Corporate Park  
Sion - Trombay Road  
Mumbai - 400 071  
Tel No: +91-22-6797 8888  
Fax: +91-22-6797 8727  
Email: [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

### CORPORATE OFFICE

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

### FACTORY

L-18/19, Verna Industrial Estate, Goa

### REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited  
Karvy Selenium Tower B  
Plot 31-32, Gachibowli  
Financial District  
Nanakramguda  
Hyderabad - 500 032  
Tel No: +91-40-6716 2222  
Fax No: +91-40-2344 0674

### ANNUAL GENERAL MEETING

Date: July 18, 2018, Wednesday  
Time: 3:30 p.m.  
Venue: RAMA WATUMULL AUDITORIUM  
K C College, 124, Dinshaw Wachha Road  
Vidyasagar Prin. K. M. Kundnani Chowk  
Churchgate, Mumbai - 400 020

## TABLE OF CONTENTS

### 02

ABBOTT INDIA

### 05

CHAIRMAN'S MESSAGE

### 09

MANAGING DIRECTOR'S MESSAGE

### 12

PUSHING BOUNDARIES, STAYING AHEAD

13 | Accelerated Growth Delivers Business Performance  
22 | Future-Focused  
32 | Culture of Collaboration

### 42

AWARDS

### 44

STATUTORY REPORTS

44 | Board of Directors Report and Management  
Discussion And Analysis  
72 | Business Responsibility Report  
84 | Corporate Governance Report

### 96

FINANCIAL REPORTS

96 | Independent Auditor's Report  
102 | Balance Sheet  
103 | Statement of Profit and Loss  
104 | Statement of Changes in Equity  
105 | Statement of Cash Flow  
107 | Notes to the Financial Statements

### 146

NOTICE

## ON THE COVER - FEEL THE EXPERIENCE

Digital is at the heart of most innovations at Abbott India. The cover provides an augmented 3D experience, which would allow you to step inside our journey, feel the exuberance and get a glimpse of how we push boundaries and stay ahead. Every Single Day.

Download the App "Abbott India Ltd Annual Report" (AR app) from Google Playstore.   
The AR app shall go live on the date of Annual General Meeting - July 18, 2018.



# ABBOTT INDIA

## HELPING PEOPLE LEAD THE BEST LIFE THROUGH GOOD HEALTH

Abbott India, part of Abbott's Global Pharmaceutical business, is one of India's most admired and fastest-growing pharmaceutical companies.

We, at Abbott India, provide consumers with market-leading, trusted, global and local products across various therapeutic categories such as Women's Health, Gastroenterology, CNS, Metabolics, General Care, Vitamins, Vaccines, etc.

## WHAT MAKES US UNIQUE?

### IN INDIA, FOR INDIA

Our products are manufactured in India and also sourced from local third-party manufacturers in India. We have a manufacturing facility at Goa and are engaged with over 40 third-party manufacturers in India.

### LOCAL R&D FOR LOCALIZED SOLUTIONS

Our in-house development and medical teams work passionately to advance health by addressing the country's unique challenges. We launched over 65 new products during the last five years for meeting the increasing healthcare needs of society.

### EXPANSIVE HEALTH NETWORK

Our mission to enhance the health and well-being of Indians extends beyond our products to innovative methodologies and platforms across distribution channels. Through the distribution network of over 25 carrying and forwarding service providers and hubs, we reach out to millions of Indians.

### A LEGACY OF EXCELLENCE

From creating an excellent workplace to making a positive impact on the health of people, we are proud of the work we do in India with the help of over 3,300 talented people.



Try the augmented experience on this page through the AR app.



# THIS IS ABBOTT INDIA

WE PROVIDE TOMORROW'S  
HEALTHCARE SOLUTIONS TODAY  
AND CONTINUE TO OUTPERFORM



## CHAIRMAN'S MESSAGE

A HOLISTIC APPROACH TOWARDS  
GROWTH, DEVELOPMENT, HEALTH  
AND WELLNESS



We, at Abbott India, are redoubling our efforts to make quality branded pharmaceutical products accessible to more people in the country. We launched 21 new products this year and are gearing up to introduce over 100 new products in the next five years. Our efforts to spread education and awareness about various diseases are also intensifying. Our knowledge sharing initiatives with Healthcare Professionals - doctors, medical fraternities and pharmacists - are also expanding. Our commitment to helping people unlock life's possibilities through the power of health - reflected in **LIFE. TO THE FULLEST.** - is a commitment that is intrinsically aligned with a prosperous and healthy India.

**MUNIR SHAIKH**  
Chairman

## Dear Shareholders,

We, at Abbott India, have always worked with a dual focus – The first is our mission to help people lead healthier and better lives and the second is to continuously reward our shareholders by excelling in our financial and business performance. Your Company successfully accomplished both these objectives. Once again, we achieved a remarkable Sales growth of 12.8% over the prior year, which was 1.6 times# the market growth.

As I look back, this was a landmark year for economies across the globe and India. As per the IMF, the world economy posted a growth of 3.8% in 2017, with a notable rebound in global trade. At US \$2.6 trillion, the Indian economy became the sixth largest in the world. The country is well positioned to accelerate its growth to 7.4% in the current fiscal and to 7.8% next year, as it recovers from the twin impacts of demonetisation and GST roll out.

The Indian Pharmaceutical Market is estimated to be about 3.3% of the global Pharmaceutical Industry in value and 10% in volume. This is expected to grow to US \$55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally.



The Government of India has taken significant steps towards the promotion of this industry in India. ‘Pharma Vision 2020’ aims at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. The single-window facility has been announced to expedite new drug approvals and is expected to give a push to the “Make in India” initiative.

During the year, all our business units performed well and contributed to the overall success of the Company. Eight out of our top ten products remained at No 1\* in their respective therapy segments and these ten products contributed to over 70% of the core business.

Your Directors have proposed a final dividend of ₹50 and special dividend of ₹5 per equity share of ₹10 each for the year ended March 31, 2018.

We, at Abbott India, are redoubling our efforts to make quality branded pharmaceutical products accessible to more people in the country. We launched 21 new products this year and are gearing up to introduce over 100 new products in the next five years. Our efforts to spread education and awareness about various diseases are also intensifying. Our knowledge sharing initiatives with Healthcare Professionals - doctors, medical fraternities and pharmacists - are also expanding. Our commitment to helping people unlock life’s possibilities through the power of health - reflected in LIFE. TO THE FULLEST. - is a commitment that is intrinsically aligned with a prosperous and healthy India.

In order to deepen our patient commitment, we are foraying into sub-therapies within our established therapeutic domains. Our beyond-the-pill orientation is aimed at giving much more than just medicine to our customers.

Our emphasis is on creating a sustainable growth blueprint, which is futuristic and viable. Our constant focus on innovation, diversifying the product portfolio, maintaining brand excellence, technology driven initiatives and value-added

knowledge sharing initiatives will further strengthen your Company’s positioning as a committed, capable and compassionate organisation.

Your Company truly values its employees. We have an employee pool of over 3,300 talented and committed workforce, which is one of our most valuable assets. Their hard work and commitment has helped the Company to push all boundaries and stay ahead of the curve, even in a very volatile and competitive environment. Altogether, we have a holistic approach towards growth, development, health and wellness.

I am proud to announce that your Company also won several prestigious awards this year including the most prestigious “Best Companies To Work For” by Business Today.

We sincerely recognise the contributions of our business partners and continue rewarding them in various ways. For instance, we were the first company to compensate our stockists to cover their losses on account of transition to GST, thereby also ensuring continuous availability of medicines at the market place. Such initiatives help us build long lasting relationships with our business partners.

Next year will mark the completion of 75 years of your Company in India - another landmark in our history. We have once again developed strong strategies to ensure our business continues to outperform. Our focus remains on entering new, high-potential therapy areas while maintaining leadership in the areas we dominate. We will continue to push in under leveraged geographies and rural markets and remain committed to be responsive and agile.

With deep regret, we inform you about the untimely demise of Mr Ranjan Kapur. We sincerely appreciate him for his significant contributions. Mr Bhasker Iyer and Ms Nancy Berce resigned as Directors upon their retirement from Abbott. We thank them for their contributions and wish them good health and success in their future endeavours. We welcome Ms Anisha Motwani and Mr Jawed Zia, who have recently joined the Board.



On behalf of the entire Board, I thank all our valued partners – our bankers, doctors, pharmacists and vendors who have always been very supportive and important contributors to our success.

I am also thankful to all members of the Abbott family - our customers, employees and above all, our shareholders who have continued to place faith in the Management of the Company.

**MUNIR SHAIKH**  
Chairman



Try the augmented experience on this page through the AR app.

PUSHING  
BOUNDARIES,  
STAYING AHEAD

# MANAGING DIRECTOR'S MESSAGE

PLAYING ON A STRONG WICKET



**Our Sales growth of 12.8% was driven by multiple business imperatives. The first and foremost was restructuring our product portfolio into key business areas – Women's Health, Gastroenterology, Consumer Care, CNS, Metabolics, General Care and Vaccines. Among these, Women's Health grew by 19.1%, Vaccines grew by 59.7% and Metabolics grew by 15.3%.**



**AMBATI VENU**  
Managing Director

## Dear Shareholders,

The promise of enabling fuller, healthier lives is worth pursuing in every possible way, every single day. At Abbott India, we continue to intensify our commitment to fulfil the promise of human potential by helping people achieve their best health at every stage of their life. We have had yet another year of excellent performance and I am happy to share the highlights with you through this Annual Report 2017-18.

### Powerful business performance

We know how to deliver high-quality healthcare, and our heritage is proof that we are committed for the long-term. Our Sales growth of 12.8% was driven by multiple business imperatives. The first and foremost was restructuring our product portfolio into key business areas – Women’s Health, Gastroenterology, Consumer Care, CNS, Metabolics, General Care and Vaccines. Among these, Women’s Health grew by 19.1%, Vaccines grew by 59.7% and Metabolics grew by 15.3%. Clearly, the foundation of our business, is our brands and our people.

Our brands are trusted by millions of patients and doctors across therapies. All our key brands have shown strong growth during the year and continue to lead in the market place.

### Relentless drive

We continued to take on the mantle of launching market shaping initiatives in collaboration with cross-industry players and technology partners, even when we encountered challenging circumstances on a few fronts.

In less than 8 months, the Indian economy encountered two powerful disruptors, both of which would go on to become positive enablers of economic growth and formalization, but we emerged stronger with renewed focus on core operational excellence. We introduced multiple first-in-industry moves and counter-moves that ensured that economic changes did not come in the way of expectations.

We have an endless drive to bring meaningful innovation to our markets – 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, exceptional growth.

At Abbott India, our 360 degree efforts to further and fortify our brand leadership in the chosen therapies helped us deliver another market beating performance in the year gone by. At ₹3,424 Crores, our Total Revenues grew by 14.3%.

A Net Profit of ₹401 Crores, our highest ever profit, reflected a growth of about 45% over the previous year. With our relentless efforts and differentiated approach, we consistently remain ahead of the market.

### Enriching the lives of our patients

We continued our engagement with patients. During the last year, we were able to vaccinate over 20 Lakh people against Swine Flu and conducted Thyroid screening for over 21 Lakh people pan-India.

### Real Film. Real Heroes

We also continued to strengthen our brand identity, through our much appreciated campaign “Real Film. Real Heroes”, depicting how breakthrough innovations from Abbott have helped people live fuller and healthier lives. The campaign, coupled with our value-added knowledge sharing initiatives, has ensured that the Company remains at the forefront with consumers and Healthcare Professionals.

### Beyond Pills

We are here to help people lead fuller, healthier lives. And in this mission, it is imperative for us to gain patient insights. We also leverage technology to connect and engage with various stakeholders. Notable initiatives include Thyroweight, the country’s largest Thyroid Awareness program where we reached 3.5 Crore people this year and the Mothers against Influenza (MAI) campaign that aimed at increasing awareness about the need for vaccination. Another high impact campaign in the year was breaking taboos with #Constipation Conversations.

### Strong and motivated workforce

Our powerful teams, both in the field and head office, have contributed significantly to the Company’s success. During the year, we introduced various talent management and leadership initiatives aimed at attracting and retaining top talent and empowering them through several development programs.

\* Source: IMS Health

### Future-Focused

As we set our eye on the future, rapid inroads into sub-therapies, accelerated new product launches, innovative marketing and deployment of digital tools, steady deepening of relationships with the doctor, pharmacist, patient trio, continued strengthening and expansion of our brand portfolio, and the collective living of a shared vision by an over 3,300 strong employee pool, will continue to be the central levers of our growth momentum.





I thank you for your continued trust and confidence in our abilities. I congratulate our Abbott India family on scripting another stellar performance in FY 2017-18 and thank my fellow board members for their valuable guidance and contributions. The future looks even more exciting and promising to me and I seek your support to co-create a healthier India and a value-creating company.



**AMBATI VENU**  
Managing Director

## BUSINESS DIVISIONS\*

### Key Brands

 <b>Women’s Health &amp; Gastrointestine (WH &amp; GI), Gastroenterology, GI Prospera and GI Advance</b>	Duphaston   Udiliv Cremaffin   Duphalac   Creon   Heptral
 <b>Specialty Care (Metabolics and Central Nervous System)</b>	Thyronorm   Vertin Prothiaden
 <b>GenNext and Vaccines</b>	Zolfresh   Inluvac Enteroshield   Brufen Arachitol Nano
 <b>Consumer Care</b>	Digene   Citrosoda   Rashfree

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



# PUSHING BOUNDARIES, STAYING AHEAD

We, at Abbott India, have always challenged the limits of what is possible and offered value through our products and services. Our commitment remains to help Indians lead healthier lives.

## 1 |

### ACCELERATED GROWTH DELIVERS BUSINESS PERFORMANCE

Continuing tradition, Abbott India has delivered yet another strong business performance in FY 2017-18.

Total Revenue  
**₹3,424**  
Crores

While overall revenue grew by 14.3% to ₹3,424 Crores in FY 2017-18, profit grew by 45.0%. We have been able to grow at 1.6 times<sup>#</sup> the market, 8\* of our top 10 brands are market leaders in their respective segments.

## 2 |

### FUTURE-FOCUSED

We realise that the business environment is changing rapidly and technology is redefining how we interact with people around us. Abbott India took an important step this year of ensuring a technologically connected organisation with a plan to launch

iPADS  
FOR

Over  
**2,500**

FIELD FORCE

Also, we facilitated better engagement with doctors and patients through technology-led innovative solutions in the form of augmented reality and virtual reality.

## 3 |

### CULTURE OF COLLABORATION

Employees play a vital role in building an inclusive culture across our business operations. Various training and leadership development programs were conducted during the year to help them maximise their potential. The Company reached out to help the broader community through programs such as the iCARE Road Safety Drive, Nirmal Dhara Dairy Project and SEWA, an initiative for creating a Sustainable Healthcare Delivery Model through Livelihoods.

<sup>#</sup> core business

\* Source: IMS Health

# 10 Year Financial Highlights

All amounts in ₹ Lakhs, unless otherwise stated

	PREVIOUS GAAP							IND AS @		
	2008	2009	2010(13M)	2011*	2012	2014 (15M)	2015	2016	2017	2018
<b>OPERATING RESULTS</b>										
TOTAL REVENUE#	701,21	795,93	1031,97	1528,07	1696,93	2358,39	2364,56	2696,23	2996,33	3424,11
MATERIAL COST	454,62	504,17	647,30	861,21	971,65	1297,41	1311,96	1492,03	1712,06	1904,74
EMPLOYEE BENEFIT EXPENSE	48,92	62,37	111,20	167,35	206,20	299,74	305,40	341,09	345,27	393,69
OTHER EXPENSES#	96,32	102,80	168,03	304,32	294,97	444,68	387,40	448,14	484,04	484,19
DEPRECIATION AND AMORTISATION	6,98	9,01	11,25	15,00	19,49	21,93	14,94	14,44	16,43	16,19
FINANCE COST	2	20	4	3	2	8	50	2,52	2,04	3,82
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	94,35	117,38	94,15	180,16	204,60	294,55	344,36	398,01	436,49	621,48
EXCEPTIONAL ITEMS	-	-	-	-	10,39	-	-	-	-	-
PROVISION FOR TAXATION	31,49	39,87	33,21	59,77	70,29	96,10	115,40	142,76	159,84	220,26
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	62,86	77,51	60,94	120,39	144,70	198,45	228,96	255,25	276,65	401,22
EARNING PER SHARE - BASIC & DILUTED (₹)	43.62	56.68	44.56	56.66	68.10	93.39	107.75	120.12	130.19	188.81
DIVIDEND PER SHARE (₹)	14.00	17.00	17.00	17.00	17.00	23.00	31.00	35.00	40.00	55.00**
<b>ASSETS EMPLOYED</b>										
FIXED ASSETS (NET)	50,63	49,15	50,57	80,02	109,18	99,52	99,95	111,29	115,88	83,55
OTHER ASSETS (NET)	171,38	222,41	254,82	464,12	537,68	688,33	837,58	1084,31	1271,06	1609,21
TOTAL ASSETS	222,01	271,56	305,39	544,14	646,86	787,85	937,53	1195,60	1386,94	1692,76
<b>FINANCED BY</b>										
SHARE CAPITAL	13,68	13,68	13,68	21,25	21,25	21,25	21,25	21,25	21,25	21,25
OTHER EQUITY	207,57	257,88	291,71	522,89	625,61	766,60	916,28	1174,35	1365,69	1671,51
TOTAL EQUITY	221,25	271,56	305,39	544,14	646,86	787,85	937,53	1195,60	1386,94	1692,76
BORROWINGS	76	-	-	-	-	-	-	-	-	-
<b>NUMBER OF SHAREHOLDERS</b>	13,689	13,422	14,461	19,354	20,826	18,270	19,407	21,250	23,004	22,583
<b>NUMBER OF EMPLOYEES</b>	1,150	1,308	1,767	2,425	2,667	2,766	2,867	2,956	3,083	3,322

\*\*Includes special dividend of ₹5/- per share.

\* Post Merger with Solvay Pharma India Limited.

# Inclusive of Excise duty on sales / net of GST.

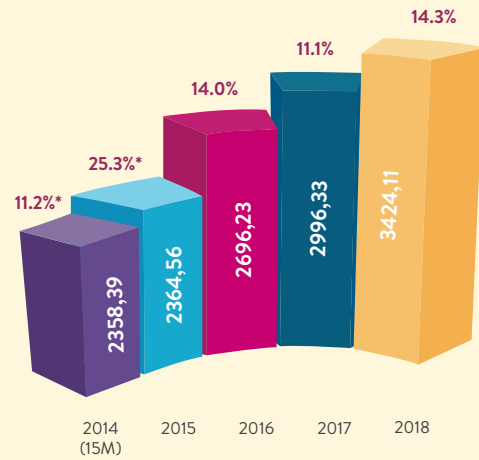
@The Company transitioned into IND AS from April 1, 2015, hence these numbers are not comparable with previous years.

# Key Performance Indicators

## REVENUE GROWTH

REVENUE (₹ IN LAKHS)

14.3%

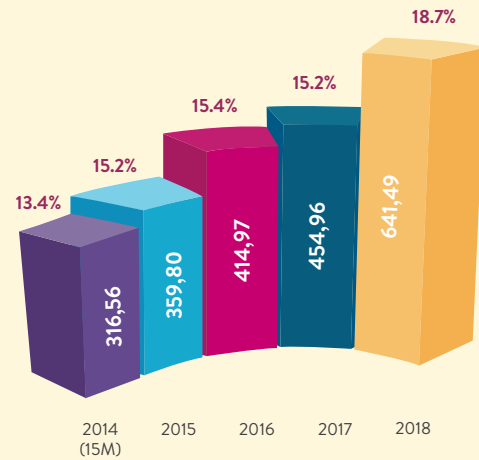


\* Annualised percentage

## EBITDA MARGINS

EBITDA (₹ IN LAKHS)

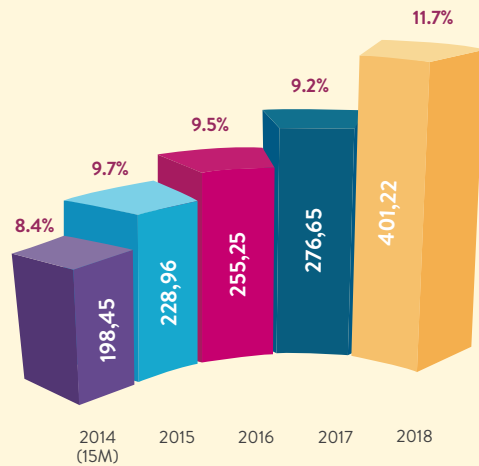
18.7%



## PAT MARGINS

PAT (₹ IN LAKHS)

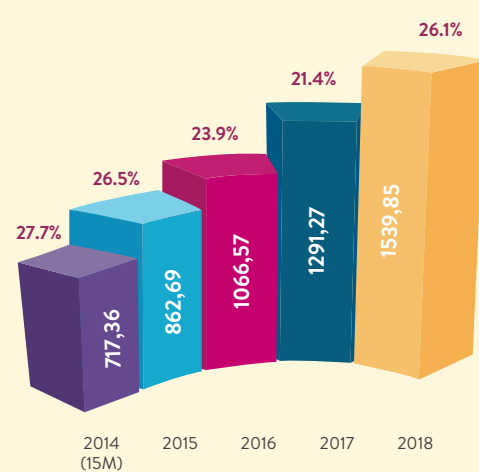
11.7%



## RETURN ON AVG. CAPITAL EMPLOYED

AVG. CAPITAL EMPLOYED (₹ IN LAKHS)

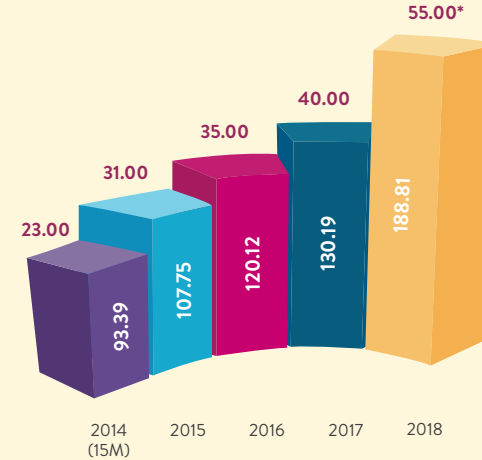
26.1%



## DIVIDEND PER SHARE

EARNING PER SHARE (₹)

₹55\*

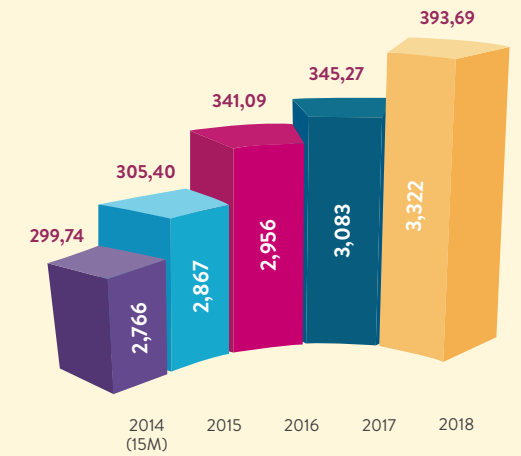


\*Includes special dividend of ₹5/- per share

## EMPLOYEE COST (₹ IN LAKHS)

EMPLOYEES (NOS)

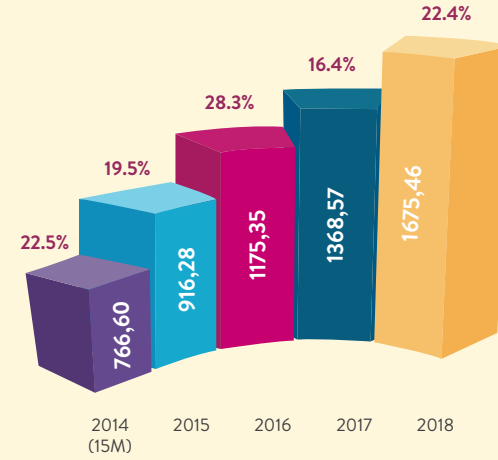
₹393,69



## RESERVES AND SURPLUS GROWTH#

RESERVES AND SURPLUS (₹ IN LAKHS)

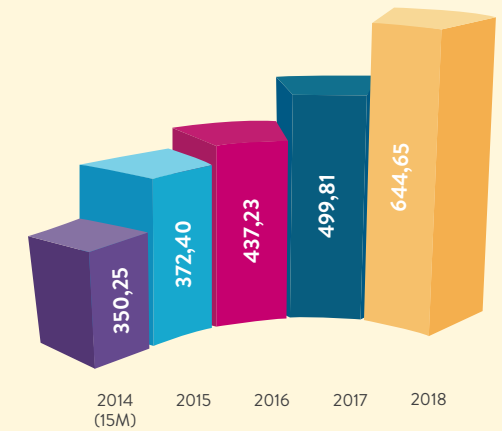
22.4%



#Excluding Other Comprehensive Income (OCI)

## CONTRIBUTION TO EXCHEQUER (₹ IN LAKHS)

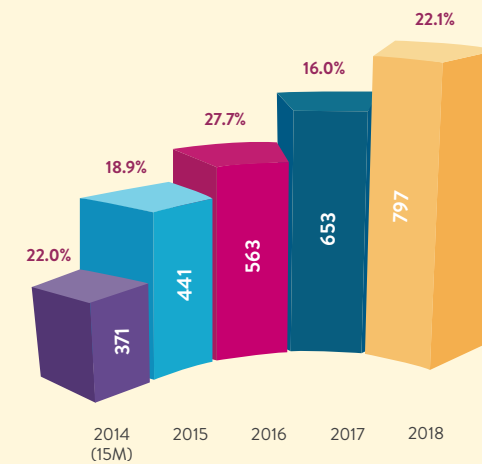
₹644,65



## BOOK VALUE GROWTH

BOOK VALUE PER SHARE (₹)

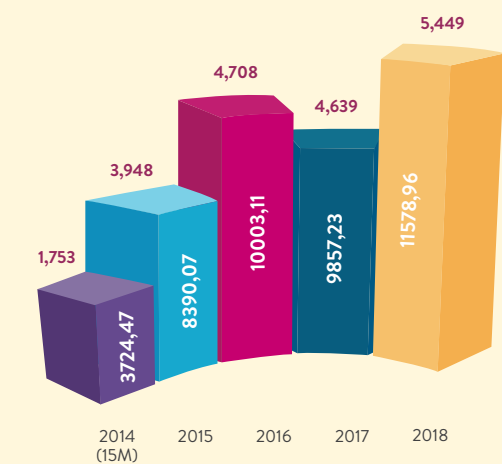
22.1%



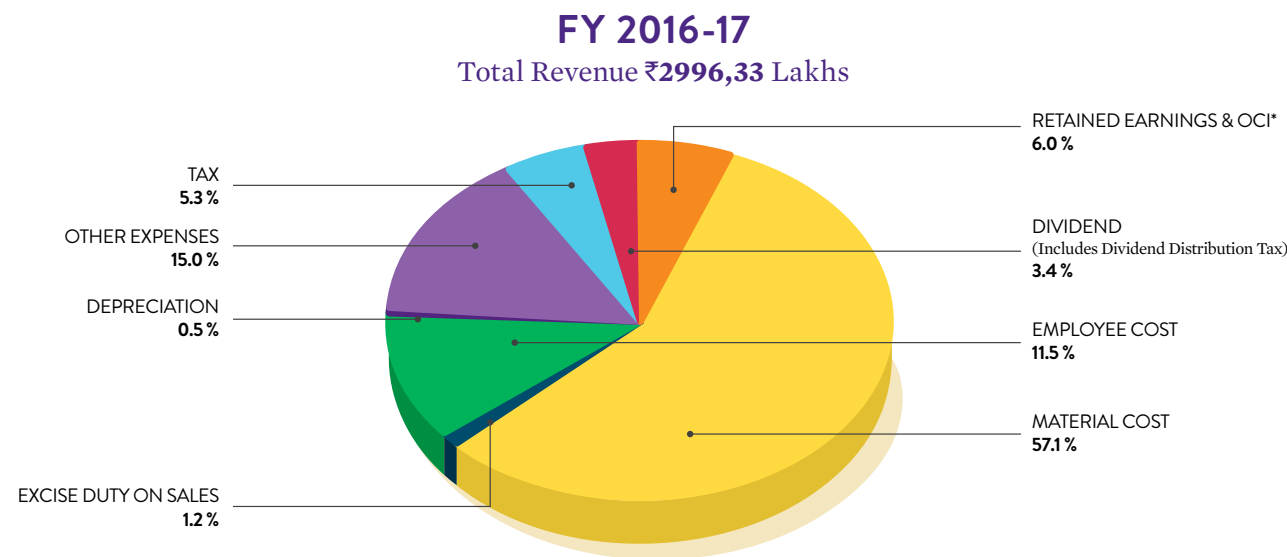
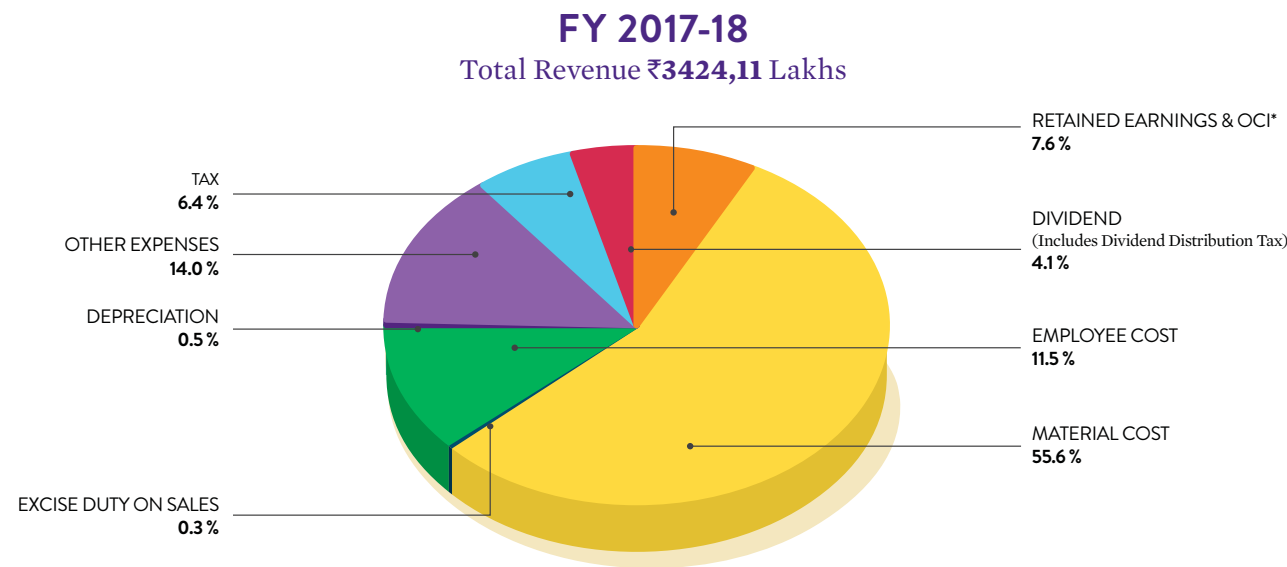
## SHARE PRICE (AS AT MARCH 31)

MARKET CAPITALISATION (₹ IN LAKHS)

₹5,449



# Revenue Distribution (%)



\*Other Comprehensive Income (OCI)

## VALUE ADDED STATEMENT FY 2017-18

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


(₹ in Lakhs)

STAKEHOLDERS	2017-18	2016-17
Payment to Exchequer	644,65	499,81
Payment to Employees	393,69	345,27
Payment to Shareholders*	116,87	85,00
Contribution to Society	9,12	7,14
Towards replacement and expansion#	275,43	188,90
<b>Total Value Added</b>	<b>1439,76</b>	<b>1126,12</b>

\*Dividend excluding Dividend Distribution Tax

#Replacement and expansion is Retained earnings + Depreciation

**ENVIRONMENT**




**Goa Plant – Zero Waste to Landfill in purview of waste disposal**

Goa Plant received “Best Environmental Practices Award”

- Waste Management: **50%** Reduction in total waste
- Water Usage: **30%** Reduction in total water intake

**CSR**




Spend of **₹9,12 Lakhs**

**115.9%** of mandatory spend

- Collaborated with 17 schools covering 18,823 students, Over 15 Lakh people connected through iCARE Road Safety Drive
- Over 1,500 smallholder dairy farmers benefitted through Nirmal Dhara Dairy Program

**PEOPLE**



Over **3,300** employees

- Awarded ‘Best Companies to work for’ by Business Today
- Robust field training and Leadership development programs
- Various initiatives on diversity and inclusion such as Women Leaders of Abbott (WLA)
- Flexible Benefits Program for Abbott Employees

# Therapy-leading products

Abbott India stands for quality, trust and partnership. We deliver quality healthcare through high-quality products. Our top 10 brands are leaders (at number 1 or 2 position\*) in their respective segments. Our relentless pursuit of invention is delivering an unprecedented number of advances that will extend our impact and sustain our growth for years to come.



\*Source: IMS Health

## PERFORMANCE OF TOP 10 BRANDS<sup>@</sup>

BRAND	MARKET SHARE (%) <sup>#</sup>	RANK <sup>#</sup>
 Dydrogesterone Tablet IP 10mg	24.3	1
 Thyronorm Tablets LP	51.7	1
	15.1	2
 Betahistine Tablets I.P.	29.8	1
	9.5	2
 Lactulose	13.7	1
	14.4	1
 Inactivated Influenza Vaccine (Surface Antigen) IP	51.4	1
 Pancreatin Minicapsules	34.8	1
 Doxepin Tablets IP 25mg/75mg	7.3	1

<sup>@</sup>Source : IMS Health

<sup>#</sup>In Respective Participated Market

<sup>##</sup>Digene Range






















Disclaimer: All products displayed/mentioned on this page are for illustration purpose only. Consult your doctor for professional medical advice.

# Launching new products to address unmet patient needs

New products have not only been a source of growth for the business but have addressed medical gaps in multiple therapy areas. In FY 2017-18 we launched 21 new products / product extensions. This shows our commitment to expanding our portfolios. We aim to continue this pace of growth in the future as well.



## NEW PRODUCTS

PRODUCT	THERAPY AREA	BUSINESS UNIT
 <b>CYSTOFERT</b> THE PCOS Supplement	Polycystic Ovary Syndrome	Women's Health
 <b>Letrolife</b> High Quality Ovulation Inducer	Ovulation	Women's Health
 <b>Duphalac<sup>®</sup> bulk</b> FIBRE EMPOWERED	Gut Health	Gastroenterology
 <b>Duphapro</b> Prucalopride Tablets	Constipation	Gastroenterology
 <b>Udiliv<sup>®</sup> 450</b>	NAFLD	Gastroenterology
 <b>Duphalac<sup>®</sup> Lemon Flavour</b> Relief for now and the future	Laxative	Gastroenterology
 <b>Pudina Pearls</b>	Diaper Rash Cream	Consumer Care
 <b>DIGENE<sup>®</sup> Paan Flavour</b>	Antacid	Consumer Care
 <b>DIGENE Pudina Pearls</b>	Digestive	Consumer Care
 <b>Cremaffin<sup>fresh</sup></b>	Laxative	Consumer Care
 <b>BRUFEN<sup>®</sup> ACTIVE</b>	Pain Relief	Consumer Care
 <b>ConfineX</b> Prucalopride Succinate Tablets 1mg/2mg	Constipation	GI Advance
 <b>CremaPeg<sup>™</sup></b> Polyethylene Glycol + Electrolyte	Irritable Bowel Syndrome	GI Advance
 <b>Dirifa</b>	Diarrhoea / Hepatic Encephalopathy	GI Advance
 <b>GX-600</b> Choline Magnesium Salicylate	ALD/NALD	GI Advance
 <b>Velpaclear</b> The combination is the future	Hepatitis C	GI Prospera
 <b>Antoxipan</b>	Pain Management in Chronic Pancreatitis	GI Prospera
 <b>Heptral T</b> Lactulose Syrup	ALD/NAFLD	GI Prospera
 <b>COMBINORM</b>	Probiotic (Bacterial Vaginosis)	Metabolics
 <b>INDERAL 20</b> The No. 1 prescribed Propranolol in India Propranolol Tablets 10 mg/20 mg/40 mg	Migraine	CNS
 <b>CERE BION</b> Complete Neuronal Commitment	Stroke / Brain Injury	CNS

Above new product launches also include line extensions. In addition to our new product launches, we also upgraded the packaging for Creamaffin, Udiliv and Duphaston.

Disclaimer: All products displayed/mentioned on this page are for illustration purpose only. Consult your doctor for professional medical advice.

# A safe, green and cost efficient manufacturing facility

Abbott India's Goa plant received a significant upgrade in FY 2017-18. The plant is critical in manufacturing of key products such as Cremaffin, Duphalac, Brufen and Digene.

TABLET VOLUME

1,250 million

DOSAGE FORMS



LIQUIDS VOLUME

3,900 KL

NUMBER OF EMPLOYEES

171

## WE FOCUSED ON FOUR CRITICAL AREAS FOR IMPROVEMENT – SAFETY, QUALITY, SERVICE AND OPERATIONS

### SAFETY

A number of safety initiatives such as disposal of hazardous waste and sludge to Ultratech cement factories for co-processing, a successful Factory Mutual global inspection of safety procedures and launch of 'Stop for Safety' program for creating awareness of safety among employees were completed. The Goa plant is a certified safe workplace and had no reportable or loss time incident during last 5 years.

### QUALITY

The plant continuously strives to improve the quality of products manufactured. A number of licenses were renewed as well as audits by WHO and Abbott Quality and Regulatory teams were conducted. Liquid tanks were modified for better product management and skilled staff were recruited for critical production equipment. Lastly, a number of engineering updates were also made to improve hygiene and work environment.

### SERVICE

The plant continues to operate at a high service level. The Key Performance Indicator for service is measured in terms of 'On Time In Full', which is 98%. New SKUs in Cremaffin, Udiliv and Duphalac were launched. A key project underway is to bring all tablet production in-house from third party manufacturers.

### OPERATIONS

A number of operational improvements were undertaken at the plant to enhance productivity and cost reduction. For the Cremaffin range, the batch size was increased from 5.5KL to 10KL to achieve operational and cost efficiencies. We also installed new volumetric liquid filling machines to improve performance and yields.

Manufacturing facility at Goa




# Creating value through differentiated services

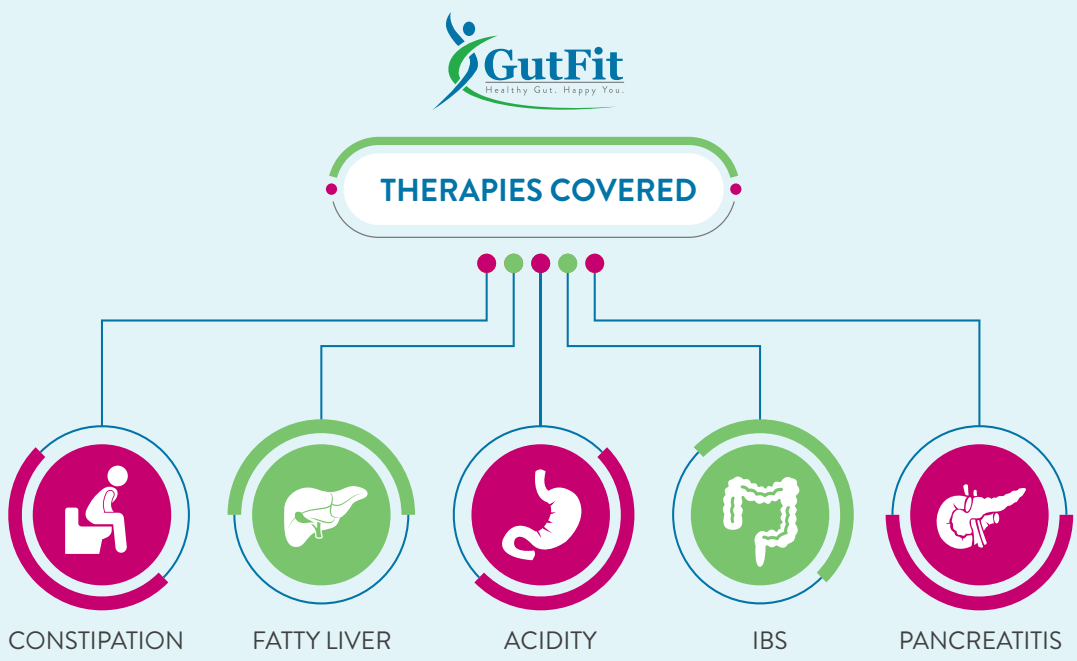
Abbott India has taken a leadership role in the industry in implementing patient awareness and doctor engagement programs. We use the latest technology tools and adopt innovative, integrated, omni-channel marketing strategies. These efforts help our sales force create a unique positioning for Abbott India in the minds of our stakeholders. Some of our notable projects in FY 2017-18 were:

## GUTFIT

GutFit is India's first integrated lifestyle modification program addressing gaps in Gastrointestinal disease management. Lifestyle is the first line of treatment for GI disorders and hence we identified this framework. A comprehensive program was created, which enrolled high-risk patients and provided them with virtual counseling, wearable devices for tracking health metrics and customised diet plans.

**PARTNERSHIP WITH KEY OPINION LEADERS**  **500**

**ASSISTED PATIENTS**  **5.4 Lakhs**



AWARENESS | DIAGNOSIS | TREATMENT | COMPLIANCE




## THYROWEIGHT

This campaign aims to increase awareness among women (in the age group of 25-40) around the correlation between weight gain and thyroid disorders. A persona-led integrated marketing communication plan was deployed that aimed at easy and early diagnosis for clinicians and patients and to create more awareness amongst patients living with hypothyroidism.

**TELEVISION REACH**  **130 Lakhs**

**PUBLIC RELATIONS CONNECT**  **15 Lakhs**

**HEALTHCARE PROFESSIONAL REACH**  **0.2 Lakhs**

**TWITTER VISITORS**  **120 Lakhs**



## #MOMVSFLU MOTHERS AGAINST INFLUENZA CAMPAIGN

The Mothers Against Influenza (MAI) campaign was launched to make mothers aware of the need for vaccination, in order to protect the fetus and the new born till the age of 3 years against influenza. As a part of this campaign, influencer-led (mother bloggers, women twitterati) conversations, with information shared by doctors, were started on digital media. We also created short films that highlight the effects of flu in children.



TWITTER  
IMPRESSIONS

 **510**  
Lakhs

UNIQUE PEOPLE  
REACH

 **46**  
Lakhs

## EXPERIENTIAL MARKETING FOR DUPHASTON

The complex process of manufacturing Duphaston came alive through experimental technology. We set up gamification and virtual reality experience zones at key conferences to allow participants to create the Duphaston molecule through the gaming console. We also conceptualised an immersive story telling experience using advanced mixed reality to travel through time and experience the invention process of Duphaston.

NO. OF DOCTORS  
REACHED

 **3**  
Lakhs


PHYSICIAN  
ENGAGEMENT

 **0.6**  
Lakhs



## VERTIN HEAD

Vertin is our 50-year-old brand and is a therapy leader in Vertigo management. We designed Vertin Head, which is a pioneer initiative, by using 3D Printing Technologies to impart knowledge among patients about various vestibular habituation therapy exercises for better management of vertigo. The Vertin Head helped doctors demonstrate detailed information on how to perform various exercises to patients in clinic.



**LIGHT DELIGHTS – CELEBRATING LOVE FOR FOOD**

Choosing a healthy diet, especially low in lipids, is essential for certain patients (such as IBS patients) to ensure a healthy lifestyle. With tasty food playing a major role in diet decisions, we reached out to help these patients by providing them healthy low-lipid recipes. For this, we tied up with a Michelin star chef, Vikas Khanna, who penned a book with over 20 healthy low-lipid food recipes from across India. This book, Light Delights, was shared with over 2.7 Lakh patients.

**PANCRECARE**

This is a Mobile App based interactive platform to support patients who suffer from Pancreatic Exocrine Insufficiency. Healthcare Professionals, through this app, have access to monitor real time patient health outcomes. Patients can get counseling on diet and pain management.



**#CONSTIPATION CONVERSATIONS**

Considering the need to make people feel confident and comfortable about having #ConstipationConversations, we engaged with consumers through an omni-channel (print, digital, mobile, onground) approach. We also conducted an on-ground event and bloggers meet, around #ConstipationConversations with the celebrity therapy ambassador and women bloggers; this was followed by an influencer-led (mom blogger) Tweet chat conversation, and an offline campaign driven by the company. A #FirstinPharma social experiment was also created.

FACEBOOK IMPRESSIONS

 **15**  
Lakhs

TWITTER IMPRESSIONS

 **350**  
Lakhs

TWITTER VISITORS

 **32**  
Lakhs

# Creating a best-in-class work environment

Abbott India instituted multiple initiatives to improve the work environment and provide a better workplace for employees. Our goal is to enhance workplace productivity and provide adequate motivation to employees to excel in their day-to-day activities.



## ONE ABBOTT WORKPLACE

Abbott employees spread across different locations in Mumbai came under one roof in the first quarter of the year. The office has been coined as the One Abbott Workplace, with employees across all divisions and offices in Mumbai now being able to collaborate closely with each other. This initiative is viewed as a significant productivity enhancement move.

## FLEXIBLE BENEFITS PROGRAM

Abbott India provides a wider bouquet of benefits for employees. Employees have the choice to decide their own benefits from a master list, according to their needs at their life stages, and buy these benefits with points or top-up with cash.

## WOMEN LEADERS OF ABBOTT (WLA)

Abbott India's WLA employee network helps female employees to :

**INSPIRE**  
Meaningful and enabling work environment



**CONNECT**  
That is all about creating engaged and inclusive work culture



**GROW**  
Enriching the gender diversity ratio



## BETTER DETAILING AND CONNECTIVITY

Another key initiative and investment made by Abbott India has been the launch of the iPad program where field employees will be equipped with 6<sup>th</sup> generation iPads. This technological advancement ensures that our employees are better connected with one another and can use some of the latest tools to engage with our customers. This also enables us to move to a paper-free doctor detailing model with enhanced interactivity for better communication.

# Shaping future leaders

At Abbott India, we believe that the driving force of our business is its people. The Human Resource (HR) team has built specific programs which encompass the entire employee lifecycle; attracting best talent and retention via career management, rewards and development across all cadres. Some of the initiatives undertaken in FY 2017-18 include:



## IN-STRIDE

The In-Stride program is aimed at strengthening the leadership pipeline towards senior leadership positions (quality and quantity). This ensures business continuity for high potential talent through simulations, e-Learning, group mentoring, individual stretch assignments and mentorship.

## LEADERSHIP PROGRAMS



## CREATING LEARNING OPPORTUNITIES



## MANAGEMENT TRAINING IN COLLABORATION WITH IIM-CALCUTTA

### Next Gen Leadership Program (NGLP)

In line with our Employee Value Proposition (EVP) of providing best-in-class exposure, access and accelerated development for high performers, we launched a Professional Development Program in Sales & Marketing for our First Line Managers called Next Generation Leadership Program. This included a tie up with IIM-Calcutta, one of India's Best B-Schools, for a 9-month certification program in Sales and Marketing. It is the first-of-its kind program in the healthcare industry in India.

### Executive Program in Sales & Marketing (EPSM)

We also launched an Executive Program in Sales and Marketing from IIM Calcutta for high potential Second Line Managers. This is an open program and mode of delivery is through an interactive online learning platform.

## MANAGEMENT TRAINEE PROGRAM

At Abbott India, our emphasis on building a key differentiator via our marketing practices and efforts is of significant value. With the intent of building a future-ready talent pool of marketers we have redesigned the 'Management Trainee Program' targeting the premier MBA colleges in India.

## TRACKS

Tracks is a sales force career development framework to source talent internally and establish a career path for key functions/roles. It provides a clear and objective guideline for career movements along with cross-functional exposure to build leadership skills.

# Board of Directors

**MUNIR SHAIKH**  
Chairman



**AMBATI VENU**  
Managing Director



**JAWED ZIA**  
Non-Executive Director



**KAIYOMARZ MARFATIA**  
Non-Executive Director



**ANISHA MOTWANI**  
Independent Director



**R A SHAH**  
Independent Director



**KRISHNA MOHAN SAHNI**  
Independent Director



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

**Ranjan Kapur, Independent Director**

With deep regret and profound grief, we report the sad and untimely demise of Mr Ranjan Kapur. The Company places on record its sincere appreciation for the invaluable contributions and guidance received from him towards the progress of the Company.



# Key Management Team

## Left to Right :

Milind Tendulkar,  
Ramanathan V,  
Dr Sripupa Das,  
Rajiv Sonalker,  
Sandeep Khandelwal,  
Nitu Bhushan,  
Mahadeo Karnik,  
Ambati Venu,  
Burjor Dadachanji,  
Krupa Anandpara,  
Dr Vijay Patil



## AMBATI VENU Managing Director

Venu comes with over 25 years of experience in GlaxoSmithKline Consumer Healthcare (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 and Vaccines

Milind has over 27 years of experience in Sales and Marketing. Prior to joining Abbott India, he was associated with Abbott Healthcare, Zydus Cadila, Emcure and Ipca Labs.

## RAJIV SONALKER CFO and Whole-time Director

Rajiv has over 29 years of experience in the Pharmaceutical, FMCG and Engineering industries. Prior to joining Abbott India, he worked with Bristol-Myers Squibb as Director – Finance. He was also associated with Voltas, Johnson & Johnson, Sanofi - Aventis in India and Germany.

## SANDEEP KHANDELWAL Commercial Director - Women's Health, Gastroenterology, GI Prospera, GI Advance and Consumer Care

Sandeep has over 14 years of experience in the Consumer Products Industry. Prior to

joining Abbott India, he worked with Marico as Head-Sales for Nature and Personal Care.

## RAMANATHAN V Commercial Director - Specialty Care

Ramanathan has over 21 years of experience in Sales and Marketing in companies such as Dr. Reddy's Laboratories, Ranbaxy and Zydus Cadila. Prior to joining Abbott India, he worked with Zydus Cadila as Vice President – Sales and Marketing of the Cardiva division.

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

Burjor has over 14 years of diverse experience across pharma, management consulting, banking and operations. Prior to joining Abbott India, he was associated with Abbott Healthcare, The Boston Consulting Group and JPMorgan Chase.

## KRUPA ANANDPARA Associate Director - Secretarial & Company Secretary

Krupa has over 16 years of experience and expertise in handling company secretarial compliance streams. Prior to joining Abbott India, she worked with Borosil Glass Works and Wimco.

## NITU BHUSHAN Director - Human Resources

Nitu has over 14 years of experience in human resources across organisations such as Asian Paints, HSBC and Mondelez International (formerly Cadbury India). In her last role, she worked as Head – Talent Acquisition, India, Indonesia, Philippines, Japan and ANZ with Mondelez.

## MAHADEO KARNIK Director - Finance

Mahadeo has over 20 years of experience, in Finance. Prior to joining Abbott India, he was associated with Roche Diagnostics, Unilever and United Phosphorus.

## DR SRIRUPA DAS Director – Medical Affairs

Dr Das has over 15 years of experience in Medical Research, Clinical Research and Drug Development. Prior to joining Abbott India, she was associated with Fresenius Kabi, Lupin and Sun Pharma.

## DR VIJAY PATIL Associate Director – New Product Introductions and Therapy Area Strategy

Dr Patil has over 34 years of experience in Pharmaceuticals and Technical field. Prior to joining Abbott India, he was associated with Schering Plough, Fulford, Aventis, German Remedies and Novartis.

# Working with communities to build a better India

**Abbott India is engaged with multiple community support programs. Right from helping farmers earn a better livelihood to imparting road safety awareness and helping Indians lead safe lives.**



## NIRMAL DHARA DAIRY PROGRAM

India is the world's largest producer of milk, and nearly half of rural households depend on dairy farming for at least part of their income. Despite this, many dairy farmers continue to be marginalized, limited by middlemen and lack of technology and methods to produce higher quality milk for a better price.

Working with Prabhat, a local dairy supplier, and TechnoServe, a non-profit organization, we have directly reached out to nearly 1,500 smallholder dairy farmers, half of whom are women, in Maharashtra and Gujarat. We developed the infrastructure required to expand capacity for milk production and delivered robust training on topics ranging from the basics of ensuring high-quality milk to technical dairying skills.

We also run trainings specifically for women farmers and have established transparent pricing mechanisms.

## iCARE ROAD SAFETY DRIVE

India has one of the worst records of road safety in the world. Road Safety has been a part of Abbott's global focus, targeted at avoiding accidents and improving lives. Abbott's iCARE Road Safety Drive is geared towards spreading awareness about road safety measures to prevent road accidents and save lives.

Over the years, we have reached more than 15 Lakh people through this initiative. In 2017, more than 3,000 members of our workforce educated people they met in medical clinics, hospitals and schools about safe driving practices. They used this opportunity to share simple, actionable steps for reducing road accidents and injuries, like wearing a helmet and a seat belt, staying alert, obeying speed limits and avoiding mobile phone use while driving.

In 2017, iCARE Road Safety Drive also extended its reach by collaborating with 17 schools to educate 18,823 students on pedestrian safety and road safety awareness.

## IMPROVING ACCESS TO QUALITY AND AFFORDABLE HEALTHCARE

Abbott India has initiated a project in partnership with SEWA (Self-Employed Women's Association) to improve access to quality healthcare in India. This program aims to improve health outcomes, generate livelihoods and create an ecosystem with all stakeholders and key partners (Doctors, Pharmacies, Labs), while ensuring both affordability of services for SEWA members, as well as a financially sustainable healthcare ecosystem.

The program will educate SEWA members on various health conditions while training community healthcare workers on providing consistent, community-based care. It will also improve access to qualified doctors and pharmacies in order to develop a healthcare ecosystem to provide quality and affordable healthcare facilities and eventually improve health-seeking behaviour in communities.

## Awards & Recognition

Abbott India continues to receive recognition from multiple industry bodies and leading media organisations. We also received multiple awards for excellence at a brand level.



### BUSINESS TODAY

'Best Companies to Work For'



### BEST USE OF TECHNOLOGY

for Training Excellence in The Production of Learning Content



### BEST MARKETING CAMPAIGN

#Constipation Conversations

## AWACS

AWARDS IN  
MARKETING EXCELLENCE

### NO.1 BRAND OF THE YEAR (GOLD)

Udiliv

### FIRST RUNNER UP (SILVER)

Duphaston



### SILVER FOR DIGITAL MARKETING EXCELLENCE

for Abbott India Radio

### GOA STATE POLLUTION CONTROL BOARD

Goa Plant - "Best Environmental Practices Award"



# BOARD OF DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

## TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy-fourth Annual Report and the Audited Financial Statements of the Company for the financial year 2017-18.

## FINANCIAL HIGHLIGHTS

Particulars	₹ in Lakhs	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Sales	3273,90.01	2902,37.67
Other Operating Income	33,22.16	36,31.45
Other Income	116,98.72	57,64.28
<b>Total Income</b>	<b>3424,10.89</b>	2996,33.40
Profit Before Tax	621,48.26	436,49.17
Profit After Tax	401,21.78	276,64.88
<b>Retained Earnings and Other Comprehensive Income (OCI)</b>		
Balance brought forward	1047,45.13	889,85.66
Profit After Tax	401,21.78	276,64.88
OCI arising from re-measurement of employee benefits	(1,07.64)	(1,87.61)
Dividend - FY 2016-17	(84,99.72)	-
Dividend - FY 2015-16	-	(74,37.26)
Corporate Dividend Tax	(17,30.34)	(15,14.05)
Transfer to Reserves	(40,12.18)	(27,66.49)
<b>Balance carried forward</b>	<b>1305,17.03</b>	1047,45.13

## INDIAN ACCOUNTING STANDARDS (IND AS)

Effective April 1, 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

## DIVIDEND

Your Directors recommend a final dividend of ₹ 50/- and special dividend of ₹ 5/- per Equity Share for the year ended March 31, 2018 on 212,49,302 fully paid-up Equity Shares of ₹ 10/- each. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 116,87.12 Lakhs (Previous year : ₹ 84,99.72 Lakhs) and Corporate Dividend Tax of ₹ 24,02.32 Lakhs (Previous year : ₹ 17,30.34 Lakhs). The Corporate Dividend Tax is provided at the rate applicable on the day on which the accounts were approved by the Board of Directors.

## DIVIDEND DISTRIBUTION POLICY

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW

In the International Monetary Fund's (IMF) April 2018 World Economic Outlook, India's growth rate is projected to be 7.4% in 2018 and 7.8% in 2019. The latest estimate sees India re-emerge as the fastest growing economy, outperforming other emerging markets such as China, Russia and Brazil.

India's growth has recovered from the temporary dip post the implementation of the Goods and Services Tax (GST) last July - a change that is expected to lead to ease in doing business and broadening of the tax base through conversion of India into one common market.

The IMS Health Market Prognosis Report highlighted that rising private consumption, forecasted to grow at 8%, will be the greatest contribution to growth. Moreover, as the 2019 election approaches, Government spending is expected to increase.

India's population growth rate is expected to slow, although the numbers will still grow by almost 77 million by 2021, to reach 1.40 billion.

### INDIAN HEALTHCARE ENVIRONMENT

In India, although healthcare is provided by a mix of both public and private facilities, it is the private sector that accounts for 75-80% of outpatient care and 55-60% of in-patient care. The federal Ministry of Health and Family Welfare (MOHFW) is responsible for framing and coordinating healthcare policy, while state and district authorities oversee the administration and delivery of services to their patient populations. Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers frames and implements regulations for Indian Pharmaceuticals Industry.

A new National Health Policy, published in March 2017, calls for an increase in government spending on public health expenditure to 2.5% of the GDP in a time bound manner. It also aims at ensuring improved access and affordability of quality secondary and tertiary care services. The Policy's ultimate long-term goal is achieving universal health coverage and is viewed as the world's largest healthcare initiative by the sheer number of potential beneficiaries.

The National List of Essential Medicines (NLEM), which was revised in December 2015 by adding more drugs, is expected to see more frequent revisions and additions.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Pharmaceutical Market (IPM) was estimated to be ₹ 1,240.3 billion in 2017 with a growth of 5.2%. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and the 6th largest market globally in absolute size.

Increase in the number of middle class households coupled with improvement in medical infrastructure, rising awareness and increase in penetration of health insurance in the country, will also influence the growth of pharmaceuticals sector.

The market is highly fragmented with the top 10 companies constituting 43% share of the IPM and the top 150 companies accounting for 97% of the IPM. The IPM is primarily made up of Indian companies, with a share of 79% of the market while acute therapies continue to dominate the market constituting 64% of the IPM.

## OPPORTUNITIES AND THREATS

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

- **Draft Pharmaceutical Policy, 2017** - The August, 2017 release of the draft policy prepared by the Department of Pharmaceuticals sets out key objectives such as increasing access at affordable prices for essential drugs, mandatory Bio-Availability and Bio-Equivalence (BA/BE) tests for all drug manufacturing permissions by central or state regulators and ensuring that all manufacturing units adopt WHO GMP and GLP standards.
- **Price Controls** - Prices will remain under pressure as the scope of price controls increased under the Drug Price Control (Amendment) Order (DPCO) following the update of the National List of Essential Medicines (NLEM). Currently 29 therapeutic classes are covered by the list. It is expected that future revisions of NLEM will ensure price controls are not diluted. The Department of Pharmaceuticals is also amending the DPCO. It is likely that some of the amendments will pose further challenges to the industry.
- **National Health Protection Scheme** - Ayushman Bharat is National Health Protection Scheme which is ambitiously aiming to extend health insurance coverage of up to ₹ 5 Lakh per family per annum to over 10 Crore families from the vulnerable and under-privileged sections of society, equating to around 50 Crore beneficiaries, equivalent to 40% of the population.
- **Uniform Code of Pharmaceuticals 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.
- **Increasing Digital Penetration** - The exponential growth in the adoption of mobile and digital media, will 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.
- **Regulation of OTC Drugs** - The OTC market is growing strongly at 10.2% and with greater willingness to self-medicate, the regulatory authorities are looking at creating a properly defined OTC sector. The creation of a well-defined and regulated OTC market, coupled with stricter enforcement of prescribing and dispensing regulations, will drive growth of the OTC market.

## REVIEW OF OPERATIONS

### Financial Performance

#### Total Revenue

Total Revenue for the year ended March 31, 2018 is ₹ 3424,10.89 Lakhs vis-a-vis ₹ 2996,33.40 Lakhs last year, recording a robust growth of 14.3% over the previous financial year.

Net Sales for the financial year 2017-18 grew by 12.8% over the previous year, to ₹ 3273,90.01 Lakhs, an increase of ₹ 371,52.34 Lakhs, driven mainly by volumes.

#### Other Income

The significant increase in Other Income is mainly on account of income generated from assignment of trade marks amounting to ₹ 45,30.26 Lakhs.

Interest on inter-company loan to Alere Medical Private Limited, India, amounting to ₹ 5,20.55 Lakhs is also included in Other Income.

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 12.8%. Investment strategy is reviewed periodically by the Finance Committee. The Company has an investment portfolio of ₹ 987,35.00 Lakhs as at March 31, 2018.

#### Material Cost

The improved sales mix and marginal growth in sales price realisation, resulted in decrease in Material Cost as a percentage of Sales from 59.0% in financial year 2016-17 to 58.2% in the current year.

#### Employee Cost

While the Company increased its employee strength by 7.8% to 3,322, the Employee Cost as a percentage to Sales has marginally increased from 11.9% in financial year 2016-17 to 12.0% in the current year.

The increase in Employee Cost by 14.0% over the last year is mainly due to merit increases and impact of change in monetary ceiling for Gratuity.

#### Other Expenses

Other Expenses including excise duty on Sales, Depreciation and Finance Cost increased by 0.3% over the last year. The increase on account of office lease rentals for One Abbott office is partially offset by decrease in excise duty on Sales post implementation of GST. Other Expenses, as a percentage to Sales reduced to 15.4% this year compared to 17.3% for the financial year 2016-17, owing to higher Sales in the current year.

### Profit Before Tax

Profit Before Tax for the year ended March 31, 2018 at ₹ 621,48.26 Lakhs, grew to 19.0% of Sales as compared to 15.0% in the previous year.

### Goods and Services Tax (GST)

GST, the biggest indirect tax reform of India, was rolled-out effective July 1, 2017. This transformational reform significantly impacted all areas of businesses across various sectors including the pharmaceutical industry. The applicable rate of GST on drugs in general is 12% and for life saving drugs is 5%. Early analysis of potential GST impact on business, proactive preparedness in the IT system enhancements and Supply Chain operations helped the Company to be GST compliant right from the GST roll-out date. The Company used this mega reform as an opportunity to upgrade the systems and also launched many initiatives such as providing trainings to trade partners and other stakeholders, thus, engaging with them to secure an effective GST compliant environment. The Company has taken a lead in making several representations to the Government authorities on the key concern areas/challenges faced by the pharmaceutical industry and made certain recommendations to ease compliance.

### 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, GI Prospera and GI Advance (ii) Specialty Care (iii) GenNext and Vaccines and (iv) Consumer Care.

The key performance highlights of each Business Division for the financial year 2017-18 are as follows :

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

This Division offers a mix of our global and India-specific brands across pregnancy, constipation and liver diseases segments. Several of the Company's largest brands such as Duphaston (Women's Health Hormone), Duphalac (Laxative), Udiliv (Hepatic Protective), Cremaffin (Laxative), Cremaffin Plus (Laxative), Creon (Digestive Enzymes), Heptral (Alcoholic liver disease) and Rowasa (Inflammatory Bowel Syndrome) form part of this division.

#### - Women's Health & Gastrointestine

This Business Unit posted a strong growth of 19.1% during the year. Duphaston, Udiliv and Duphalac have contributed significantly to overall growth.

During the year, 2 new products - Cystofert (Polycystic Ovary Syndrome) and Letrolife (Ovulation) were launched.

#### - Gastroenterology

This Business Unit posted a strong growth of 10.5% during the year, mainly driven by brands Cremaffin, Cremaffin Plus and Librax.

During the year, 4 new products - Duphalac Bulk (Gut Health), Duphapro (Constipation), Udiliv 450 (NAFLD) and Duphalac Lemon Flavor (Laxative) were launched.

#### - GI Prospera

This Business Unit grew by 3.9% during the year. The growth was majorly driven by brands Creon, Heptral and Rowasa.

During the year, 3 new products - Velpaclear (Hepatitis C), Antoxipan (Pain Management in chronic pancreatitis) and Heptral T (ALD/NAFLD) were launched.

#### - GI Advance

This Business Unit was formed in January, 2018 to build new products on a build, operate, transfer model. As of March, 2018, 4 new products - Confinex (Constipation), Cremapeg (Irritable Bowel Syndrome), Dirifa (Diarrhoea/Hepatic Encephalopathy) and GX600 (ALD/NALD) were launched.

#### (ii) Specialty Care Division

This Division consists of a comprehensive range of products for treatment of metabolic disorders and central nervous system illnesses, and covers therapy areas like hypothyroidism, vertigo, depression and migraine. The key brands in this division are Thyronorm (thyroid preparations), Vertin (antivertigo), Prothiaden (antidepressant), and Inderal (migraine prophylaxis). Some of these enjoy market leadership positions\* in their respective therapeutic areas.

#### - Metabolics

This Business Unit grew by 15.3% during the year. The growth was mainly driven by Thyronorm which retains flagship position\* in its segment.

During the year, 1 new product - Combinorm (Probiotic - Bacterial Vaginosis) was launched.

#### - Central Nervous System

This Business Unit grew by 8.8% during the year. Vertin and Prothiaden continues as the market leader\* and has shown double-digit growth.

During the year, 2 new products - Inderal 20 (Migrane) and Cerebion (Stroke/Brain Injury) were launched.

#### (iii) GenNext and Vaccines Division

This Division includes the therapy areas of Pain Management and Vitamins. It comprises multi-specialty drugs and applications, and is primarily aimed at general physicians. The key brands include Brufen (pain killer), Duvadilan (peripheral vasodilator), Zolfresh (sleep management), Arachitol Nano (Vitamin D preparations) and Digecaine (antacid anaesthetic).

The Company has a 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).

#### - GenNext

This Business Unit has shown a negative growth of 2.6%; however, Arachitol Nano and Duvadilan have shown positive growth. Zolfresh retains number 1\* position in its participated market.

#### - Vaccines

This Business Unit showed growth of 59.7% and contributed 3.4% of Sales for the year. The double digit growth was driven by all key brands in this unit. Influvac achieved No. 1\* position in its participated market this year.

#### (iv) Consumer Care Division

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

The Division 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. The Division showed growth of 10.6% over the previous year.

During the year, 5 new products - Rashfree Natural Cream (Diaper Rash Cream), Digene Paan Flavour (Antacid), Digene Pudina Pearls (Digestive), Cremaffin Fresh (Laxative) and Brufen Active (Pain Relief Ointment) were launched.

### MEDICAL RESEARCH AND KNOWLEDGE SHARING INITIATIVES

The Company significantly supports Real World Evidence [RWE] Generation Studies and Registration Studies for innovative products developed by Innovation and Development (I&D) teams, which help in attaining its commitment for portfolio expansion. In addition, training imparted to Healthcare professionals (HCPs) during clinical studies via Good Clinical Practice (GCP), drives the Company's standing as a scientific company.

During the year, the Company executed 23 new studies, published 14 publications in major indexed journals and made 7 international congress presentations. The health authority of India approved 3 studies submitted and presented by the Company. The Company received approvals to conduct phase 3 studies in adults/elderly and pediatrics in parallel for its Influvac, Quadrivalent Vaccine (QIV) Program. The Company also conducted 6 GCP workshops to raise awareness on clinical trials.

Some of the notable studies are in therapy segments of Migraine, Metabolic Syndrome, Constipation, Insomnia and Preterm which were presented/published at different national/international congresses during the year under review.

### OUTLOOK

IMS Health has forecasted the Indian Pharmaceutical Market to grow at a compounded annual growth rate of 9.7% between 2017 and 2022, reaching approximately ₹ 2000 billion by 2022.

For the near future, after an in-depth overview of our strength and our market leading position, we identified specific opportunities to leverage for growth. Some of these are :

#### - Shape therapies to accelerate existing key brands :

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. For example, we have developed a holistic end-to-end solution in the gut space called 'Gutfit' which involves solutions such as counselling and nutrition advice for patients.

#### - Increase portfolio depth through the launch of new products in our existing therapy areas :

During the year, we have launched 21 new products and have a robust plan for future launches.

#### - Focus on internal talent development, engagement, retention and capability building :

We run successful management trainee programs, conduct uniform assessments for first line and second line manager roles and have the industry's only 3-tier certification program for our field force. This year, we launched the Women Leaders of Abbott (WLA) initiative to help female employees at Abbott India maximize their potential.

\*Sources : IMS Health

\*Sources : IMS Health

#### - Digital differentiation and use of technology :

It complement our products to drive engagement with Key Opinion Leaders and patients, for example, in-clinic engagement through augmented and virtual reality interfaces such as the VertiGo App. Through the roll out of iPads to field force of three of our Business Units, we have more engaging and differentiated content to showcase to doctors.

### RISKS AND CONCERNS

The implication of risk has steadily intensified given the volume and complexity of change the pharmaceutical industry continues to face both in India and the world. Regulatory challenges are compounded by evolving regulations and new legislations. While regulators are committed to create an environment conducive for pharmaceutical companies to do business, sync between policy and operations will be an area to watch.

The National Pharmaceutical Pricing Authority (NPPA) will continue to play an active role of regulator for drug prices and further changes are expected to be introduced to the pricing system. More frequent revisions to the National List of Essential Medicines (NLEM) are expected.

Although no concrete proposals to introduce direct controls on patented product prices had been made public as of early 2018, it is possible that a patented drug price policy could be introduced.

Numerous professional organisations and government bodies have repeatedly called for doctors to prescribe low cost generic medicines to patients. This is one among a series of measures planned by the health ministry to regulate the cost of medical care and make healthcare more affordable in India. The introduction of generic prescribing regulations is on the government's agenda.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

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

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

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

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

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

The Company Management has assessed the effectiveness of internal controls over financial reporting for the year ended March 31, 2018 and, based on the assessment, believe, that the same 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.

### HUMAN RESOURCES

The Company firmly believes that human capital continues to be the driving force of our business. We endeavor to attract, retain, develop and deploy the best available talent across the functions and hierarchy of the Company. Providing an empowering work environment that is built upon openness and transparency fosters collaborative participation of over 3,300 committed people towards addressing the unmet healthcare needs of its customer universe.

Our Human Resource team has developed and deployed an integrated talent management mechanism, which encompasses the entire employee lifecycle – recruitment, career progression, rewards and recognitions.

### India Talent Strategy

Pursuing an integrated approach to talent management helps us to attract the best talent and also develop future leaders from within the organisation. We leverage differentiated talent hiring, using multiple channels including premier business schools in India and abroad. In its fourth year of execution, our India Talent Strategy aims :

- to be the employer of choice in the Indian Healthcare Industry in terms of attracting and retaining the right quantity and quality talent;
- to achieve our aspiration to continue to grow faster than the markets we operate in and deliver predictable performance.

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

### Women Leaders of Abbott

Helping women at Abbott, maximize their potential and realise greater achievement and advancement throughout their careers is the mission of Women Leaders of Abbott (WLA). Through various programs, initiatives and speaker series, WLA connects women employees and offers tools and topics to help them maximize their careers at Abbott.

The objective of this initiative is to create a platform for attracting, retaining and advancing female talent in the organisation and thereby becoming the Employer of Choice for female employees and contributing positively to business success.

### Leadership Programs

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

Some of the other notable initiatives include : **Feeder Pool Development Program**, aimed at accelerating progress of our key talent towards leadership roles at mid-management level; **Differential Hiring Strategy**, aimed at infusing differential talent and diversity; **Sales Management Trainee Program**, aimed at building a diverse and superior talent pool for first line managers; **Sales Leadership Development Program**, an internal career development program designed to source talent internally and establish a career path for key functions/roles; **Uniform Assessments for First Line and Second Line Manager roles**, aimed at creating succession pipeline for First Line and Second Line high performing field managers; **Executive Program in Sales & Marketing**, an Executive Program in Sales and Marketing from IIM Calcutta for high potential Second Line Managers.

### Coaching Culture

The Company constantly focuses on propagating a coaching culture across sales hierarchy. On-job-coaching is one of the important levers of building individual capabilities and drive employee motivation and engagement. "Coaching Olympiad" is a very innovative initiative aimed at identifying and recognising "Best Coaches" in the sales teams. A total of 22 best coaches were recognised during the biggest annual sales conference - a first-in-industry initiative.

### Prevention of Sexual Harassment at Workplace

The Company has an Internal Complaints Committee (ICC) in place as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Appropriate training is imparted to employees. This training also forms a 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 as on March 31, 2018 is 3,322.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- 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, 2018 and of the profits of the Company for that year;
- 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;
- they have prepared the Annual Accounts of the Company on a going concern basis;
- 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;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

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

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

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

### Details of Related Party Transactions

All the Related Party Transactions, including the Material Transactions entered into by the Company during the year 2017-18 ("said Transactions"), were in the ordinary course of business and on arm's length basis. The said Transactions were pre-approved by the Audit Committee, Board and Shareholders, wherever necessary.

Details of the said Transactions are provided in Note 42 to the Financial Statements.

## CORPORATE SOCIAL RESPONSIBILITY

### Corporate Social Responsibility (CSR) Policy

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

### CSR initiatives undertaken during the financial year 2017-18

The Company incurred an amount of ₹ 9,12.22 Lakhs on various CSR activities during the financial year 2017-18.

The Annual Report of CSR activities undertaken by the Company during the financial year 2017-18, is annexed as "Annexure I" and forms part of this Report.

## RISK MANAGEMENT FRAMEWORK

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

- Aligning risk appetite and strategy – The Company considers its risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks.

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

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

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

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

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

## DIRECTORS

We report with profound grief, the sad and untimely demise of Mr Ranjan Kapur, who passed away on January 27, 2018. The Board places on record its sincere appreciation for the invaluable contributions and guidance received from Mr Kapur towards the progress of the Company.

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed the following Directors on the Board of the Company upto the date of this Report.

- Mr Rajiv Sonalker (DIN : 07900178) has been appointed as Additional and Whole-time Director of the Company for a period of 2 (two) years effective August 8, 2017, subject to the approval of the Members at the ensuing Annual General Meeting;

- Ms Anisha Motwani (DIN : 06943493) has been appointed as Additional and Independent Director for a period of 3 (three) years effective April 25, 2018, subject to the approval of the Members at the ensuing Annual General Meeting.

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

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (effective April 1, 2019), approval of Members is sought through Special Resolution for re-appointment of Mr Munir Shaikh, who has attained the age of Seventy-five years.

Based on recommendation of the Nomination and Remuneration Committee, your Directors recommend appointment/re-appointment of Mr Rajiv Sonalker, Ms Anisha Motwani, Mr Munir Shaikh and Mr Kaiyomarz Marfatia.

### Declaration of Independence

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

### Number of Meetings of the Board

Seven Board Meetings were held during the year on May 19, 2017; July 18, 2017; August 8, 2017; November 13, 2017; December 19, 2017; February 14, 2018 and March 27, 2018.

### Policy on Nomination and Appointment of Directors/ Criteria for appointment of Senior Management and 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 of 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 formulated Performance Evaluation Framework and Policy, which sets a mechanism for the evaluation of the Board, Board Committees and Directors. The said Policy is available at <http://www.abbott.co.in/investor-relations/policies.html>

Under the aforementioned Framework and Policy, the performance evaluation of the Board, Committees and individual Directors is conducted through self-assessment and group discussion. The Board may refer to a suggested set of questions/parameters to guide their discussions. The Chairman of the Board/Nomination and Remuneration Committee meet the individual Directors to provide feedback, if any.

During the year, the Board/the Nomination and Remuneration Committee conducted performance evaluation of each individual director and the Board conducted performance evaluation of the Board and Committees, through self-assessment and group discussions. Evaluation was done based on the parameters stated under the aforesaid Framework. Independent Directors, at their separate meeting, evaluated performance of Non-Independent Directors, the Board as a whole and the Chairman. Appropriate feedback was provided to the Chairman and Managing Director.

## 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 Mr R A Shah (Chairman), Mr Krishna Mohan Sahni, Mr Munir Shaikh and Ms Anisha Motwani. Role of the Committee is provided in detail in the Corporate Governance Report, forming part of this Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

The 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 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 the same internally for resolution. The said Policy provides for adequate safeguards against retaliation and access to the Chairman of the Audit Committee.

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

## STATUTORY AUDITORS

S R B C & CO LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E/E300003), were appointed as the Statutory Auditors at the Seventieth Annual General Meeting of the Company held on August 1, 2014 for a term of 5 years i.e. from financial year 2014-15 to the financial year 2018-19, to hold office till the conclusion of the Seventy-fifth Annual General Meeting of the Company subject to ratification at each Annual General Meeting.

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

## AUDITORS' REPORT

The Auditors' Report for the financial year 2017-18 does not contain any adverse remarks, qualifications or reservations or disclaimers, which require explanation/comments by the Board.

## COST AUDITORS

M/s Kishore Bhatia & Associates, Cost Accountants (Registration No. 00294), are appointed as the Cost Auditors of the Company for the financial year 2018-19 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 2016-17, issued by M/s N I Mehta and Associates, then Cost auditors, was filed on August 22, 2017 (due date of filing was September 27, 2017).

## INTERNAL AUDITORS

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

## SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by Ms Neena Bhatia, Practising Company Secretary (Membership No.: FCS 9492 and Certificate of Practice No. 2661) for the financial year ended March 31, 2018 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. We are committed to keeping all those who work for the Company safe by preventing dangerous incidents in and around the workplace. Our EHS strategy aims to develop a standardised approach to foster continuous improvement and ensure a safe and efficient working environment that minimises any adverse environmental impact. In educating our employees, we also empower them to promote safer and healthier lives in their wider communities. We strive to maintain the highest standards of Environment, Health and Safety (EHS) practices.

The Employee Health and Safety (EHS) Policy has been implemented through our Global EHS Standards, supported by a well-defined EHS organisational structure, EHS Standard Operating Procedures and EHS specific programs, all ensuring we meet all the local regulatory requirements.

Suggestions from the Safety Committee, comprising representatives from the workforce and management, are implemented promptly to resolve issues impacting Plant safety and employee health. Routine self-audits and third party safety audits are conducted to verify compliance with the regulatory and internal safety requirements.

During the year, pumps within the existing fire hydrant system were upgraded to cover additional expansion area to mitigate the risk of fire at the Goa Plant. The site is geared to handle any type of fire situation.

Training programs are conducted at the Plant on health and safety issues to build technical capabilities. Employees are also encouraged to attend external training programs on various topics such as regulatory requirements, ergonomics, machine guarding, hot work safety, road safety, industrial hygiene, industrial safety and so on. A cross-functional teams for emergency response and firefighting is in place. Mock drills for fire-fighting and rescue operations are conducted in association with local fire brigade to keep the staff in a state of preparedness for any emergencies. The Company has a detailed Business Continuity Plan in place. We are continuously improving on the Behavior Based Safety (BBS) program and visible improvement in safety culture is observed. Stop for Safety initiative was initiated this year to support the BBS program. The Plant had no reportable or loss time incident during last 5 years.

The Plant has a well-appointed first-aid room with a full time nurse and Occupational Health Physician catering to employee needs. The Plant is also armed with an on-site fully-equipped ambulance van. It is mandatory for all plant employees to undergo regular medical check-up as prescribed under the Company's Policies.

Introduction of closed loop system for Chloroform handling was a major initiative undertaken at the Plant this year. This will reduce employee exposure and accidental inhalation. Additionally, we have invested in several employee engagement programs like celebration of National Safety week, World Environment day and Abbott EHS month that will help build a sustainable EHS culture.

### Environment :

A responsibility towards the environment is part of Abbott's mandate. We continuously endeavor to minimize the use of renewable resources and cut down on carbon emission. In all our initiatives, we adopt a holistic approach and make efforts to curtail the adverse environmental impact, if there is any, during product-manufacturing and its disposal either by us, our vendors or customers. The site continued to implement multiple water conservation projects to save water. Examples include improved condensate recovery from boilers, installation of fluid bed dryer filter bag washing and drying machine to save 50 liters of water per washing cycle and intermediate product container cleaning machine installed to save 40 liters of water per container. The treated water from our waste water treatment plant is recycled for horticulture within the site.

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

Over the period of last 5 years, the site has achieved more than 25% absolute water reduction in usage and the rain water harvesting project was effectively continued at the Plant this year, which resulted in 600 KL of water storage during the monsoon season.

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

Goa plant has received the "Best Environmental Practices Award" from Goa State Pollution Control Board to recognise the efforts for recycling the used water from liquid bottle cleaning machines in cooling water towers in utility section.

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

purview of waste disposal. In 2017, 36% of the waste was sent for recycling, 62 % for incineration/co-processing and 2% for composting. One of our significant achievements has been the changing fate of hazardous waste through our initiatives that changed from Incineration to Co-processing. With this change, we have ensured that the energy from the waste is recovered, thus contributing to the reduction of CO2 emission and global warming. 56% of site waste was incinerated with energy recovery.

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

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

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 and Rules framed thereunder is annexed as "Annexure 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), up to the date of ensuing Annual General Meeting. Any Member interested in obtaining a copy of such Statement may write to the Company Secretary at the Registered Office of the Company.

## CORPORATE GOVERNANCE REPORT

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

## BUSINESS RESPONSIBILITY REPORT

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

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

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

## FIXED DEPOSITS

No fixed deposits were accepted during the year.

## PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

During the year, the Company granted a loan of ₹ 200,00.00 Lakhs to Alere Medical Private Limited, India (a Related Party as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) for a period of six months on December 26, 2017, at an interest rate of 10% per annum pursuant to the provisions of Section 186 of the Companies Act, 2013 and Rules framed thereunder, to pay off its existing inter-company trade liability. The said loan is guaranteed by Abbott Laboratories, USA i.e. the ultimate holding company.

## GENERAL

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

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

## AWARDS AND RECOGNITIONS

During the year, the Company won several prestigious awards and recognitions including "Best Companies to Work For" by Business Today; Best Marketing Campaign for "Constipation Conversations" by Healthcare Leadership Awards; Best use of Technology for Training and Excellence in the Production of Learning Content by 4th World Training Development Congress; Silver for Digital Marketing Excellence for Abbott India Radio by DIGIX X.

## EMPLOYEES

Your Board recognises the extensive contribution made by all employees towards the growth of the Company year-after-year and places on record its sincere appreciation for the same.

## ACKNOWLEDGEMENT

Your Board is sincerely thankful to all business partners, institutions, banks and in particular, the Members, for their on-going support and trust in the Company.

## For and on behalf of the Board

**Munir Shaikh**  
Chairman  
DIN : 00096273

**R A Shah**  
Director  
DIN : 00009851

## ANNEXURE I

### Annual Report of CSR Activities for the financial year 2017-18

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

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

##### Policy Statement :

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

##### Core CSR areas identified by the Company :

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

- Enhancing access to healthcare across the country for a healthy society; conducting wellness camps for improving lives of the underprivileged community;
  - Charitable donations and educational grants for serving the underserved sections of society;
  - Reaching out to Government to advance sound public policy and expand patient access to healthcare;
  - Disease awareness projects/activities that support subsidised screening and treatment;
  - Product donations through trusted partners in the context of Abbott's global policies and international standards;
  - Extending support to various NGOs through monetary grants for education healthcare and livelihood of underprivileged children and women;
  - Environment protection measures;
- c) Manner in which the amount was spent during the financial year is detailed below

- 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 :

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

Sr. No.	Name of Member	Category
1	Mr Munir Shaikh (Chairman)	Non-Executive Director
2	Mr Krishna Mohan Sahni	Independent Director
3	Mr Ambati Venu	Managing Director

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

₹ 393,60.63 Lakhs

\*calculated on the basis of Net Profits for the financial years, 2014-15, 2015-16 and 2016-17

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

₹ 7,87.21 Lakhs

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

- Total amount spent during the financial year – ₹ 9,12.22 Lakhs
- Amount unspent, if any - Nil

(₹ in Lakhs)

Sr. No.	CSR Project Name	Schedule VII Category	Location	Amount Outlay (Budget)	Amount spent on the projects or programs 1) Direct 2) Overheads	Cumulative Expenditure	Amount Spent : Direct or through Implementing Agency
1	Health Clinics	Promoting Healthcare	Pan-India	5,43.10	5,43.10	5,43.10	Direct Implementation
2	Nirmal Dhara Dairy Project	Rural Development, Promoting Gender Equality, Improving Livelihoods	Ahmednagar, Maharashtra	1,19.82	1,19.82	1,19.82	Direct Implementation
3	SEWA – Creating a Sustainable Healthcare Delivery Model through Livelihoods	Promoting Healthcare, Promoting Gender Equality and Empowering Women	Pan-India	1,46.35	1,46.35	1,46.35	Direct Implementation
4	iCARE Road Safety Drive	Promoting Education	Pan-India	68.81	68.81	68.81	Direct Implementation
5	Administrative Expenses			34.14	34.14	34.14	
	<b>Total</b>			<b>9,12.22</b>	<b>9,12.22</b>	<b>9,12.22</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

**Krishna Mohan Sahni**  
Member, CSR Committee  
DIN : 02103128

**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 the 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 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 I.

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

- 6.1 Individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of all stakeholders. Candidates will be selected for their ability to exercise good judgment and to provide practical insights and diverse perspectives.

**7. Appointment Mechanism :**

- 7.1 The Nomination and Remuneration Committee shall play a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for Directors, Key Managerial Personnel and Senior Management officials. It shall provide its advice and recommendations to the Board.

- 7.2 The Managing Director/Executive Directors/Non-Executive Directors/Key Managerial Personnel are appointed by the Board of Directors upon recommendation from the Nomination and Remuneration Committee.
- 7.3 Senior Management Personnel shall be appointed by the Company as per Company policies.

**8. Term/Tenure :**

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

**9. Independent Director :**

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

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

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

**11. Key Managerial Personnel and Senior Management :**

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

**12. Removal :**

- 12.1 The Committee may recommend to the Board with reasons recorded in writing, removal of an Independent Director and Key Managerial Personnel subject to the provisions and compliance of the Companies Act, 2013, Rules made thereunder and other applicable regulations and applicable policies of the Company.
- 12.2 The Senior Management Personnel shall be removed by the Company as per Company policies.

**13. Succession Planning :**

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

**14. Review of the Policy :**

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

**ANNEXURE****1. Criteria for Independence :**

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

- 1.1.1 Shall not be Managing Director or a Whole-time Director or a Nominee Director.
- 1.1.2 Shall be a person of integrity and shall possess relevant expertise and experience.
- 1.1.3 Shall not be a promoter of the Company or its holding, subsidiary or associate Company.
- 1.1.4 Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company.
- 1.1.5 Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiary, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.
- 1.1.6 Relatives should not have or had pecuniary relationships or transactions with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- 1.1.7 Neither himself/herself nor any of his/her relatives shall hold or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- 1.1.8 Neither himself/herself nor any of his/her relatives is or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year of :

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

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

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

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

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

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

1.1.11 Shall not be less than 21 years of age.

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

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

2.2 "Associate Company" implies a Company which is an "associate" as defined in Ind AS 28, "Investments in Associates and Joint Ventures", 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 requires every Nomination and Remuneration Committee (N&RC) to devise a Policy on remuneration of Directors, Key Managerial Personnel (KMP) and other employees.

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

**2. Overview :**

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

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

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

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

**3. Company Philosophy :**

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

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

3.1.2 Making individual performance the primary driver of total pay;

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

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

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

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

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

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

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

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

**4. Definitions :**

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

4.2 "Key Managerial Personnel" means

- Chief Executive Officer or the Managing Director or the Manager;
- Company Secretary;
- Whole-time Director;
- Chief Financial Officer; and
- Such other officer as may be prescribed under the Act.

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

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

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

5.1 Sitting Fees

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

5.2 Reimbursement of reasonable expenses

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

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

5.3 Stock Options

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



## 5.4 Insurance policy for Non- Executive Directors

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

**6. Remuneration for Managing Director (“MD”), 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 the way of salary, perquisites and allowances. The N&RC shall recommend to the Board, annual increments in salary effective 1st April each year.

6.3 Apart from the fixed remuneration, there is a variable component of a performance linked incentive/commission which is payable on an annual basis. The amount of performance bonus/commission shall be determined by the Board based on the recommendation of the N&RC and in alignment with Company policy. There can be components of one-time incentive or special incentives basis his agreed compensation structure with the host countries in case of expatriates. The same will be as recommended by the N&RC and approved by the Board of Directors.

6.4 The Company shall provide retirement benefits as per statutory requirements. Additionally there may be certain other retirement benefits that may be provided to MD/ED such as pension, gratuity, superannuation etc.

6.5 MD/ED are also eligible for Long Term Incentives granted by the Parent Company, Abbott Laboratories, USA in the form of Stock Options and/or Restricted Stock Units.

**7. Minimum Remuneration :**

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

**8. Provisions for excess Remuneration :**

8.1 If MD/ED draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**9. Key Managerial Personnel (“KMP”), Senior Management and Other Employees :**

## 9.1 Base Salary

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

- Position evaluations;

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

## 9.2 Bonus, Perquisites, Allowances and Benefits

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

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

9.2.3 The Company provides retirement benefits as per statutory requirements.

9.2.4 The Company provides a performance linked cash bonus to 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 N&RC at such intervals as may be deemed necessary. Changes (if any) recommended by the N&RC shall be placed before the Board for its approval.

**ANNEXURE TO THE POLICY**

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

**ANNEXURE III****Secretarial Audit Report for the financial year ended March 31, 2018**

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

To,

The Members,

Abbott India Limited

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

Based on my verification of the Company's books, papers, minute book, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of :

1. The Companies Act, 2013 and the Rules made thereunder, as amended from time to time (the Act);
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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, as amended from time to time;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I further report that :**

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

- a. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rule 1945;
- b. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
- c. Drugs (Price Control) Order, 2013;

**I further report that :**

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

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

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

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

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

**Neena Bhatia**

Practicing Company Secretary

Membership No : FCS 9492

Certificate of Practice No : 2661

Place: Mumbai

Date: May 14, 2018

**Annexure to the Secretarial Audit Report of Abbott India Limited for financial year ended March 31, 2018**

To,  
The Members  
Abbott India Limited

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

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**Neena Bhatia**

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

Place: Mumbai  
Date: May 14, 2018

**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**

- Existing Fluorescent Tube Light high power (FTL) consuming lights replaced with energy saving Light Emitting Diode (LED) lights in Quality Control areas.
- New condensate recovery pump installed to improve the condensate recovery from 55% to 80%.

Following measures have been taken at the Goa plant during the year 2017-18 for conservation of water –

- Effluent Treatment Plant treated water used for toilet flushing in change rooms.
- Fluid bed dryer filter bag washing and drying machine installed to save 50 liters of water per washing cycle.
- Intermediate product container cleaning machine installed to save 40 liters of water per container.

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

Nil

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

₹ 1.71 Lakhs

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

- High speed hammer mill installed to improve the efficiency of sugar milling process, to reduce ergonomic risk while manual handling of sugar and to reduce the labor hours per batch.
- Bucket type self-cleaning filter installed in liquid manufacturing area to reduce open handling of liquid materials during batch manufacturing.
- Pneumatic pumps installed for paste charging in liquid manufacturing area to reduce ergonomic risk while manual loading of pastes inside the tanks through hopper.
- Closed loop system installed for chloroform transfer from one tank to another tank to reduce the risk of manual handling and inhalation of chloroform.
- Track & trace system for tertiary packing installed to comply with current regulations.
- On line inspection system installed on blister packing machines to reject non filled blisters online.
- Installation of dynamic & static pass box for proper material flow.

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

- New Videojet printers installed on liquid and tablet secondary packing lines in order to reduce the packing line stoppages on account of old printer breakdowns resulting in increased efficiency of packing lines and reduction in the wastage of packing materials.

- New volumetric liquid filling line increased the yields of Cremaffin and Duphalac by 0.3% and improved overall equipment efficiency by 6%.
- Zebra printers installed for printing of shipper labels in tablet and liquid secondary packing area to replace manual overprinting of shipper labels along with two manpower savings per shift.
- Cremaffin batch size increased from 5.5 KL to 10 KL to cope up with increasing market demand. This initiative resulted in approximately 50 % reduction in line clearances time, 50 % reduction in batch testing and 5% increase in liquid filling line efficiency.
- Launch of new SKUs Cremaffin 225 ml, Udiliv 15's new pack & Duphalac Lemon flavor.

**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	1.71
(b)	Recurring	68.71
(c)	Total	70.42
(d)	Total R&D expenditure as a Percentage of Total Turnover	0.02%

**C. Foreign Exchange Earnings and Outgo**

Particulars	₹ in Lakhs
<b>A. Total Foreign Exchange used</b>	
a. On import of raw materials, finished goods, consumable stores and capital goods	363,42.35
b. On professional charges, sales promotion expenses, commission on export sales, registration fees, business travel, software, etc.	10,12.70
c. On purchase of Trademarks	7,10.79
d. For dividend remittance	63,73.62
<b>B. Total Foreign Exchange earned</b>	
a. Exports of goods	23,94.75
b. Service income	5,26.33
c. Recovery of expenses	2,00.25
d. Other earnings	5,64.20

## ANNEXURE V

## Extract of Annual Return as on financial year ended March 31, 2018

## FORM NO. MGT 9

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

## i. REGISTRATION AND OTHER DETAILS

CIN	: L24239MH1944PLC007330
Registration Date	: August 22, 1944
Name of the Company	: Abbott India Limited
Category/Sub-Category of the Company	: Company Limited By Shares/Indian Non-Government Company
Address of the Registered office and contact details	: 3, Corporate Park, Sion-Trombay Road, Mumbai – 400071 Telephone No.: +91-22-6797 8888 / +91-22-3816 1119 Fax: +91-22-6797 8727 / +91-22-3816 2400
Whether listed company	: Yes
Name, Address and Contact details of the Registrar and Share Transfer Agent :	: 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: +91-40-2344 0674

## ii. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Pharmaceuticals	21002	100%

## iii. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	Abbott Capital India Limited Address: Abbott House, Vanvall Business Park, Maidenhead, Berkshire SL64XE	NA	Holding	50.45	2 (46) of the Companies Act, 2013

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise 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>	-	-	-	-	-	-	-	-	-
2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2) :</b>	15934048	-	15934048	74.99	15934048	-	15934048	74.99	-
<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>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds	1159314	150	1159464	5.46	1130385	50	1130435	5.32	-0.14%
b) Banks / FI	106866	408	107274	0.50	5699	408	6107	0.03	-0.47%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	39631	-	39631	0.19	140042	-	140042	0.66	+0.47%
g) FIIs	32020	150	32170	0.15	26442	-	26442	0.12	-0.03%
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
j) Others (specify)									
Foreign Portfolio – Corp	549279	-	549279	2.58	598494	-	598494	2.82	+0.24%
<b>Sub-total (B)(1) :</b>	<b>1887110</b>	<b>708</b>	<b>1887818</b>	<b>8.88</b>	<b>1901062</b>	<b>458</b>	<b>1901520</b>	<b>8.95</b>	<b>+0.07%</b>
2) Non-Institutions									
a) Bodies Corp.									
i) Indian	161273	3590	164863	0.78	133440	3251	136691	0.64	-0.14%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2416297	555142	2971439	13.98	2363750	473150	2836900	13.35	-0.63%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	161637	44928	206565	0.97	125923	44928	170851	0.80	-0.17%
c) Others (specify)									
Alternative Investment Fund	-	-	-	-	104087	-	104087	0.49	+0.49%
Trust	175	-	175	-	465	-	465	-	-
NRI(Rep)	26269	1400	27669	0.13	26034	1400	27434	0.13	-
Clearing Member	12550	-	12550	0.06	3811	-	3811	0.02	-0.04%
NRI (Non Rep)	38655	5049	43704	0.21	50010	4906	54916	0.26	+0.05%
Foreign Corp Bodies	-	471	471	-	-	471	471	-	-
Investor Education and Protection Fund Authority	-	-	-	-	51809	-	51809	0.24	+0.24%
Unclaimed Suspense Account	-	-	-	-	24671	-	24671	0.12	+0.12%
NBFC	-	-	-	-	1628	-	1628	0.01	+0.01%
Foreign National / Bodies / OCB	-	-	-	-	-	-	-	-	-
NSDL in transit	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2) :</b>	<b>2816856</b>	<b>610580</b>	<b>3427436</b>	<b>16.13</b>	<b>2885628</b>	<b>528106</b>	<b>3413734</b>	<b>16.07</b>	<b>-0.06%</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4703966</b>	<b>611288</b>	<b>5315254</b>	<b>25.01</b>	<b>4786690</b>	<b>528564</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>20638014</b>	<b>611288</b>	<b>21249302</b>	<b>100.00</b>	<b>20720738</b>	<b>528564</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, U.K.	10719097	50.45	-	10719097	50.45	-	-
2.	Abbott Healthcare Products Limited, U.K.	3744951	17.62	-	3744951	17.62	-	-
3.	British Colloids Limited, U.K.	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 (1/04/2017 to 31/03/2018)	
		No. of Shares at the beginning of the year (1/04/2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1.	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA HIGH GROWTH COMPANIES FUND	450000	2.12%	01.04.2017	-	-	450000	2.12%
				28.04.2017	-3500	Transfer	415000	1.95%
				12.05.2017	127	Transfer	415127	1.95%
				19.05.2017	888	Transfer	416015	1.96%
				26.05.2017	3985	Transfer	420000	1.98%
				02.06.2017	2256	Transfer	422256	1.99%
				09.06.2017	1983	Transfer	424239	2.00%
				23.06.2017	761	Transfer	425000	2.00%
				22.09.2017	613	Transfer	425613	2.00%
				06.10.2017	4387	Transfer	430000	2.02%
				17.11.2017	-6209	Transfer	423791	1.99%
				08.12.2017	-11891	Transfer	411900	1.94%
				15.12.2017	-2312	Transfer	409588	1.93%
				22.12.2017	-3931	Transfer	405657	1.91%
				29.12.2017	-657	Transfer	405000	1.91%
				31.03.2018	-	-	405000	1.91%
				2.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE PHARMA FUND	270587	1.27%	01.04.2017
21.04.2017	-586	Transfer	270001					1.27%
02.06.2017	254	Transfer	270255					1.27%
23.06.2017	17127	Transfer	287382					1.35%
14.07.2017	3080	Transfer	290462					1.37%
21.07.2017	4985	Transfer	295447					1.39%
28.07.2017	4180	Transfer	299627					1.41%
04.08.2017	3368	Transfer	302995					1.43%
11.08.2017	6358	Transfer	309353					1.46%
18.08.2017	1882	Transfer	311235					1.46%
25.08.2017	5000	Transfer	316235					1.49%
15.09.2017	3950	Transfer	320185					1.51%
27.10.2017	300	Transfer	320485					1.51%
17.11.2017	10000	Transfer	330485					1.56%
23.02.2018	10000	Transfer	340485					1.60%
31.03.2018	-	-	340485					1.60%

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2017 to 31/03/2018)					
		No. of Shares at the beginning of the year (1/04/2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company				
3.	GOLDMAN SACHS INDIA LIMITED	174193	0.82%	01.04.2017	-	-	174193	0.82%				
				07.04.2017	10794	Transfer	184987	0.87%				
				31.03.2018	-	-	184987	0.87%				
4.	RELIANCE CAPITAL TRUSTEE COMPANY LIMIED - A/C RELIANCE MID & SMALL CAP FUND	147136	0.69%	01.04.2017	-	-	147136	0.69%				
				07.04.2017	20100	Transfer	167236	0.79%				
				21.07.2017	2005	Transfer	169241	0.80%				
				31.03.2018	-	-	169241	0.80%				
5.	STEINBERG INDIA EMERGING OPPORTUNITIES FUND LIMITED	39297	0.18%	01.04.2017	-	-	39297	0.18%				
				28.04.2017	30703	Transfer	70000	0.33%				
				04.08.2017	7570	Transfer	77570	0.37%				
				08.09.2017	2430	Transfer	80000	0.38%				
				22.09.2017	571	Transfer	80571	0.38%				
				29.09.2017	13637	Transfer	94208	0.44%				
				06.10.2017	2792	Transfer	97000	0.46%				
				27.10.2017	1192	Transfer	98192	0.46%				
				31.10.2017	1456	Transfer	99648	0.47%				
				03.11.2017	1797	Transfer	101445	0.48%				
6.	INDIA WHIZDOM FUND	-	-	01.04.2017	-	-	-	-				
				23.02.2018	60152	Transfer	60152	0.28%				
				02.03.2018	113	Transfer	60265	0.28%				
				09.03.2018	38048	Transfer	98313	0.46%				
				16.03.2018	1429	Transfer	99742	0.47%				
				23.03.2018	2759	Transfer	102501	0.48%				
				30.03.2018	1586	Transfer	104087	0.49%				
				31.03.2018	-	-	104087	0.49%				
				7.	LIFE INSURANCE CORPORATION OF INDIA	100224	0.47%	01.04.2017	-	-	100224	0.47%
								21.04.2017	187	Transfer	100411	0.47%
31.03.2018	-	-	100411					0.47%				
8.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	-	-	01.04.2017	-	-	-	-				
				22.09.2017	1630	Transfer	1630	0.01%				
				29.09.2017	40394	Transfer	42024	0.20%				
				27.10.2017	10000	Transfer	52024	0.24%				
				10.11.2017	20000	Transfer	72024	0.34%				
				31.03.2018	-	-	72024	0.34%				
9.	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	70199	0.33%	01.04.2017	-	-	70199	0.33%				
				16.02.2018	-34	Transfer	70165	0.33%				
				23.02.2018	-70165	Transfer	-	-				
				31.03.2018	-	-	-	-				

Sr. No	Name	Shareholding					Cumulative shareholding during the year (1/04/2017 to 31/03/2018)	
		No. of Shares at the beginning of the year (1/04/2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
10.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS GROWTH & EMERGING MARKETS BROAD EQUITY PORTFOLIO	61555	0.29%	01.04.2017	-	-	61555	0.29%
				31.03.2018	-	-	61555	0.29%
11.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	59926	0.28%	01.04.2017	-	-	59926	0.28%
				05.05.2017	-392	Transfer	59534	0.28%
				12.05.2017	-1390	Transfer	58144	0.27%
				02.06.2017	-672	Transfer	57472	0.27%
				16.06.2017	-100	Transfer	57372	0.27%
				23.06.2017	-2735	Transfer	54637	0.26%
				21.07.2017	-585	Transfer	54052	0.25%
				22.09.2017	-288	Transfer	53764	0.25%
				29.09.2017	-53764	Transfer	-	-
				31.03.2018	-	-	-	-
12.	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY, MINISTRY OF CORPORATE AFFAIRS	-	-	01.04.2017	-	-	-	-
				01.12.2017	51799	Transfer	51799	0.24%
				08.12.2017	10	Transfer	51809	0.24%
				31.03.2018	-	-	51809	0.24%
13.	COBRA INDIA (MAURITIUS) LIMITED	42705	0.20%	01.04.2017	-	-	42705	0.20%
				31.03.2018	-	-	42705	0.20%
14.	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN BUILD INDIA FUND	40000	0.19%	01.04.2017	-	-	40000	0.19%
				23.06.2017	3173	Transfer	43173	0.20%
				30.06.2017	333	Transfer	43506	0.20%
				07.07.2017	1494	Transfer	45000	0.21%
				11.08.2017	792	Transfer	45792	0.22%
				18.08.2017	749	Transfer	46541	0.22%
				25.08.2017	3459	Transfer	50000	0.24%
				15.09.2017	5000	Transfer	55000	0.26%
				09.03.2018	-50038	Transfer	4962	0.02%
				31.03.2018	-	-	4962	0.02%

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

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

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

#### vi. INDEBTEDNESS

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

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

NIL

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

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Ambati Venu Managing Director	Rajiv Sonalker Whole-time Director (w.e.f. August 8, 2017)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income - tax Act, 1961	4,00.16	1,22.95	5,23.11
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961*	1,73.33	33.28	2,06.61
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	-as % of profit			
	-others			
5.	Others			
	Contribution to Provident Fund	12.40	5.41	17.81
	<b>Total (A)</b>	<b>5,85.89</b>	<b>1,61.64</b>	<b>7,47.53</b>
	Ceiling as per the Act	₹ 58,64.72 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

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

##### B. Remuneration to Other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Munir Shaikh	R A Shah	Ranjan Kapur	Krishna Mohan Sahni	
1.	Independent Directors					
	Fee for attending Board/Committee Meetings	-	17.00	10.50	15.00	42.50
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (1)</b>	-	<b>17.00</b>	<b>10.50</b>	<b>15.00</b>	<b>42.50</b>

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Munir Shaikh	R A Shah	Ranjan Kapur	Krishna Mohan Sahni	
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending Board/Committee Meetings	13.50	-	-	-	13.50
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (2)</b>	<b>13.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.50</b>
	<b>Total (B)=(1+2)</b>	<b>13.50</b>	<b>17.00</b>	<b>10.50</b>	<b>15.00</b>	<b>56.00</b>
	Ceiling as per the Act	₹ 5,86.47 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	1,90.16	47.87	2,38.03
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961*	51.48	8.84	60.32
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others	-	-	-
5	Others			
	Contribution to Provident Fund	8.36	1.96	10.32
	<b>Total</b>	<b>2,50.00#</b>	<b>58.67</b>	<b>3,08.67</b>

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

# Also includes salary as Whole-time Director with effect from August 8, 2017.

**vii. Penalties/Punishment/Compounding of Offences**

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

**ANNEXURE VI**

Disclosure under Section 197(12) of the Companies Act, 2013 and other disclosures as per Rule 5 of the Companies (Appointment 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 2017-18 :

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)	-	2.0
Mr R A Shah ** (Independent Director)	-	2.5
Mr Ranjan Kapur ** (Independent Director)	-	1.5
Mr Krishna Mohan Sahni** (Independent Director)	-	2.2
Mr Ambati Venu (Managing Director)	-*	85.7
Mr Rajiv Sonalker <sup>1</sup> (Chief Financial Officer and Whole-time Director)	16.8	23.6
Ms Krupa Anandpara (Company Secretary)	18.6	NA

1. Appointed as Additional and Whole-time Director effective August 8, 2017.

\* Mr Ambati Venu joined effective September 29, 2016 and therefore, increase in his remuneration cannot be calculated.

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

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

10.9%

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

3,322

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

Average percentage increase made in the salaries of employees other than the managerial personnel in the year 2017-18 was 10.5%. Managerial remuneration is not comparable with previous year since Mr. Ambati Venu joined effective from September 29, 2016 and Mr. Rehan Khan resigned effective April 30, 2016.

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

# BUSINESS RESPONSIBILITY REPORT

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

We leverage our knowledge of science, business acumen and unique resources to provide lasting solutions to global health challenges. The most important priority areas to our stakeholders and for our 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.

By building a more inclusive business, we aim to reach more people, in more places, than ever before. From strengthening the capacity of suppliers, to creating products that enable people to live healthy lives, we are always finding new opportunities to expand the positive impact of our people, products and business. Moreover, being a responsible corporate citizen extends much 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.

At Abbott India, we strive to implement sustainable practices to reduce the environmental impact of our products and operations. Every day, we put our unique talent to work towards 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 - <http://www.abbott.co.in/investor-relations/policies.html>

## SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identification Number (CIN)	L24239MH1994PLC007330
2.	Registered address	3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071
3.	Website	<a href="http://www.abbott.co.in">www.abbott.co.in</a>
4.	E-mail id	<a href="mailto:investorrelations.india@abbott.com">investorrelations.india@abbott.com</a>
5.	Financial Year	2017-18
6.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code : 21002 (Activity : Pharmaceuticals)
7.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Duphaston Thyronorm Udiliv
8.	<b>Total number of locations where business activity is undertaken</b>	
	a) Number of International Locations	NIL
	b) Number of National Locations	Manufacturing plant at Goa, Registered Office and Corporate Office at Mumbai, Sales offices and distribution hubs Pan - India
9.	Markets served by the Company Local/State/National/International	Pan - India, Sri Lanka, Nepal, Maldives and Bhutan

## SECTION B : FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid Up Capital	₹ 21,24,93,020
2.	Total Turnover	₹ 3273,90,01 Lakhs
3.	Total Profit After Tax	₹ 401,21,78 Lakhs
4.	<b>Total Spending on Corporate Social Responsibility (CSR)</b>	
	a) IN ₹	₹ 9,12.22 Lakhs
	b) As a percentage of Profit After Tax (%)	2.27% of the Profit After Tax for the financial year 2017-18
5.	List of activities in which expenditure in 4 above has been incurred :-	<ol style="list-style-type: none"> <li>1. Health Clinics - Programs to expand Awareness and Access to Healthcare</li> <li>2. Nirmal Dhara Dairy Project - Building a Sustainable Local Supply Chain, and Rural Development through Training of Dairy Farmers and Women Empowerment</li> <li>3. SEWA - Creating a Sustainable Healthcare Delivery Model through Livelihoods</li> <li>4. iCARE Road Safety Drive - Promotion of Road Safety Awareness through iCARE Safety Day</li> </ol>

## SECTION C : OTHER DETAILS

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

## SECTION D : BUSINESS RESPONSIBILITY (BR) INFORMATION

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

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

Mr Ambati Venu, Managing Director

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

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

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

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

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

**a. Details of Compliance (Y/N)**

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

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

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

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

Information with reference to BRR framework

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

**SECTION E : PRINCIPLE-WISE INFORMATION**

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

The Company is committed to conducting business in an ethical and legally compliant manner. The Company has a robust and comprehensive corporate compliance program designed to help maintain the highest ethical and compliance 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. Adhering to these Standards is an important part of the commitment to operate with honesty, fairness and integrity.

Our Code of Business Conduct ("the Code") embodies values and provides a foundation for employee's responsibilities and behaviors that help them make the best choices for the Company, for themselves, and for the people they serve. The Company's Board and leadership teams fully support the Code and the policies, procedures and principles it embodies.

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

No

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

Yes

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

The Company has received 31 stakeholder complaints during the financial year 2017-18. Out of these, 28 complaints were investigated in accordance with Internal Investigations Policy and Compliance Program and appropriately resolved. 3 complaints are pending under investigation.

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

The Company is committed to the protection of human health, safety and the environment where we conduct our business. 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 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 endeavour to maintain the highest level of quality throughout our business. Our Commitment to health and safety of the people who use our products is always at the forefront of everything we do. These efforts start with sourcing of materials for and manufacture of our products and moves through how we market, sell and supply these products, including through our business partners - delivering high quality is imperative every step of the way.

We are committed to timely identifying, evaluating, and addressing product safety issues. 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, locally and globally.



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.

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

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

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

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

Being a multiproduct facility, product-wise resource consumption is not measured, yet the plant continuously takes measures to reduce the consumption. The plant has increased manufacturing yields so as to reduce the wastage of precious raw materials, packaging materials and solvents. As a compliance towards Plastic Waste Management Rules, we are working on usage of more recyclable materials in our packaging of goods.

**(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.

Below table shows water consumption, CO2 emissions and waste generated during the year 2017-18 at the plant. The absolute numbers are higher due to increase in production and site validation activities after major upgradation.

Sr. No.	Parameter	Unit	Quantity
1.	Total water used	KL	51,207
2.	Waste generated	MT	479
3.	Total CO2 equivalent emissions from purchased electricity	MT	4,000

Following measures have been taken at the plant during the year 2017-18 for conservation of Energy –

- Existing Fluorescent Tube Light high power (FTL) consuming lights replaced with energy saving Light Emitting Diode (LED) lights in Quality Control areas.
- New condensate recovery pump installed to improve the condensate recovery from 55% to 80%.

Following measures have been taken at the plant during the year 2017-18 for conservation of water –

- Effluent Treatment Plant treated water used for toilet flushing in change rooms.
- Fluid bed dryer filter bag washing and drying machine installed to save 50 liters of water per washing cycle.
- Intermediate product container cleaning machine installed to save 40 liters of water per container.

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

Yes, the Company has been working to increase sourcing of local packaging materials thereby reducing the transportation and the resultant vehicular emissions. For Example, we encouraged the bottle manufacturers to setup their unit in Goa. Also, with the new GST regime, the stockists are being serviced from the closest Carrying and Forwarding Service Providers to reduce transportation 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 the established procedures and requirements. We have also identified new local sources for supplying voluminous raw material which is used in production process. A long-term relationship is developed with vendors and the 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 confirms that none of the raw materials utilised at plant are derived from Biodiversity or its components.

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

Yes, wherever feasible, the wastes are recycled. Being pharmaceuticals, the products are not recycled. Disposal of hazardous waste and sludge to Ultratech cement factories which is utilised by them as a fuel for manufacturing of cement. Non-hazardous waste like paper, glass, etc. are sent to approved vendors.

The Goa Plant retains its certification of Zero Waste to landfill in purview of waste disposal. In 2017-18, 36% of our total waste was sent for recycling, 2% was composted on site, 56% of the waste which includes hazardous waste was co - processed with energy recovery whereas 6% was incinerated.

The Company's plant at Goa received "Best Environmental Practices Award" from Goa State Pollution Control Board recognizing the efforts for recycling the used water from liquid bottle cleaning machines in cooling water towers in utility section.

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

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

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

**A Diverse and Inclusive work place**

To compete effectively on a global basis, the Company needs diverse perspectives, experiences and skills. We are committed to fostering and supporting diversity. We believe that this commitment helps us attract and retain talent while innovating more effectively and adapting to the changing healthcare needs. Our Women Leaders of Abbott (WLA) employee network is designed to help female employees further their careers and empower their leadership at Abbott through structured training, development and networking events tailored to the specific needs.

**Employee Development and Talent Management**

By taking a proactive approach to recruitment and offering advancement and leadership development programs at all levels, we help our employees realise their potential. All the employees have access to job-specific training and development to ensure successful performance in their current roles across the full range of 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 the training function for frontline field force which help them acquire higher level of competencies.

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

Various training and leadership development programs conducted by the Company during the year under review are :

**- IN-STRIDE**

In-Stride program is aimed at strengthening the leadership pipeline towards senior leadership positions (quality and quantity) to ensure business continuity by creating continuous learning opportunities for high potential talent through Simulations, E-Learning, Group Mentoring, individual stretch assignments/projects, 1:1 mentorship and face time with talent council.

**- Management Trainee Program**

Management Trainees are inducted from prestigious colleges with an objective to build a diverse and superior talent pool for sales/marketing positions. After their traineeship, suitable candidates are offered jobs as per their expertise.

**- Global Citizen Development Program**

Global Citizen Development Program is intended to build global mindset capabilities, business and market acumen, and leadership capabilities, while creating a close network of future leaders. It aims to develop skills to help participants manage increasingly complex and challenging responsibilities; offers opportunities to work on current business challenges; accelerates development of high potential, early career talent; provides a networking platform and serves as a vehicle for attracting and retaining early-career talent.

#### - Feeder Pool Development Program

Feeder Pool Development Program is aimed at accelerating progress of our key talent to take up leadership roles at mid management level in the future.

#### - Differential Hiring Strategy

With an objective to infuse differential talent and ensure diversity, approximately 20 % of frontline sales positions are filled from fresh pharma graduates pool.

#### - Sales Force Career Development (TRACKS)

An internal career development program to source talent internally and establish career path for key functions/roles. The main features of TRACKS program are clear and objective guidelines for career movements; cross functional exposure to build leadership skills; faster movement for high performers; meritocratic culture and development feedback to bridge the existing skill gaps.

#### - Uniform Assessments for First Line and Second Line Manager roles

Structured assessment programs were conducted for the First Line and Second Line Managers to create succession pipeline.

#### - NEXTGEN Leadership Development Program for First Line Managers

Professional Development Program is launched for the First Line Managers. In line with our Employee Value Proposition of providing best-in-class exposure and accelerated development for high performers.

#### - Executive Program in Sales & Marketing

The Company collaborated with the Indian Institute of Management (IIM), India's premier Business and Management Institute, to launch a capability-building program for sales managers. So far, 119 managers have participated in these programs, with many securing their first formal certifications.

#### Compensation and Benefits

The Company is dedicated to providing a solid foundation of employee benefits that will allow employees to meet their personal and family needs. Employee benefit philosophy is based on three primary core values :

- Abbott cares and is concerned for the health, welfare and financial well-being of its employees;
- Abbott has established competitive benefits as part of the Total Rewards offered to its employees;

- Abbott has developed standards for effective management of employee benefit programs.

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

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 Employees 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 the Company'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 behavior that is consistent with the ethical values established in Abbott Code of Business Conduct;
- Benefits are competitive in and appropriate for the markets where we compete for talent.

#### Listening to Employees

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

#### Work Life Harmony

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

#### Healthy Living Initiatives

We inspire and motivate our employees with social, financial, mental and physical programs designed for healthy living in the fullest possible sense.

#### - Exercise across Abbott

Wellness program wherein employees forms team, department-wise or with other colleagues to track their minutes of daily exercise and time they put in exercising.

#### - LIVELIFEWELL :

LIVELIFEWELL, an integrated wellness program, is offered to the 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 immunisations and health screenings
- Employee Assistance Programs

1. **Please indicate the total number of employees?** – 3,322
2. **Please indicate the total number of employees hired on temporary/hired on contractual/casual basis?** – 412
3. **Please indicate the number of permanent women employees?** – 202
4. **Please indicate the number of permanent employees with disabilities?**  
To eliminate any possibilities of discrimination, the Company does not maintain any separate information pertaining to employee disabilities.
5. **Do you have an employee association that is recognized by management?** - Yes
6. **What percentage of your permanent employees is members of this recognised employee association?** - 8%
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?** - NIL
8. **What percentage of your above mentioned employees were given safety & skill upgradation training in the last year?**

All new joiners are imparted training as a part of their induction program.

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

We recognise that listening to our stakeholders and responding thoughtfully to their concerns and ideas are vital to our success as a business, and to our progress. The Company has been engaging with broad range of stakeholders on an ongoing basis. Our major stakeholders are our Patients, Consumers and Customers; Governments and Regulators; Healthcare Professionals; Employees; NGOs; Local Communities; Suppliers,

Vendors and Shareholders. Regular communication and engagement with these stakeholders enhance our understanding about their needs and helps to serve them better and builds long lasting relationships.

1. **Has the Company mapped its internal and external stakeholders?** – Yes
2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

The Company has been giving a special focus to marginalised stakeholders through various initiatives. One such initiative was Abbott India's Total Sanitation Project in Gujarat which focused on the safety and privacy of women. Working with a number of local non-governmental organizations (NGOs), the Company launched a comprehensive awareness, education and infrastructure program to help the villages improve sanitation and enable healthier lives. As a result of this project, 99% women in the villages cited improved safety and privacy as one of the major benefits of the project.

Through another initiative, the Nirmal Dhara Dairy Project in Ahmednagar, we have been empowering women dairy farmers by training sessions and infrastructure development. As a result of this program, dairy incomes have nearly doubled among the farmers who were part of the program. This year, the Company has started a new initiative that focuses on creating a sustainable healthcare delivery model in underserved areas to generate livelihoods for self-employed women in rural India. Through all our initiatives, we have been trying to empower marginalised and vulnerable stakeholders to improve their living conditions.

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

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

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

The Company's initiatives such as Creating a Sustainable Healthcare Delivery Model, Nirmal Dhara Dairy Project and Total Sanitation Project aims to empower marginalized women. The latter, particularly, eased the lives of students and elderly who did not have access to toilets before the project.

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

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

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

It is the Company's philosophy to maintain an open working environment that allows free exchange of information by way of communication channels across the 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 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 : Businesses should respect, protect, and make efforts to restore the environment

We are committed to safeguarding a healthy environment for everyone by reducing the environmental impacts of our business. This commitment shapes the way we source, manufacture, design and distribute our products. A sustainable environment is essential for better health, stronger communities and more fulfilling lives. Our long-term Environment, Health and Safety (EHS) strategy aims to protect our people, our planet and our value. We achieve this by delivering across a number of core areas to reduce and mitigate environmental risks; deliver cost efficiency and ensure business continuity.

We take steps 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 environmental impact by 2020, compared to 2010 levels and adjusted for sales.

- Climate change : 40% reduction in carbon dioxide equivalent (CO<sub>2</sub>) 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

The Company is already working on identifying key EHS focus areas and targets for 2030.

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

Yes, there are internal standards based on ISO 14001. Environmental risk assessments are updated and reviewed regularly. The Corporate EHS team conducts independent onsite reviews and potential environmental risks are shared with the top management for attention.

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

No projects are undertaken specifically under Clean Development Mechanism, however there is emphasis on usage of clean energy (like Biomass at Goa plant). CO<sub>2</sub> emission reduction opportunities are formally assessed and emission reduction is a part of annual site targets and key performance indicators.

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

Yes. The Company is committed to environmental protection. Vermicomposting and rainwater harvesting is being practiced. Goa site is Zero Waste to Landfill (ZWL) certified with more than 91% of the waste either being recycled or co-processed off-site for energy recovery. New HVAC system has been installed with energy efficient components. The existing FTL high power consuming lights replaced with energy saving LED lights in QC areas. Water conservation measures include new condensate recovery pump to improve the condensate recovery from 55% to 80 %. Fluid bed dryer filter bag washing and drying machine installed to save 50 liters of water per washing cycle and intermediate product container cleaning machine installed to save 40 liters of water per container.

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

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

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

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

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

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

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

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

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

Yes. Below are the trade and chamber or association which the Company deals with :

1. Organization of Pharmaceutical Producers of India (OPPI)
2. Federation of Indian Chambers of Commerce & Industries (FICCI)

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

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

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

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

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

##### iCARE Road Safety Drive

Road Safety has been a part of the Company's focus, targeted at avoiding accidents and improving lives. Abbott India's iCARE Safety Drive is geared towards spreading awareness about road safety measures to prevent road accidents and save lives. Originally started in 2010, as an internal training program for Abbott's employees, iCARE Safety Drive has evolved into a nationwide road safety awareness drive. Leveraging the experience gained and the training used during its internal employee safety campaign, Abbott India is reaching out to India's public to spread safety awareness.

Over the years, we have reached more than 15 Lakhs people through this initiative. In 2017-18, more than 3,000 Members Pan-India of our workforce educated people they met in medical clinics, hospitals and schools about safe driving practices. They used this opportunity to share simple,

actionable steps for reducing road accidents and injuries, like wearing a helmet and a seat belt, staying alert, obeying speed limits and avoiding the use of mobile phone while driving.

During financial year 2017-18, the program also extended its reach by collaborating with 17 schools to educate 18,823 students on pedestrian safety and road safety awareness.

**Nirmal Dhara Dairy Development Program**

India is the world’s largest producer of milk, and nearly half of rural households depend on dairy farming for at least part of their income. Despite this, many dairy farmers continue to be marginalized, limited by middlemen, a lack of technology and methods to produce higher quality milk for a better price. A further problem is that women are often excluded from decision-making, despite playing a significant role in dairying work.

Working with Prabhat, a local dairy supplier and TechnoServe, a non-profit organisation, we developed a demonstration model that strengthens local dairy supply chain and empowers smallholder farmers to produce increased volumes of higher-quality milk.

Since 2016, our program has directly reached over 1,500 smallholder dairy farmers, half of which are women, in Maharashtra and Gujarat. We developed the infrastructure required to expand capacity for milk production and delivered robust training on topics ranging from the basics of ensuring high-quality milk to technical dairying skills, animal feed and care, farm management and the business of dairying. We run trainings, specifically for women farmers, as well. We established transparent pricing mechanisms for the farmers’ milk that clearly demonstrate the link between quality and price.

During last year, our program, had run nearly 200 training sessions for farmers. We are seeing a consistent increase in the volume of high-quality milk collected every month, demonstrating the impact of our program’s training-led approach. Based on this success, Prabhat is committed to expanding this model to 200 additional villages in the region over three years. This will give more smallholder farmers access to a trusted and transparent market and the skills and infrastructure that they need to supply it.

**Health Clinics - Programs to expand Awareness and Access to Healthcare**

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

Abbott India has several programs to address this gap. Through one such effort, Abbott India supports qualified doctors and healthcare professionals to expand disease

diagnosis and access to care. This includes programs to raise awareness and improve care for epilepsy and liver diseases. In the year 2017-18, these programs reached approximately 165 districts in more than 25 states, reaching out to 4.5 Lakhs people through over 18,500 awareness campaigns.

**Creating a Sustainable Healthcare Delivery Model through Livelihoods**

The Company has initiated a new project in partnership with SEWA (Self-Employed Women’s Association) to improve access to quality healthcare in India. Working with SEWA, which represents underprivileged, self-employed women workers, who earn a living through their own labour or small businesses, Abbott India is seeking to create a sustainable healthcare delivery model within SEWA communities.

This program aims to improve health outcomes, generate livelihoods and create an ecosystem with all stakeholders and key partners (Doctors, Pharmacies, Labs), while ensuring both affordability of services for SEWA members, as well as a financially sustainable healthcare ecosystem.

This program will educate SEWA members on various health conditions while training community healthcare workers on providing consistent, community-based care. The program will also improve access to qualified doctors and pharmacies in order to develop a healthcare ecosystem to provide quality and affordable healthcare facilities and eventually improve health-seeking behaviour in communities.

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

Health Clinics - Programs to expand Awareness and Access to Healthcare	Direct Implementation
Nirmal Dhara Dairy Project – Building a Sustainable Local Supply Chain	Direct Implementation
SEWA - Creating a Sustainable Healthcare Delivery Model	Direct Implementation
iCARE Road Safety Drive	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 Project.

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

Particulars	₹ in Lakhs
Health Clinics - Programs to expand Awareness and Access to Healthcare	543.10
Nirmal Dhara Dairy Project	119.82
SEWA - Creating a Sustainable Healthcare Delivery Model through Livelihoods	146.35
iCARE Road Safety Drive	68.81

**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 Community-Led Total Sanitation Project, Nirmal Dhara Dairy Project and the program to Create a Sustainable Healthcare Model, 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 the 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 practice, and the approved product labelling requirement.

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

550 Complaints (medical and non-medical) were received by the Company and responded as per the Company policies and procedures, by March 31, 2018

**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.**

1 case filed against the Company alleging anti-competitive practices is 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

**R A Shah**  
Director  
DIN : 00009851

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

## BOARD OF DIRECTORS

- a) As on the date of this Report i.e. May 14, 2018, the Board comprises 7 Directors including 2 Executive and 5 Non-Executive Directors, of which 3 are Independent Directors. The Directors are professionals, having expertise in their respective functional areas and bring a wide range of skills and experience to the Board.
- b) The composition of the Board of Directors, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting along with the number of directorships and memberships held in various committees in other companies, as on March 31, 2018, are given in the table below :

Name of the Director	Category of Directorship	Total Board Meetings held in 2017-18	Attendance at		Number of Directorships in other companies <sup>1</sup>	Number of Committee positions in other companies <sup>2</sup>
			Board Meetings held in 2017-18	Annual General Meeting (July 18, 2017)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	7	6	Yes	2	NIL
Mr Ambati Venu Managing Director	Executive Director	7	7	Yes	NIL	NIL
Mr R A Shah	Non-Executive, Independent Director	7	7	Yes	11 <sup>3</sup>	7 <sup>3</sup>
Mr Kaiyomarz Marfatia	Non-Executive Director	7	7	Yes	NIL	NIL
Mr Krishna Mohan Sahni	Non-Executive, Independent Director	7	7	Yes	NIL	NIL
Mr Rajiv Sonalker Whole-time Director (appointed effective August 8, 2017)	Executive Director	7	4	NA	NIL	NIL
Ms Anisha Motwani (appointed effective April 25, 2018)	Non-Executive, Independent Director	7	NA	NA	5 <sup>4</sup>	2
Mr Sachin Dharap (resigned effective August 8, 2017)	Non-Executive Director	7	2	Yes	NIL	NIL
Mr Ranjan Kapur (demised on January 27, 2018)	Non-Executive, Independent Director	7	4	Yes	6 <sup>5</sup>	1
Mr Bhasker Iyer (resigned effective March 31, 2018)	Non-Executive Director	7	7	Yes	NIL	NIL
Ms Nancy Berce (resigned effective March 31, 2018)	Non-Executive Director	7	2	Yes	NIL	NIL

- Includes directorship in private companies, alternate directorship and directorship in foreign companies. However, it does not include the directorships in companies registered under Section 8 of the Companies Act, 2013.
- Includes Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee.
- Mr R A Shah holds directorship in 9 other public companies, 1 private company and 1 foreign company. His directorships include Chairmanship of 3 companies and Vice-Chairmanship of 1 company and 1 alternate directorship. His Committee positions include Chairmanship of 4 committees.
- Ms Anisha Motwani holds directorship in 4 other public companies and 1 private company.
- Mr Ranjan Kapur ceased to be Director due to his sad demise on January 27, 2018. He held directorships in 1 other public company and 5 private companies.

- c) During the year under review, 7 Board Meetings were held on the following dates :  
May 19, 2017; July 18, 2017; August 8, 2017; November 13, 2017; December 19, 2017; February 14, 2018 and March 27, 2018.  
The option for attending Board/Committee Meetings via audio-visual means is provided to the Directors.
- d) Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are annexed to the Notice convening the Annual General Meeting, which forms part of the Annual Report.
- e) There is no inter-se relationship between any of the Directors.
- f) None of the Directors holds any shares of the Company except for Mr R A Shah, who, along with his relatives, holds 6,874 shares as on March 31, 2018.
- 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 PROGRAMS FOR INDEPENDENT DIRECTORS

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

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

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

Details of such programs conducted by the Company for the financial year 2017-18 are available on the website of the Company at <http://www.abbott.co.in/investor-relations/policies.html>

## MEETING OF INDEPENDENT DIRECTORS

In terms of requirements of the Companies Act, 2013, Rules framed thereunder and Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of Independent Directors was held on May 19, 2017. The said Meeting was attended by all the Independent Directors.

## AUDIT COMMITTEE

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

### Composition :

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

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

Sr. No.	Name of the Member	Category	Number of Meetings 2017-18	
			Held	Attended
1.	Mr R A Shah Chairman	Independent Director	5	5
2.	Mr Munir Shaikh	Non-Executive Director	5	4
3.	Mr Krishna Mohan Sahni	Independent Director	5	5
4.	Ms Anisha Motwani <sup>1</sup>	Independent Director	NA	NA
5.	Mr Ranjan Kapur (ceased to be a Member effective January 27, 2018)	Independent Director	5	3

1. appointed as a Member effective May 14, 2018.

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

### Role :

The role of the Committee includes :

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by them;

- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :
    - matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    - changes, if any, in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - compliance with listing and other legal requirements relating to the financial statements;
    - disclosure of any related party transactions;
    - modified opinion(s) in the draft audit report;
  - reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
  - approval or any subsequent modification of transactions of the Company with related parties;
  - scrutiny of inter-corporate loans and investments;
  - valuation of undertakings or assets of the Company, wherever it is necessary;
  - evaluation of internal financial controls and risk management systems;
  - monitoring the end use of funds raised through public offers and related matters;
  - reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  - discussion with internal auditors of any significant findings and follow up thereon;
  - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
  - to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
  - approval of appointment of Chief Financial Officer (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;
  - reviewing the functioning of the Vigil Mechanism/Whistle Blower Mechanism;
  - carrying out any other functions as may be prescribed under the Companies Act, 2013, Rules framed thereunder and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or as may be delegated by the Board, from time to time.
- The Committee also reviews various information prescribed under Part C of Schedule II as referred in Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Meetings :**
- During the year under review, the Committee met 5 times on the following dates :
- May 19, 2017; August 8, 2017; November 13, 2017; December 19, 2017 and February 14, 2018.
- The Chief Financial Officer remains present at all the Audit Committee Meetings. All the meetings are attended by the Statutory Auditors. Internal and Cost Auditors are invited to the Meetings, as and when required.
- Mr R A Shah, Chairman of the Audit Committee attended the Annual General Meeting held on July 18, 2017 in compliance with the requirements of Regulation 18(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- NOMINATION AND REMUNERATION COMMITTEE**
- The composition, role, terms of reference as well as powers of the Nomination and Remuneration Committee of the Company are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Composition :**
- The Committee comprises 2 Independent Directors and 1 Non-Executive Director as on the date of this Report.

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

Sr. No.	Name of the Member	Category	Number of Meetings 2017-18	
			Held	Attended
1.	Mr R A Shah <sup>1</sup> Chairman	Independent Director	4	4
2.	Mr Munir Shaikh	Non-Executive Director	4	4
3.	Ms Anisha Motwani <sup>2</sup>	Independent Director	NA	NA
4.	Mr Ranjan Kapur (ceased to be a Member effective January 27, 2018)	Independent Director	4	3
5.	Mr Bhasker Iyer (ceased to be a Member effective March 31, 2018)	Non-Executive Director	4	4

1. appointed as a Chairman effective April 25, 2018.

2. appointed as a Member effective April 25, 2018.

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 Board, its Committees and individual Directors and review its implementation and compliance and whether to extend or continue the term of appointment of the independent director on the basis of such assessment;
- 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 the Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- recommend to the Board all remuneration, in whatever form payable to the Senior Management;
- to consider any other matters as may be delegated by the Board.

**Meetings :**

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

May 19, 2017; July 18, 2017; August 8, 2017 and March 27, 2018.

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

**Performance Evaluation Criteria for Independent Directors :**

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

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

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**Composition :**

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

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

Sr. No.	Name of the Member	Category	Number of Meetings 2017-18	
			Held	Attended
1.	Mr Kaiyomarz Marfatia <sup>1</sup> Chairman	Non-Executive Director	4	4
2.	Mr R A Shah	Independent Director	4	4
3.	Mr Ambati Venu	Managing Director	4	4
4.	Mr Bhasker Iyer (ceased to be a Chairman/ Member effective March 31, 2018)	Non-Executive Director	4	4

1. appointed as a Chairman effective May 14, 2018.

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 re-materialisation 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 19, 2017; August 8, 2017; November 13, 2017 and February 14, 2018.

**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	6*
Resolved during the year	4
Pending at the end of the year	2

\* includes 1 letter received from the Ministry of Corporate Affairs and 4 letters from the Securities and Exchange Board of India (SCORES).

As on March 31, 2018, 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 provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

**Composition :**

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

The composition of the 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 2017-18	
			Held	Attended
1.	Mr Munir Shaikh Chairman	Non-Executive Director	3	3
2.	Mr Krishna Mohan Sahni	Independent Director	3	3
3.	Mr Ambati Venu	Managing Director	3	3
4.	Mr Ranjan Kapur (ceased to be a Member effective January 27, 2018)	Independent Director	3	2
5.	Mr Sachin Dharap (ceased to be a Member effective August 8, 2017)	Non-Executive Director	3	1

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

**Meetings :**

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

May 19, 2017; August 8, 2017 and November 13, 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 the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition :**

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

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

Sr. No.	Name of the Member	Category	Number of Meetings 2017-18	
			Held	Attended
1.	Mr Ambati Venu Chairman	Managing Director	1	1
2.	Mr Kaiyomarz Marfatia	Non-Executive Director	1	1
3.	Mr Krishna Mohan Sahni	Independent Director	1	1
4.	Mr Rajiv Sonalker	Whole-time Director	1	1
5.	Mr Sachin Dharap (ceased to be a Member effective August 8, 2017)	Non-Executive Director	1	NA

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

**Role :**

The role of the Committee includes :

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

**Meetings :**

During the year under review, the Committee met once on February 14, 2018.

**REMUNERATION OF DIRECTORS****Executive Directors**

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

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

(₹ in Lakhs)

Terms of Agreement	Mr Ambati Venu Managing Director	Mr Rajiv Sonalker Whole-time Director (w.e.f. August 8, 2017)
Period of appointment	5 years	2 years
Date of appointment	September 29, 2016	August 8, 2017
Salary & Other Allowances	2,94.88	95.29
Perquisites	1,73.33	33.28
Contribution to Provident Fund	12.40	5.41
Performance Linked Incentive	1,05.28	27.66
Notice Period	Three Months	Three Months
Severance Fees	There is no separate provision for payment of severance fees.	
Stock Option	The Company does not have any Stock Option Plan for its employees. However, Managing Director and Whole-time Director are entitled to Restricted Stock Units of Abbott Laboratories, USA under its "Long Term Incentive Program", the perquisite value of which is included above (Also refer note 39(c) of financial statements).	

#### Non-Executive Directors

During the year under review, Mr Munir Shaikh, Mr R A Shah, Mr Ranjan Kapur and Mr Krishna Mohan Sahni were paid sitting fees amounting to ₹ 13.50 Lakhs, ₹ 17.00 Lakhs, ₹ 10.50 Lakhs and ₹ 15.00 Lakhs respectively, for attending Board Meetings and various Committee Meetings.

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. During the year, the Company availed various professional services from M/s Crawford Bayley & Co. and remitted ₹ 4.93 Lakhs towards the same. The quantum of professional fees received by M/s Crawford Bayley & Co., from the Company forms a very small portion of the total revenues of M/s Crawford Bayley & Co and also a marginal portion of total revenue of the Company.

#### GENERAL BODY MEETINGS

Financial Year	Date	Time	Location	No. of Special Resolutions
2016-17	July 18, 2017	3.30 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020	-
2015-16	July 18, 2016	3.30 p.m.	RAMA AND SUNDRI WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020	1 (Re-appointment of Mr R A Shah as 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)

During the year, no special resolutions were passed through postal ballot.

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

#### VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has the Vigil Mechanism/Whistle Blower Policy called "Abbott India Limited - Procedure for Internal Investigations" in place, 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.

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 raises concerns using such mechanism.

No employee has been denied access to the Audit Committee.

#### MEANS OF COMMUNICATION

- 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)
- During the year under review, the Company has, upon request, met a few institutional investors in one-on-one meetings and group meetings. No presentations were made to the institutional investors/analysts.

#### GENERAL SHAREHOLDER INFORMATION

##### i) Annual General Meeting

Wednesday, July 18, 2018 at 3.30 p.m.

RAMA WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020

##### ii) Financial year

April 1, 2017 to March 31, 2018

##### iii) Book Closure

Thursday, July 12, 2018 to Wednesday, July 18, 2018 (both days inclusive)

##### iv) E-Voting Period

From 9.00 a.m. (IST) on Sunday, July 15, 2018  
Upto 5.00 p.m. (IST) on Tuesday, July 17, 2018

##### v) Dividend Payment Date

On and from July 24, 2018

##### 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 2017-18 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

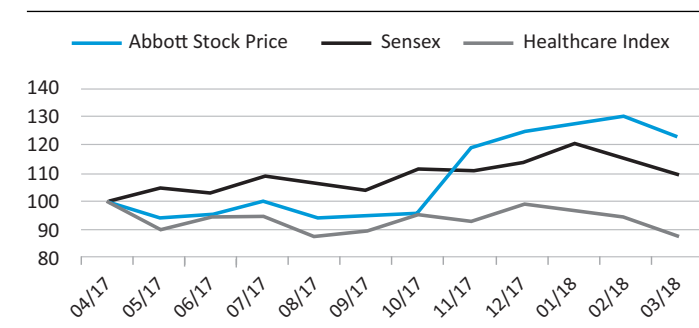
##### x) Market Price Data (High/Low) on BSE

Month	High	Low
April, 2017	4,863.60	4,356.00
May, 2017	4,441.05	3,996.00
June, 2017	4,426.95	4,120.00
July, 2017	4,615.00	4,170.00
August, 2017	4,478.15	4,151.00
September, 2017	4,280.00	4,035.00
October, 2017	4,420.00	4,100.00
November, 2017	5,401.30	4,210.15
December, 2017	5,707.20	5,167.05
January, 2018	5,666.00	5,210.00
February, 2018	6,109.95	5,243.90
March, 2018	5,895.00	5,300.00

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

April 1, 2017 to March 31, 2018

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: +91-40-2344 0674

B-24, Rajabhadur Mansion,  
6, Ambalal Doshi Marg,  
Behind BSE Limited,  
Fort, Mumbai - 400 001  
Tel No: +91-22-6623 5412

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 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 of complete set of documents.

**xiv) Distribution of Shareholding as on March 31, 2018**

Distribution	No. of Shareholders	% to Total	No. of Shares held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 500	21,277	94.22	13,81,978	6.50
501 to 1000	690	3.05	4,94,422	2.33
1001 to 2000	351	1.55	5,04,558	2.37
2001 to 3000	111	0.49	2,72,548	1.30
3001 to 4000	50	0.22	1,75,228	0.82
4001 to 5000	33	0.15	1,49,769	0.70
5001 to 10000	31	0.14	2,21,167	1.04
ABOVE 10000	40	0.18	1,80,49,632	84.94
<b>TOTAL</b>	<b>22,583</b>	<b>100.00</b>	<b>2,12,49,302</b>	<b>100.00</b>

**xv) Shareholding Pattern as on March 31, 2018**

Category of Shareholders	No. of Shares	% to Total
Promoters	1,59,34,048	74.99
Banks	5,637	0.03
Financial Institutions	1,00,881	0.47
Foreign Institutional Investors	26,442	0.12
Foreign Portfolio Corporation	5,98,494	2.82
Insurance Companies	39,631	0.19
Mutual Funds	11,30,435	5.32
Domestic Companies	1,36,691	0.64
Non-Domestic Companies	471	0.00
Non-Resident Indians	82,350	0.39
Directors & Relatives	6,874	0.03
Unclaimed Suspense Account	24,671	0.12
Investor Education and Protection Fund (IEPF) Authority	51,809	0.24
Others	31,10,868	14.64
<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" in terms of Regulation 39(4) and Schedule VI of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2017	191	24,671
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	NIL	NIL
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2018	191	24,671

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

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

Accordingly, 51,809 Equity Shares held by 317 Shareholders were transferred to the IEPF Authority in November, 2017. No claims have been received till date.

The details of shares so transferred is available on the Company's website under the Investor Section at <http://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

**xviii) Dematerialisation of Shares as on March 31, 2018 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).

2,07,20,738 Equity Shares representing 97.51% of the Company's total paid-up share capital were held in dematerialised mode, as on March 31, 2018.

**xix) The Company has not issued any GDR/ADR or Warrants or any other convertible instruments.****xx) Foreign Exchange risk and hedging activities**

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

**xxi) Plant Location**

L-18/19, Verna Industrial Estate, Goa

**xxii) Address for correspondence**

Abbott India Limited  
CIN : L24239MH1944PLC007330

**Registered office :**

Shares Department  
3, Corporate Park,  
Sion-Trombay Road,  
Mumbai - 400 071  
Tel No: +91-22-6797 8888  
Fax: +91-22-6797 8727

**Corporate Office :**

Shares Department  
16th Floor, Godrej BKC,  
Plot C - 68, "G" Block,  
Bandra-Kurla Complex,  
Near MCA Club, Bandra (East),  
Mumbai - 400 051  
Tel No: +91-22-3816 2000  
Fax: +91-22-3816 2400

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: +91-40-2344 0674

B-24, Rajabhadur Mansion,  
6, Ambalal Doshi Marg,  
Behind BSE Limited,  
Fort, Mumbai - 400 001  
Tel No: +91-22-6623 5412

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 during the year that had potential conflict with the interests of the Company at large.
- Policies on dealing with Related Party Transactions and Materiality and on Determination of Materiality of Event or Information for Disclosure are disclosed on the website of the Company at <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 at <http://www.abbott.co.in/investor-relations/policies.html>
- The Company has complied with all the mandatory requirements of the 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 the 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 :**

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

**For and on behalf of the Board**

	<b>Munir Shaikh</b> Chairman Mumbai May 14, 2018	<b>R A Shah</b> Director DIN : 00009851
--	---	---

**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, 2018.

March 31, 2018  
Mumbai

**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 THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

1. The accompanying Corporate Governance Report prepared by Abbott India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of the 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, 2018. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.
2. 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**

3. 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.
4. 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").

**Management's Responsibility**

1. 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.
2. 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.
3. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include :
- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors w.r.t. Executive and Non-Executive Directors has been met throughout the reporting period;
- iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one Women Director was on the Board during the year;
- iv. Obtained and read the Minutes of the following Committee Meetings held from April 1, 2017 to March 31, 2018 :
- (a) Board of Directors Meeting;
- (b) Audit Committee;
- (c) Annual General Meeting;
- (d) Nomination and Remuneration Committee;
- (e) Stakeholders Relationship Committee;
- (f) Risk Management Committee;
- (g) Corporate Social Responsibility Committee;
- (h) Independent Directors Meeting.
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ;

- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

**Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2018, referred to in paragraph 1 above.

**Other matters and Restriction on Use**

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by 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 14, 2018

# 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, 2018, 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 IND AS 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 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. 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, 2018, 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 Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) 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.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**

Partner

Membership Number : 49365

Place : Mumbai

Date : May 14, 2018

### 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, 2018 (₹ in Lakhs)	Net Block at March 31, 2018 (₹ in Lakhs)	Remarks
1	Buildings *	12,75.97	11,61.46	The title deeds are in the erstwhile name of the Company.
2	Buildings *	30,50.61	28,67.73	The title deeds are in the name of the entity that was merged with the Company.

\* The above amounts include 'Assets held for sale'.

- (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, Goods and Services Tax (GST), cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been delays in few cases of payment of professional tax.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales tax, duty of custom, duty of excise, value added tax, Goods and Services Tax (GST), cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except as below :

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
The Jharkhand Tax on Professions, Trades, Callings and Employments Act, 2011	Profession tax	0.45	Nov'16 - Sep'17	Various dates	18-04-2018
Madhya Pradesh Professional Tax Act, 1995	Profession tax	1.11	Apr'17 - Sep'17	Various dates	Yet to be paid

- (c) According to the records of the Company, the dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows :

Name of the Statute	Nature of Dues	Amount disputed in ₹ Lakhs (net of payments)	Forum where dispute is pending	Period to which the amount relates
Income Tax Act, 1961	Income Tax	4,86.15	ITAT	A.Y. 2006 - 2007, A.Y. 2009 - 2010, A.Y. 2010 - 2011, A.Y. 2011 - 2012, A.Y. 2013 - 2014
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 - 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)	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
Goa Value Added Tax Act, 2005	Value Added Tax	2.07	Additional Commissioner of Commercial Taxes	2006 - 2007
Central Sales Tax, 1956 (Goa)	Sales Tax	9,00.80	Additional Commissioner of Commercial Taxes	2006 to 2009
		16.67	Assistant Commissioner of Commercial Taxes, Panaji, Goa	2009 - 2010
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	2,40.96	Deputy Commissioner of Commercial Taxes (Appeals)	2006 - 2007
Maharashtra Value Added Tax Act 2002	Value Added Tax	27,67.18	Deputy Commissioner of Sales Tax (Appeals)	2011 - 2012
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 (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 fraud/material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are
- in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**  
Partner  
Membership Number : 49365  
Place : Mumbai  
Date : May 14, 2018

## 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, 2018 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, 2018, 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 **SRBC & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 324982E/E300003

per **Ravi Bansal**  
Partner  
Membership Number : 49365  
Place : Mumbai  
Date : May 14, 2018

# BALANCE SHEET

AS AT MARCH 31, 2018

	Notes	(All amounts in ₹ Lakhs, unless otherwise stated)	
		As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	78,58.56	107,65.06
Capital work-in-progress	3	2,16.69	5,14.46
Other intangible assets	4	2,79.60	1,94.66
Intangible assets under development	5	-	1,13.48
<b>Financial assets</b>			
Loans	6	15,02.58	5,56.24
Other financial assets	7	22,70.67	21,18.69
Deferred tax assets (net)	20	14,59.96	12,38.05
Other non-current assets	8	14,83.65	17,78.11
<b>Total Non-current Assets</b>		<b>150,71.71</b>	<b>172,78.75</b>
<b>Current Assets</b>			
Inventories	9	585,32.72	500,63.12
<b>Financial assets</b>			
Trade receivables	10	263,44.30	176,21.99
Cash and cash equivalents	11	37,67.71	202,23.58
Bank balances other than cash and cash equivalents	12	993,67.32	888,68.46
Loans	13	205,47.81	1,92.14
Other financial assets	14	40,21.24	38,75.71
Current tax assets (net)		15,73.39	13,18.56
Other current assets	15	89,58.95	71,38.12
		2,231,13.44	1,893,01.68
Assets held for sale	16	34,33.76	-
<b>Total Current Assets</b>		<b>2,265,47.20</b>	<b>1,893,01.68</b>
<b>TOTAL ASSETS</b>		<b>2,416,18.91</b>	<b>2,065,80.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	21,24.93	21,24.93
Other equity	18	1,671,51.12	1,365,69.47
<b>Total Equity</b>		<b>1,692,76.05</b>	<b>1,386,94.40</b>
<b>Non-current Liabilities</b>			
Provisions	19	55,34.51	47,21.95
<b>Total Non-current Liabilities</b>		<b>55,34.51</b>	<b>47,21.95</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21		
Due to micro and small enterprises		5,83.88	3,40.79
Due to others		474,78.60	471,28.55
Other financial liabilities	22	48,98.43	41,06.19
Other current liabilities	23	32,81.56	36,83.32
Provisions	24	77,46.92	70,39.28
Current tax liabilities (net)		28,18.96	8,65.95
<b>Total Current Liabilities</b>		<b>668,08.35</b>	<b>631,64.08</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,416,18.91</b>	<b>2,065,80.43</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 14, 2018

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178

Place : Mumbai  
Date : May 14, 2018

**RA SHAH**  
Director  
DIN : 00009851

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

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

	Notes	(All amounts in ₹ Lakhs, unless otherwise stated)	
		For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	26	3,307,12.17	2,938,69.12
Other income	27	116,98.72	57,64.28
<b>TOTAL INCOME</b>		<b>3,424,10.89</b>	<b>2,996,33.40</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	2,95,72.38	315,94.27
Purchases of stock-in-trade	29	1,711,22.00	1,497,56.57
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(102,19.94)	(101,44.31)
Excise duty on sales		8,61.82	36,13.31
Employee benefits expense	31	3,93,69.27	3,45,27.04
Finance costs	32	3,82.21	2,03.65
Depreciation and amortisation expense	33	16,18.54	16,43.08
Other expenses	34	4,75,56.35	4,47,90.62
<b>TOTAL EXPENSES</b>		<b>2,802,62.63</b>	<b>2,559,84.23</b>
<b>PROFIT BEFORE TAX</b>		<b>621,48.26</b>	<b>436,49.17</b>
<b>TAX EXPENSES</b>			
Current tax expense	20	2,23,51.00	1,56,88.21
Tax adjustment for earlier years	20	(1,62.69)	4,96.14
Deferred tax (credit)	20	(1,61.83)	(2,00.06)
<b>TOTAL TAX EXPENSES</b>		<b>2,20,26.48</b>	<b>1,59,84.29</b>
<b>PROFIT FOR THE YEAR</b>		<b>401,21.78</b>	<b>276,64.88</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	35	(1,67.72)	(2,86.91)
Income tax on above	20	60.08	99.30
<b>Total Other Comprehensive Income, net of tax</b>		<b>(1,07.64)</b>	<b>(1,87.61)</b>
<b>Total Comprehensive Income for the year, net of tax</b>		<b>400,14.14</b>	<b>274,77.27</b>
<b>EARNINGS PER EQUITY SHARE</b>			
Basic and Diluted - ₹ (Face value of ₹ 10 each)	36	188.81	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 14, 2018

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178

Place : Mumbai  
Date : May 14, 2018

**RA SHAH**  
Director  
DIN : 00009851

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

## A. EQUITY SHARE CAPITAL :

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
As at April 1, 2016	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
As at March 31, 2017	2,12,49,302	21,24.93
Increase/(decrease) during the year	-	-
As at March 31, 2018	2,12,49,302	21,24.93

## B. OTHER EQUITY :

	Reserves and Surplus (Refer Note 18)						Items of Other Comprehensive Income (Refer Note 18)	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserve	General Reserve	Retained Earnings		
<b>Balances as at April 1, 2016</b>	37.82	5,22.62	2,52.48	8,38.20	267,98.19	890,85.77	(1,00.11)	1174,34.97
Profit for the year ended March 31, 2017	-	-	-	-	-	276,64.88	-	276,64.88
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(1,87.61)	(1,87.61)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	276,64.88	(1,87.61)	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 17)	-	-	-	-	-	(74,37.26)	-	(74,37.26)
Dividend distribution tax (Refer Note 17)	-	-	-	-	-	(15,14.05)	-	(15,14.05)
Share based compensation to employees (Refer Note 31)	-	-	-	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>	37.82	5,22.62	2,52.48	13,32.44	296,78.98	1050,32.85	(2,87.72)	1365,69.47
Profit for the year ended March 31, 2018	-	-	-	-	-	401,21.78	-	401,21.78
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(1,07.64)	(1,07.64)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	401,21.78	(1,07.64)	400,14.14
Transfer from Profit and Loss to General Reserve	-	-	-	-	40,12.18	(40,12.18)	-	-
Dividend for the year ended March 31, 2017 (Refer Note 17)	-	-	-	-	-	(84,99.72)	-	(84,99.72)
Dividend distribution tax (Refer Note 17)	-	-	-	-	-	(17,30.34)	-	(17,30.34)
Share based compensation to employees (Refer Note 31)	-	-	-	7,97.57	-	-	-	7,97.57
Transfer from Share Based Compensation Reserve to General Reserve	-	-	-	(34.79)	34.79	-	-	-
<b>Balances as at March 31, 2018</b>	37.82	5,22.62	2,52.48	20,95.22	337,25.95	1309,12.39	(3,95.36)	1671,51.12

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 14, 2018

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178

Place : Mumbai  
Date : May 14, 2018

**R A SHAH**  
Director  
DIN : 00009851

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>OPERATING ACTIVITIES</b>		
Profit before tax	621,48.26	436,49.17
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation of property, plant and equipment	14,50.20	15,17.87
Amortisation of intangible assets	1,68.34	1,25.21
Unrealised exchange (gain)/loss (net)	1,06.63	(2,07.20)
Loss on sale/write off of property, plant and equipment (net)	28.00	18.81
Gain on assignment of trademarks	(45,30.26)	-
Finance income	(71,39.83)	(57,64.28)
Finance costs	3,82.21	2,03.65
Amortisation of deferred lease rentals	1,39.02	17.64
Allowance for doubtful debts	71.44	2,20.08
Allowance for doubtful advances and deposits	81.09	73.00
Provision for likely sales returns, date expiry and damaged products (net)	7,53.69	(96.22)
Share based compensation expense	7,97.57	6,08.54
Liabilities/provisions no longer required written back	-	(4,18.70)
<b>Operating Profit before working capital changes</b>	544,56.36	399,47.57
<b>Adjustments for (increase)/decrease in :</b>		
(i) Trade receivables	(87,85.30)	(33,96.00)
(ii) Inventories	(84,69.60)	(130,52.83)
(iii) Loans, other financial assets and other assets	(23,29.64)	(15,82.46)
<b>Adjustments for increase/(decrease) in :</b>		
(i) Trade payables	4,77.76	247,23.96
(ii) Provisions, other financial liabilities and other liabilities	4,10.92	(40.32)
	357,60.50	465,99.92
Income tax paid (including TDS) (net)	(204,90.13)	(158,78.00)
<b>Net cash flows from operating activities (A)</b>	152,70.37	307,21.92
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	16.90	13.89
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(16,74.42)	(20,66.03)
Purchase of other intangible assets	(1.32)	(84.54)
Proceeds from assignment of trademarks	51,42.28	-
Purchase of trademarks	(7,50.50)	-
Investment in fixed deposits maturing beyond 3 months (net)	(105,12.79)	(189,36.96)
Loan given to a related party	(200,00.00)	-
Interest received on deposits (finance income)	62,96.33	55,32.32
<b>Net cash flows from investing activities (B)</b>	(214,83.52)	(155,41.32)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>FINANCING ACTIVITIES</b>		
Interest paid	(12.66)	(24.79)
Payment of dividend	(84,99.72)	(74,37.26)
Dividend distribution tax	(17,30.34)	(15,14.05)
<b>Net cash flows used in financing activities (C)</b>	<b>(102,42.72)</b>	<b>(89,76.10)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(164,55.87)</b>	62,04.50
Cash and cash equivalents at the beginning of the year	202,23.58	140,19.08
<b>Cash and cash equivalents at the end of the year (Refer Note 11)</b>	<b>37,67.71</b>	202,23.58
Significant accounting policies (Refer Note 2)		

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

### Note :

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

As per our report of even date For <b>S R B C &amp; CO LLP</b> Chartered Accountants ICAI Firm Registration No. 324982E/E300003	For and on behalf of the Board of Directors  <b>AMBATI VENU</b> Managing Director DIN : 07614849	<b>R A SHAH</b> Director DIN : 00009851
per <b>RAVI BANSAL</b> Partner Membership No. 49365	<b>RAJIV SONALKER</b> CFO and Whole-time Director DIN : 07900178	<b>KRUPA ANANDPARA</b> Company Secretary Membership No. ACS 16536
Place : Mumbai Date : May 14, 2018	Place : Mumbai Date : May 14, 2018	

### 1. COMPANY INFORMATION

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP.

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 14, 2018.

#### 2.2 Summary of significant accounting policies

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

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

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

- Cash or cash 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.

##### Transactions and balances

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

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

#### c) Fair value measurement

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

- In the principal market for the asset or liability, or



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

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

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

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

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

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

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

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

#### d) Revenue recognition

Revenue 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 upto June 30, 2017 as the same got subsumed in Goods and Services Tax (GST) with effect from July 1, 2017.

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

#### Sale of products

Revenue from sale of products is recognised when the risks and rewards of ownership is passed on to the customers. Revenue from sale of products is stated exclusive of sales tax, Value Added Tax (VAT), Goods and Services Tax (GST) 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.

#### 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.

#### Income from assignment of trademarks

Income from assignment of trademarks is recognised in the Statement of Profit and Loss on fulfilment of obligations as per the underlying agreement with the buyer.

#### e) Taxes

##### Current income tax

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

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

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

#### Deferred tax

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

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

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

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

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

#### f) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment in value, if any. Cost for 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 and cost of the item can be measured reliably.

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.

Method of depreciation	Straight line
Type of assets	Useful life in years
Leasehold Land	Over lease period i.e. 95 years
Leasehold Improvements	Over primary lease period i.e. 3 to 13 years
Buildings	
Factory Building *	29 years 11 months
Residential Buildings	50 years
Plant and Equipment *	
Anaesthetic Equipment	5 years
Others	9 to 10 years
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 the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

**g) Intangible assets**

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

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

Method of amortisation	Straight Line
Type of assets	Useful life in years
Software	3 to 5 years
Trademarks	5 years

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

**h) Assets held for sale**

Property, plant and equipment are classified as assets held for sale, if their carrying amounts are to be recovered principally through a sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale.

Property, plant and equipment retired from actual use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under 'Current assets'. Once classified as held for sale, these assets are not depreciated.

**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 of expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, plant and equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and depreciation.

**j) Leases**

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

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

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of an asset are classified as operating lease. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the year in which they are earned.

**k) Inventories**

Inventories consists of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value. Cost is determined on First-In-First-Out basis.

Cost of raw materials and packing materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods includes excise duty and other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

**l) Impairment****Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure :

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- Other financial assets which are measured at amortised cost

The Company follows simplified approach for recognition of impairment loss allowance on Trade receivables. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts

determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

**Non-financial assets**

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

**m) Provisions and contingencies****Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**Provision for sales return and date expiry :**

The Company as per trade practice accepts returns from market which are primarily in the nature of expired or near expiry products. Provisions for such returns are estimated on the basis of historical experience, market conditions and specific contractual terms and are provided for.

**Contingencies**

A contingent liability is :

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- a present obligation that arises from past events but is not recognised because :
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - the amount of the obligation cannot be measured with sufficient reliability.

#### n) Employee benefits

##### Short-term employment benefits :

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligation within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred.

Short-term leave benefit is provided at undiscounted amount during the accounting period based on the service rendered by employees.

##### Defined contribution plan :

Contributions to defined contribution schemes such as State governed Provident Fund and Employee Pension Scheme, Employees' State Insurance Scheme, Superannuation, Employees' Deposit Linked Insurance and Group Life Insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes and the Company has no further defined obligations beyond the contributions.

If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

##### Defined benefit plan :

The Company has defined benefit plan in the form of Gratuity, Long Service Benefits and Post Retirement Medical Benefits as per policies of the Company. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset/(liability), which need to be accounted for in the books of accounts of the Company.

As required by Ind AS 19 'Employee Benefits', the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the Balance Sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

The Company recognises remeasurements of actuarial gains and losses in post retirement medical benefit plans immediately in other comprehensive income and all the other expenses related to post retirement medical benefit plans as employee benefit expenses in their Statement of Profit and Loss. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent period.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the Statement of Profit and Loss.

##### Other employee benefits :

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### o) Earnings per equity share

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 the Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognises an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

#### q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of equity instrument of another entity.

##### Financial assets

##### Recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at 'Fair value through profit or loss', transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as 'Financial assets measured at amortised cost'.

For purposes of subsequent measurement, financial assets are classified in following categories :

- Financial assets at amortised cost
- Financial assets at fair value

A financial asset is measured at amortised cost net of impairment, if the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through Statement of Profit and Loss.

##### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

##### Financial liabilities

##### Recognition and measurement

Financial liabilities are classified, at initial recognition, as either 'Financial liabilities at fair

value through profit or loss' or 'Other financial liabilities'.

- Financial liabilities are classified as 'Financial liabilities at fair value through profit or loss', if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognised in profit or loss.
- Other financial liabilities, are initially measured at fair value, net of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### r) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered as 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

**3 PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Land	Leasehold Improvements	Buildings (Refer Note (b) and (e))	Plant and Equipment (Refer Note (a))	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross carrying value</b>								
<b>As at April 1, 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>	37.55	35.37	55,01.80	62,34.53	3,93.38	12,80.35	54.67	135,37.65
Additions	-	49.01	1,67.19	14,41.13	60.11	3,04.92	-	20,22.36
Other adjustments (Refer Note (d) below)	-	-	(36,68.10)	-	-	-	-	(36,68.10)
Disposals	-	-	(1.55)	(85.24)	(1.65)	(11.60)	-	(1,00.04)
<b>As at March 31, 2018</b>	<b>37.55</b>	<b>84.38</b>	<b>19,99.34</b>	<b>75,90.42</b>	<b>4,51.84</b>	<b>15,73.67</b>	<b>54.67</b>	<b>117,91.87</b>
<b>Accumulated depreciation</b>								
<b>As at April 1, 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>	1.00	7.71	3,40.06	14,91.56	2,02.10	6,81.90	48.26	27,72.59
Depreciation charge for the year	0.50	12.11	1,38.84	9,30.96	36.45	3,26.25	5.09	14,50.20
Other adjustments (Refer Note (d) below)	-	-	(2,34.34)	-	-	-	-	(2,34.34)
Disposals	-	-	(0.15)	(46.01)	(0.89)	(8.09)	-	(55.14)
<b>As at March 31, 2018</b>	<b>1.50</b>	<b>19.82</b>	<b>2,44.41</b>	<b>23,76.51</b>	<b>2,37.66</b>	<b>10,00.06</b>	<b>53.35</b>	<b>39,33.31</b>
<b>Net carrying value</b>								
<b>As at March 31, 2018</b>	<b>36.05</b>	<b>64.56</b>	<b>17,54.93</b>	<b>52,13.91</b>	<b>2,14.18</b>	<b>5,73.61</b>	<b>1.32</b>	<b>78,58.56</b>
<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>

**Details of Capital work-in-progress**

	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	<b>2,16.69</b>	5,14.46
	<b>2,16.69</b>	5,14.46

**Notes :**

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

Class of Asset	Net Block	
	As at March 31, 2018	As at March 31, 2017
Plant and Equipment	<b>4,20.92</b>	4,44.53

b) Included in buildings is an amount of ₹ **0.00\* Lakhs** (March 31, 2017 : ₹ 0.00\* Lakhs) representing value of shares in co-operative housing society.

c) Additions include capital expenditure of ₹ **1.71 Lakhs** (March 31, 2017 : ₹ 4.35 Lakhs) incurred at Company's inhouse R&D facility at Goa.

d) Other adjustments during the year represents assets reclassified as 'Assets held for sale' under 'Current assets' (Refer Note 16).

e) The title deeds of buildings having net book value of ₹ **40,29.19 Lakhs** (March 31, 2017 : ₹ 41,05.60 Lakhs) are in erstwhile name of the Company or in the name of the entity that got merged with the Company. This includes office premises having net book value of ₹ **34,33.76 Lakhs** (March 31, 2017 : ₹ NIL) shown as 'Assets held for sale'.

f) The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 40(b).

\* below ₹ 500/-

(All amounts in ₹ Lakhs, unless otherwise stated)

**4 OTHER INTANGIBLE ASSETS**

	Software	Trademarks	Total
<b>Gross carrying value</b>			
<b>As at April 1, 2016</b>	3,68.13	-	3,68.13
Additions	63.68	-	63.68
Disposals	(0.08)	-	(0.08)
<b>As at March 31, 2017</b>	4,31.73	-	4,31.73
Additions	1,14.80	7,50.50	8,65.30
Disposals	-	(6,63.66)	(6,63.66)
<b>As at March 31, 2018</b>	<b>5,46.53</b>	<b>86.84</b>	<b>6,33.37</b>
<b>Amortisation</b>			
<b>As at April 1, 2016</b>	1,11.94	-	1,11.94
Amortisation for the year	1,25.21	-	1,25.21
Disposals	(0.08)	-	(0.08)
<b>As at March 31, 2017</b>	2,37.07	-	2,37.07
Amortisation for the year	1,04.85	63.49	1,68.34
Disposals	-	(51.64)	(51.64)
<b>As at March 31, 2018</b>	<b>3,41.92</b>	<b>11.85</b>	<b>3,53.77</b>
<b>Net carrying value</b>			
<b>As at March 31, 2018</b>	<b>2,04.61</b>	<b>74.99</b>	<b>2,79.60</b>
<b>As at March 31, 2017</b>	<b>1,94.66</b>	<b>-</b>	<b>1,94.66</b>

**5 INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at March 31, 2018	As at March 31, 2017
Intangible assets under development	-	1,13.48
	-	1,13.48

**6 NON-CURRENT FINANCIAL ASSETS - LOANS**

	As at March 31, 2018	As at March 31, 2017
Deposits with body corporates and others :		
For premises with a related party (Refer Note 42(D))	<b>12,12.28</b>	-
For premises with others	<b>1,58.94</b>	4,38.85
Against tenders (Refer (a) below)	<b>1,31.36</b>	1,17.39
	<b>15,02.58</b>	5,56.24

**(a) Break-up for security details :**

	As at March 31, 2018	As at March 31, 2017
<b>Deposits against tenders :</b>		
Secured, considered good	-	-
Unsecured, considered good	<b>1,31.36</b>	1,17.39
Doubtful	<b>3,96.12</b>	3,15.03
	<b>5,27.48</b>	4,32.42
Less : Allowance for doubtful advances and deposits	<b>(3,96.12)</b>	(3,15.03)
	<b>1,31.36</b>	1,17.39

(All amounts in ₹ Lakhs, unless otherwise stated)

**7 NON-CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2018	As at March 31, 2017
Deposits with banks with maturity of more than 12 months	3,66.07	2,99.99
Expected reimbursement towards likely sales return - reimbursable (Refer Note 19)	19,04.60	18,18.70
	<b>22,70.67</b>	21,18.69

**8 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2018	As at March 31, 2017
Capital advances	4.21	54.37
VAT Deposits	2,14.25	62.46
Deposits against co-marketing agreement	11,00.00	16,50.00
Deferred lease assets *	1,65.19	11.28
	<b>14,83.65</b>	17,78.11

\* Includes ₹ 1,38.87 Lakhs (March 31, 2017 : NIL) towards deposit given to a related party (Refer Note 42(D)).

**9 INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)**

	As at March 31, 2018	As at March 31, 2017
Raw materials and packing materials #	76,81.75	94,32.09
Work-in-progress	3,67.31	9,95.94
Finished goods	62,37.72	66,78.06
Stock-in-trade @	442,45.94	329,57.03
	<b>585,32.72</b>	500,63.12

# Includes goods in transit ₹ 40,88.53 Lakhs (March 31, 2017 : ₹ 40,42.76 Lakhs)

@ Includes goods in transit ₹ 3,20.40 Lakhs (March 31, 2017 : ₹ 1,36.91 Lakhs)

During the year ended March 31, 2018, ₹ 11,51.89 Lakhs (March 31, 2017 : ₹ 17,96.55 Lakhs) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

**10 TRADE RECEIVABLES**

	As at March 31, 2018	As at March 31, 2017
Trade receivables	240,71.64	161,54.37
Receivables from related parties (Refer Note 42(D))	22,72.66	14,67.62
	<b>263,44.30</b>	176,21.99

**Break-up for security details :**

	As at March 31, 2018	As at March 31, 2017
<b>Trade receivables :</b>		
Secured, considered good	-	-
Unsecured, considered good	263,44.30	176,21.99
Unsecured, considered doubtful	11,38.53	11,77.30
	<b>274,82.83</b>	187,99.29
Less : Allowance for doubtful debts	(11,38.53)	(11,77.30)
	<b>263,44.30</b>	176,21.99

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.

For information on financial risk management objectives and policies, refer Note 45.

(All amounts in ₹ Lakhs, unless otherwise stated)

**11 CASH AND CASH EQUIVALENTS**

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current accounts	37,67.25	37,23.28
Deposits with original maturity of less than three months @	-	165,00.00
Cash on hand	0.46	0.30
	<b>37,67.71</b>	202,23.58

@ Represents time deposits at fixed rates maintained with various banks by the Company.

**12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2018	As at March 31, 2017
Margin deposit and deposit against guarantees and tenders	3,14.09	3,42.38
Earmarked bank balance towards dividend #	3,18.23	2,66.08
Term deposits with original maturity of more than three months but less than twelve months @	987,35.00	882,60.00
	<b>993,67.32</b>	888,68.46

# These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

@ Represents time deposits at fixed rates maintained with various banks by the Company.

**13 CURRENT FINANCIAL ASSETS - LOANS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2018	As at March 31, 2017
Loans		
Loan to a related party (Refer Note 42(D) and Note 43)	200,00.00	-
Deposits with body corporates and others		
For premises	5,47.81	1,92.14
	<b>205,47.81</b>	1,92.14

**14 CURRENT FINANCIAL ASSETS - OTHERS (UNSECURED, CONSIDERED GOOD)**

	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on bank deposits	15,05.12	12,58.56
Receivables from related parties (Refer Note 42(D))	5,94.80	4,04.79
Expected reimbursement towards likely sales return - reimbursable (Refer Note 24)	16,48.41	15,77.66
Other receivables	2,72.91	6,34.70
	<b>40,21.24</b>	38,75.71

**15 OTHER CURRENT ASSETS**

	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	5,44.13	5,34.04
Advances to employees and suppliers	29,46.29	45,26.27
Balance with customs and excise on current account	12,53.12	19,69.32
GST receivables	39,11.80	-
Deferred lease assets *	1,42.03	16.82
Others	1,61.58	91.67
	<b>89,58.95</b>	71,38.12

\* Includes ₹ 1,18.71 Lakhs (March 31, 2017 : NIL) towards deposit given to a related party (Refer Note 42(D)).

(All amounts in ₹ Lakhs, unless otherwise stated)

**16 ASSETS HELD FOR SALE**

	As at March 31, 2018	As at March 31, 2017
Assets held for sale (At lower of carrying amount and fair value) *	<b>34,33.76</b>	-
	<b>34,33.76</b>	-

Post consolidation under One Abbott office, the Company will no longer require two office premises at Mumbai. The Company expects to dispose off the same through a bidding process before end of March 2019. Accordingly, the net book value of the said assets is reclassified as 'Assets held for Sale' under 'Current Assets'. The Company has not charged depreciation on these assets post this reclassification as per the requirements of Ind AS 105.

\* The title deeds of these assets are in erstwhile name of the Company or in the name of the entity that got merged with the Company.

**17 EQUITY SHARE CAPITAL****Authorised share capital :**

Equity shares of ₹ 10 each

	Number of shares	Amount
<b>As at April 1, 2016</b>	2,75,00,000	27,50.00
Changes during the year	-	-
<b>As at March 31, 2017</b>	2,75,00,000	27,50.00
Changes during the year	-	-
<b>As at March 31, 2018</b>	<b>2,75,00,000</b>	<b>27,50.00</b>

**Terms/rights attached to equity shares**

The Company has only one class of equity shares with voting rights having a par value of ₹ 10 per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The remittance of dividend outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

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

**Issued, Subscribed and Paid up capital :**

Equity shares of ₹ 10 each fully paid

	Number of shares	Amount
<b>As at April 1, 2016</b>	2,12,49,302	21,24.93
Changes during the year	-	-
<b>As at March 31, 2017</b>	2,12,49,302	21,24.93
Changes during the year	-	-
<b>As at March 31, 2018</b>	<b>2,12,49,302</b>	<b>21,24.93</b>

**Details of Equity shares of ₹ 10 each fully paid held by the Holding Company and subsidiaries of the Ultimate Holding Company :**

	As at March 31, 2018	As at March 31, 2017
i) <b>1,07,19,097</b> (March 31, 2017 : 1,07,19,097) Abbott Capital India Ltd., U.K. (Holding Company)	<b>10,71.91</b>	10,71.91
ii) <b>37,44,951</b> (March 31, 2017 : 37,44,951) Abbott Healthcare Products Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	<b>3,74.50</b>	3,74.50
iii) <b>14,70,000</b> (March 31, 2017 : 14,70,000) British Colloids Ltd., U.K. (Subsidiary of the Ultimate Holding Company)	<b>1,47.00</b>	1,47.00
The Ultimate Holding Company is Abbott Laboratories, USA.		

(All amounts in ₹ Lakhs, unless otherwise stated)

**Details of shareholders holding more than 5% shares in the Company :**

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% Holding	Number of shares	% Holding
i) Abbott Capital India Ltd., U.K.	<b>1,07,19,097</b>	<b>50.45%</b>	1,07,19,097	50.45%
ii) Abbott Healthcare Products Ltd., U.K.	<b>37,44,951</b>	<b>17.62%</b>	37,44,951	17.62%
iii) British Colloids Ltd., U.K.	<b>14,70,000</b>	<b>6.92%</b>	14,70,000	6.92%
	<b>1,59,34,048</b>	<b>74.99%</b>	1,59,34,048	74.99%

**Dividend paid and proposed :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Dividend on equity shares declared and paid :</b>		
Final Dividend for the year ended March 31, 2017 : ₹ 40 per share (March 31, 2016 : ₹ 35 per share)	<b>84,99.72</b>	74,37.26
Dividend distribution tax on final dividend	<b>17,30.34</b>	15,14.05
Date of approval (date of Annual General Meeting)	<b>July 18, 2017</b>	July 18, 2016
<b>Proposed dividend on equity shares :</b>		
Final dividend for the year ended March 31, 2018 : ₹ 50 per share (March 31, 2017 : ₹ 40 per share)	<b>106,24.65</b>	84,99.72
Special dividend for the year ended March 31, 2018 : ₹ 5 per share (March 31, 2017 : NIL)	<b>10,62.47</b>	-
Dividend distribution tax on proposed dividend	<b>24,02.32</b>	17,30.34

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, 2018 and March 31, 2017.

**18 OTHER EQUITY**

	Reserves and Surplus						Items of Other Comprehensive Income	Total Other Equity
	Amalgamation Reserve	Capital Reserve	Capital Redemption Reserve	Share Based Compensation Reserve	General Reserve	Retained Earnings		
<b>As at April 1, 2016</b>	37.82	5,22.62	2,52.48	8,38.20	267,98.19	890,85.77	(1,00.11)	1,174,34.97
Profit for the year ended March 31, 2017	-	-	-	-	-	276,64.88	-	276,64.88
Remeasurement of defined benefit plan (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 17)	-	-	-	-	-	(74,37.26)	-	(74,37.26)
Dividend distribution tax (Refer Note 17)	-	-	-	-	-	(15,14.05)	-	(15,14.05)
Share based compensation to employees (Refer Note 31)	-	-	-	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>1,050,32.85</b>	<b>(2,87.72)</b>	<b>1,365,69.47</b>
Profit for the year ended March 31, 2018	-	-	-	-	-	401,21.78	-	401,21.78
Remeasurement of defined benefit plan (net of tax)	-	-	-	-	-	-	(1,07.64)	(1,07.64)
Transfer from Profit and Loss to General Reserve	-	-	-	-	40,12.18	(40,12.18)	-	-
Dividend for the year ended March 31, 2017 (Refer Note 17)	-	-	-	-	-	(84,99.72)	-	(84,99.72)
Dividend distribution tax (Refer Note 17)	-	-	-	-	-	(17,30.34)	-	(17,30.34)
Share based compensation to employees (Refer Note 31)	-	-	-	7,97.57	-	-	-	7,97.57
Transfer from Share Based Compensation Reserve to General Reserve *	-	-	-	(34.79)	34.79	-	-	-
<b>As at March 31, 2018</b>	<b>37.82</b>	<b>5,22.62</b>	<b>2,52.48</b>	<b>20,95.22</b>	<b>337,25.95</b>	<b>1,309,12.39</b>	<b>(3,95.36)</b>	<b>1,671,51.12</b>

\* On account of cancellation of share options awarded to employees

(All amounts in ₹ Lakhs, unless otherwise stated)

**Nature and purpose of reserves :****1. Amalgamation Reserve**

This was created on amalgamation of Beem Healthcare Limited and Valencia Pharmaceuticals Limited, wholly owned subsidiary of the Company with appointed date as July 1, 1998. All assets and liabilities of erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in erstwhile Beem Healthcare Limited and Valencia Pharmaceuticals Limited were cancelled. The amalgamation was accounted under 'Pooling of Interests method' as prescribed in then Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

**2. Capital Reserve**

This was created on amalgamation of Lenbrook Pharmaceuticals Limited, a wholly owned subsidiary of the Company with the appointed date as October 1, 2003. All the assets and liabilities of erstwhile Lenbrook Pharmaceuticals Limited were transferred to the Company and all shares held by the Company in the erstwhile Lenbrook Pharmaceuticals Limited were cancelled. The amalgamation was accounted under the 'Purchase Method' as prescribed in then applicable Accounting Standard 14 issued by the Institute of Chartered Accountants of India.

**3. Capital Redemption Reserve**

This was created according to Section 77A of the Companies Act, 1956 by transferring the face value of shares bought back during the period 2003 to 2008 from free reserves.

**4. Share Based Compensation Reserve**

The Company's employees are awarded Restricted Stock Units (RSUs) of the Ultimate Holding Company, Abbott Laboratories, USA. The Share Based Compensation Reserve is used to recognise the fair value of the RSUs awarded to the employees. The award represents in substance equity contributions by the Ultimate Holding Company.

**5. General Reserve**

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of 'Other comprehensive income'.

**6. Retained Earnings**

Retained Earnings are the profits the Company has earned till date, less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

**7. Remeasurement of defined benefit plan**

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

**19 NON-CURRENT PROVISIONS**

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits :		
Post Retirement Medical Benefits	1,19.21	1,08.40
Long Service Benefits	1,30.10	92.51
Others :		
For likely sales returns and date expiry (Refer Note 25)	33,80.60	27,02.34
For likely sales returns - reimbursable (Refer Note 25)	19,04.60	18,18.70
	<b>55,34.51</b>	47,21.95

**20 INCOME TAXES**

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are :

Extract of Statement of Profit and Loss :

Profit and Loss section :

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current income tax :</b>		
Current tax expense	223,51.00	156,88.21
Tax adjustment for earlier years	(1,62.69)	4,96.14
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(1,61.83)	(2,00.06)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>220,26.48</b>	159,84.29

(All amounts in ₹ Lakhs, unless otherwise stated)

**Other Comprehensive Income (OCI) section - Deferred tax related to items recognised in OCI during the year :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Net loss/(gain) on remeasurement of defined benefit plan	60.08	99.30
<b>Income tax expense charged to OCI</b>	<b>60.08</b>	99.30

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017 :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Accounting profit before income tax</b>	<b>621,48.26</b>	436,49.17
Less : Long-term capital gains taxed separately	(8,38.43)	-
	<b>613,09.83</b>	436,49.17
At India's statutory income tax rate of 34.61% (March 31, 2017 : 34.61%)	212,18.11	151,06.11
Adjustments in respect of current income tax of previous years	(1,62.69)	4,96.14
Impact of change in income tax rate on deferred tax	(34.40)	-
Non-deductible expenses for tax purposes	8,81.67	3,82.04
	<b>219,02.69</b>	159,84.29
Income tax on long-term capital gains on assignment of trademarks	1,23.79	-
<b>At the effective income tax rate of 35.44% (March 31, 2017 : 36.62%)</b>		
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>220,26.48</b>	159,84.29

**Deferred tax :**

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2018	As at March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Deferred tax assets</b>				
Provision for compensated absences	8,87.14	9,13.99	26.85	(1,83.83)
Gratuity and other employee benefits	3,99.09	2,17.45	(1,81.64)	(68.60)
Provision for doubtful debts	3,97.85	4,07.44	9.59	10.68
Other items of disallowance under Section 43B and 40(a) (ia) of the Income Tax Act, 1961	8,31.03	4,27.51	(4,03.52)	1.74
Other items giving rise to temporary differences	1,11.74	2,04.88	93.14	9.22
<b>Deferred tax liabilities</b>				
Depreciation	(9,25.24)	(8,02.14)	1,23.10	(66.90)
Other items giving rise to temporary differences	(2,41.65)	(1,31.08)	1,10.57	(1.67)
<b>Net deferred tax assets</b>	<b>14,59.96</b>	12,38.05		
<b>Deferred tax income</b>			(2,21.91)	(2,99.36)
Deferred tax income credited to Profit and Loss			(1,61.83)	(2,00.06)
Deferred tax income credited to OCI			(60.08)	(99.30)
			<b>(2,21.91)</b>	(2,99.36)

**Reflected in the Balance Sheet as follows :**

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	26,26.85	21,71.27
Deferred tax liabilities	(11,66.89)	(9,33.22)
<b>Deferred tax assets (net)</b>	<b>14,59.96</b>	12,38.05

(All amounts in ₹ Lakhs, unless otherwise stated)

**Reconciliation of deferred tax assets (net) :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening balance as at April 1</b>	<b>12,38.05</b>	9,38.69
Tax income during the period recognised in Profit or Loss	<b>1,61.83</b>	2,00.06
Tax income during the period recognised in OCI	<b>60.08</b>	99.30
<b>Closing balance as at March 31</b>	<b>14,59.96</b>	12,38.05

**21 TRADE PAYABLES**

	As at March 31, 2018	As at March 31, 2017
Due to micro and small enterprises (Refer (a) below)	<b>5,83.88</b>	3,40.79
Due to related parties (Refer Note 42(D))	<b>73,07.83</b>	78,58.34
Due to others	<b>401,70.77</b>	392,70.21
	<b>480,62.48</b>	474,69.34

For terms and conditions relating to related party payables, refer Note 42.

For information on financial risk management objectives and policies, refer Note 45.

**(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, 2018	As at March 31, 2017
(i) The principal amount remaining unpaid to any supplier (but within due date as per the MSMED Act, 2006)	<b>5,83.88</b>	3,40.79
(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.

**22 CURRENT FINANCIAL LIABILITIES - OTHERS**

	As at March 31, 2018	As at March 31, 2017
Deposits from a customer	<b>60.35</b>	60.35
Payables for capital expenditure	<b>3.97</b>	3.97
Unpaid dividend #	<b>3,18.23</b>	2,66.08
Salaries, wages, incentives and bonus payable to employees	<b>41,20.89</b>	36,15.27
Deposit from a related party (Refer Note 42(D))	<b>44.66</b>	-
Others (primarily royalties payable)	<b>3,50.33</b>	1,60.52
	<b>48,98.43</b>	41,06.19

# 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, 2018 and March 31, 2017.

(All amounts in ₹ Lakhs, unless otherwise stated)

**23 OTHER CURRENT LIABILITIES**

	As at March 31, 2018	As at March 31, 2017
Statutory dues including provident fund and tax deducted at source	<b>6,31.44</b>	8,44.74
VAT payable	-	13,99.21
GST payable	<b>10,67.27</b>	-
Advances from customers	<b>2,37.21</b>	2,21.48
Others	<b>13,45.64</b>	12,17.89
	<b>32,81.56</b>	36,83.32

**24 CURRENT PROVISIONS**

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits :		
Compensated absences	<b>25,38.74</b>	26,40.96
Post retirement medical benefits	<b>10.60</b>	8.83
Long service benefits	<b>34.40</b>	6.72
Gratuity	<b>8,47.78</b>	4,11.87
Superannuation	<b>1,06.30</b>	1,03.49
Provision for likely sales returns and date expiry (Refer Note 25)	<b>25,60.69</b>	22,89.75
Provision for likely sales returns - reimbursable (Refer Note 25)	<b>16,48.41</b>	15,77.66
	<b>77,46.92</b>	70,39.28

**25 DISCLOSURE PURSUANT TO IND AS 37 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET' 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, 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>	49,92.09	33,96.36	83,88.45
Add : Net amount provided/(written back) during the year @	9,49.20	1,56.65	11,05.85
<b>Carrying Amount as at March 31, 2018 *</b>	<b>59,41.29</b>	<b>35,53.01</b>	<b>94,94.30</b>

@ Includes unwinding of discount and effect of changes in discount rate on provision of ₹ 1,95.51 Lakhs (March 31, 2017 : ₹ 1,96.54 Lakhs) (Refer Note 32).

\* Carrying amount comprises of :

	As at March 31, 2018	As at March 31, 2017
<b>Non-current provision :</b>		
For likely sales returns and date expiry (Refer Note 19)	<b>33,80.60</b>	27,02.34
For likely sales returns - reimbursable (Refer Note 19)	<b>19,04.60</b>	18,18.70
<b>Current provision :</b>		
For likely sales returns and date expiry (Refer Note 24)	<b>25,60.69</b>	22,89.75
For likely sales returns - reimbursable (Refer Note 24)	<b>16,48.41</b>	15,77.66
	<b>94,94.30</b>	83,88.45

**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.



(All amounts in ₹ Lakhs, unless otherwise stated)

**26 REVENUE FROM OPERATIONS**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including excise duty) (Refer (a) and (c) below)	<b>3273,90.01</b>	2902,37.67
Rendering of services (Refer (b) below)	<b>21,54.06</b>	21,15.10
	<b>3295,44.07</b>	2923,52.77
Other operating revenue		
Sale of scrap	<b>86.97</b>	75.04
Insurance, customs and carriers claims	<b>1,20.65</b>	1,80.06
Miscellaneous income		
Write back of provisions no longer required	-	4,18.70
Duty drawback	<b>26.35</b>	18.57
Others	<b>9,34.13</b>	8,23.98
Total other operating revenue	<b>11,68.10</b>	15,16.35
	<b>3307,12.17</b>	2938,69.12

**(a) Sale of products :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Tablets	<b>1271,21.34</b>	1119,36.28
Injectables	<b>1336,25.89</b>	1164,29.59
Liquids	<b>483,97.32</b>	440,02.28
Capsules	<b>115,61.44</b>	111,00.93
Ointments	<b>14,21.44</b>	11,96.18
Granules	<b>8,09.78</b>	6,24.53
Powder	<b>13,70.85</b>	16,48.32
Others	<b>30,81.95</b>	32,99.56
	<b>3273,90.01</b>	2902,37.67

**(b) Service income includes : (Refer Note 42(C))**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Shared and support services rendered to Abbott Healthcare Private Ltd., India	<b>16,27.73</b>	16,48.82
Shared and support services to Abbott Products Operations AG., Switzerland	<b>5,26.33</b>	4,66.28
	<b>21,54.06</b>	21,15.10

**(c)** Sale of products includes excise duty collected from customers of ₹ **8,61.82 Lakhs** (March 31, 2017 : ₹ 36,13.31 Lakhs). Sale of products net of excise duty is ₹ **3265,28.19 Lakhs** (March 31, 2017 : ₹ 2866,24.36 Lakhs). Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards, excise duty and most indirect taxes in India have been replaced by Goods and Services Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable with that of the previous year.

**27 OTHER INCOME**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest income on financial assets carried at amortised cost :</b>		
Interest income on loan to a related party (Refer Note 42(C))	<b>5,20.55</b>	-
Interest income on fixed deposits	<b>64,56.85</b>	57,25.74
Interest income on others (from employees and other receivables)	<b>33.99</b>	20.80
<b>Other non-operating income :</b>		
Income from assignment of trademarks	<b>45,30.26</b>	-
Rental income from a related party (Refer Note 42(C))	<b>28.63</b>	-
Interest income on security deposits	<b>1,28.44</b>	17.74
	<b>116,98.72</b>	57,64.28

(All amounts in ₹ Lakhs, unless otherwise stated)

**28 COST OF MATERIALS CONSUMED**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	<b>94,32.09</b>	65,23.57
Add : Purchases during the year	<b>278,22.04</b>	345,02.79
Less : Inventory at the end of the year	<b>(76,81.75)</b>	(94,32.09)
	<b>295,72.38</b>	315,94.27

**29 PURCHASES OF STOCK-IN-TRADE**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Tablets	<b>203,85.21</b>	187,10.46
Injectables	<b>1301,17.89</b>	1134,19.27
Liquids	<b>147,83.31</b>	107,14.37
Capsules	<b>7,11.31</b>	10,25.92
Ointments	<b>4,29.91</b>	7,89.26
Granules	<b>3,87.76</b>	2,72.96
Powder	<b>7,62.88</b>	14,20.75
Others	<b>35,43.73</b>	34,03.58
	<b>1711,22.00</b>	1497,56.57

**30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock		
Finished goods	<b>66,78.06</b>	62,72.06
Stock-in-trade	<b>329,57.03</b>	228,63.88
Work-in-progress	<b>9,95.94</b>	13,50.78
Less : Closing Stock		
Finished goods	<b>(62,37.72)</b>	(66,78.06)
Stock-in-trade	<b>(442,45.94)</b>	(329,57.03)
Work-in-progress	<b>(3,67.31)</b>	(9,95.94)
	<b>(102,19.94)</b>	(101,44.31)

**31 EMPLOYEE BENEFITS EXPENSE**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	<b>349,65.69</b>	312,55.06
Contribution to provident and other funds	<b>29,10.99</b>	20,42.14
Share based compensation to employees (Refer Note 39(c))	<b>7,97.57</b>	6,08.54
Staff welfare expense	<b>6,95.02</b>	6,21.30
	<b>393,69.27</b>	345,27.04

**32 FINANCE COSTS**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense (on various statutory payments)	<b>1,86.70</b>	7.11
Unwinding of discount and effect of changes in discount rate on provisions (Refer Note 25)	<b>1,95.51</b>	1,96.54
	<b>3,82.21</b>	2,03.65

(All amounts in ₹ Lakhs, unless otherwise stated)

**33 DEPRECIATION AND AMORTISATION EXPENSE**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment (Refer Note 3)	14,50.20	15,17.87
Amortisation of intangible assets (Refer Note 4)	1,68.34	1,25.21
	<b>16,18.54</b>	16,43.08

**34 OTHER EXPENSES**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores	4,06.43	6,61.14
Power and fuel	10,26.24	7,73.97
Rent (Refer Note 40(a))	46,12.37	16,90.87
Repairs to buildings	45.48	68.54
Repairs to plant and machinery	2,24.79	2,25.03
Repairs (others)	4,75.23	3,59.78
Insurance	3,14.77	3,04.08
Rates and taxes	17,16.22	11,23.79
Advertising, publicity and sales promotion	91,57.20	86,96.59
Freight and forwarding charges	30,59.15	27,61.16
Travelling and business meetings	99,98.93	97,09.56
Commission to carrying and forwarding agents	34,77.85	33,75.24
Exchange loss (net)	5,02.35	4,83.63
Bad debts written off	1,10.21	2,50.94
Less : Adjusted against earlier year's provision	(1,10.21)	(2,50.94)
	-	-
Allowance for doubtful debts	71.44	2,20.08
Professional fees and other services	71,32.64	75,71.19
Loss on sale/write off of property, plant and equipment (net)	28.00	18.81
Excise duty (Refer Note (c) below)	(4,31.10)	2,89.63
Payment to auditors (Refer Note (a) below)	1,31.32	1,33.48
CSR expenditure (Refer Note (b) below)	9,12.22	7,13.95
Miscellaneous expenses	46,94.82	56,10.10
	<b>475,56.35</b>	447,90.62

**(a) Payment to auditors**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>As auditor</b>		
Audit fees	63.80	60.03
Tax audit fees	13.75	14.44
Limited review	25.50	25.88
<b>In other capacity</b>		
Other services (including certification fees)	21.13	25.26
Reimbursement of expenses	7.14	7.87
	<b>1,31.32</b>	1,33.48

(All amounts in ₹ Lakhs, unless otherwise stated)

**(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, our partnership with SEWA (Self Employed Women's Association), alongwith various programmes focused on enhancing access to healthcare and improving awareness of health issues were conducted across India.

	For the year ended March 31, 2018	For the year ended March 31, 2017	
Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013	7,87.21	6,84.90	
<b>Amount spent during the year ending on March 31, 2018 :</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) Others			
On various programmes to expand awareness and access to healthcare	4,54.87	88.23	5,43.10
On iCare Road Safety Awareness drive	62.18	6.63	68.81
On Nirmal Dhara Dairy Project	1,19.82	-	1,19.82
On SEWA (Self Employed Women's Association)	1,46.35	-	1,46.35
Administrative expenses related to CSR activities	34.14	-	34.14
	<b>8,17.36</b>	<b>94.86</b>	<b>9,12.22</b>
<b>Amount spent during the year ending on March 31, 2017 :</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) Others			
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>

(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.

**35 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurements of post employment benefits : (Refer Note 38)		
Gratuity	(1,53.93)	(2,76.01)
Post retirement medical benefit scheme	(13.79)	(10.90)
	<b>(1,67.72)</b>	<b>(2,86.91)</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**36 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, 2018	For the year ended March 31, 2017
Profit attributable to equity holders for Basic/Diluted earnings	401,21.78	276,64.88
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>188.81</b>	130.19

\* 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.

**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.

**ESTIMATES AND ASSUMPTIONS**

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Discounting of security deposits**

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 27 - 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 interval in response to demographic changes. Future salary increase and gratuity increase are based on expected future inflation rates in the country.

Further details about gratuity obligations are given in Note 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

**Intangible assets under development**

The Company capitalises 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. Also refer Note 5.

**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 44.

**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.

**Impairment of trade receivables**

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 10.

**Impairment of other financial assets**

The loss allowance for other financial assets are based on assumptions about risk of default. The Company uses judgments in making these assumptions based on its past history, existing market conditions and certainty of realisation. Also refer Note 6.

**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 25.

**Non-current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumption. The fair value of the assets held for sale has been estimated using valuation technique i.e. market approach. Also refer Note 16.

**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 :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Included in contribution to Provident and Other Funds (Refer Note 31)</b>		
Employer's contribution to Provident Fund/Employees' Pension Fund	14,84.71	13,41.57
Employer's contribution to Superannuation Fund	3,08.97	3,05.38
<b>Included in staff welfare expenses (Refer Note 31)</b>		
Employer's contribution to Employees' Deposit Linked Insurance Scheme	44.37	41.36
Premium paid in respect of Group Life Insurance Cover	41.08	40.97
Premium paid in respect of Employees' State Insurance Scheme	27.13	17.77



(All amounts in ₹ Lakhs, unless otherwise stated)

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<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	(2.75%)	(4.86%)	(3.91%)	(4.25%)
Impact of 50 bps decrease in discount rate	2.90%	5.27%	4.22%	4.60%
Impact of 100 bps increase in healthcare cost	-	-	8.84%	9.63%
Impact of 100 bps decrease in healthcare cost	-	-	(7.74%)	(8.34%)
Impact of increase by 1 year in life expectancy	-	-	3.64%	3.63%
Impact of decrease by 1 year in life expectancy	-	-	(3.64%)	(3.63%)
Impact of 50 bps increase in rate of salary increase	2.73%	3.69%	-	-
Impact of 50 bps decrease in rate of salary increase	(2.65%)	(3.62%)	-	-

**2. Sensitivity analysis method**

The Sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>VIII) The major categories of plan assets as a percentage of total</b>				
Insurer managed funds	100%	100%	-	-

The Trustees have taken Policy from Life Insurance Corporation of India (LIC) and pays premium. LIC in turn manages the assets which is within the permissible limits prescribed in the insurance regulations. The Company does not foresee any material risk from these investments.

**IX) Actuarial assumptions**

	Gratuity (Funded)		Post Retirement Medical Benefits (Non-funded)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Discount rate	7.75%	7.25%	7.75%	7.25%
Salary escalation	10% until year 2 inclusive, and 7% thereafter	10% until year 2 inclusive, and 7% thereafter	-	-
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	-	-
Rate of leaving service	Age related	Age related	-	-
Mortality post retirement rate	-	-	PA (90) Mortality table	PA (90) Mortality table
Annual increase in healthcare costs	-	-	6%	6%
Expected retirement age of employees	58/60 years, as applicable	58/60 years, as applicable	60 years	60 years

Expected contribution to the defined benefit plan (Gratuity) for the next annual reporting period is ₹ **8,48.00 Lakhs** (March 31, 2017 : ₹ 4,12.00 Lakhs)

(All amounts in ₹ Lakhs, unless otherwise stated)

The average duration of the defined benefit plan obligation at the end of the reporting period for Gratuity is **5.65 years** (March 31, 2017 : 10.12 years) and for PRMB is **8.12 years** (March 31, 2017 : 8.84 years).

**Notes :**

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018. 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 US\$ 12,500 per purchase cycle or US\$ 25,000 per calendar year. At the end of the cycle, accumulated payroll deductions are used to purchase shares at a discounted price. The purchase price of the share is 85% of the lesser of fair market value either on the first or last day of the purchase cycle. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA and are purchased on behalf of the employees at market price less discount, allocated to participants as of last day of the purchase cycle. The concession in the price of the shares is entirely borne by Abbott Laboratories, USA.

During the year ended March 31, 2018, **17,811 shares** (March 31, 2017 : 15,967 shares) were purchased by employees at weighted average fair value of **US\$ 38.71** (March 31, 2017 : US\$ 33.99) per share.

**b) Employees Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

Abbott Laboratories, USA has an 'Incentive Stock Option Program' whereby specified employees of its subsidiaries covered by the plan are granted an option to purchase shares of Abbott Laboratories, USA at a fixed price (grant price), which shall be at least 100% of the fair market value of the common share for a fixed period of time. All the options under this scheme have vested before April 1, 2015, and hence, as per the exemption available in Ind AS 101 'First-time adoption of Indian Accounting Standards', no options compensation expenses are incurred by the Company during the year. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third installments over a three year period and have a 10 years contractual life.

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of options	Weighted average exercise price US \$	Number of options	Weighted average exercise price US \$
Outstanding at the beginning of the year	7,700	27.80	14,600	27.08
Less : Exercised during the year	(7,700)	(27.80)	(6,900)	26.27
Less : Expired during the year	-	-	-	-
Less : Transfer out during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	-	-	7,700	27.80
Exercisable at the end of the year	-	-	7,700	27.80

The weighted average share price at the date of exercise for stock options exercised during the year was **US\$ 76.57** (March 31, 2017 : US\$ 50.66) and weighted average remaining contractual life is **NIL year** (March 31, 2017 : 0.88 years).

The average exercise price for options outstanding at the end of the year was **US\$ NIL** (March 31, 2017 : US\$ 26.27 to US\$ 27.80).

During the year, ₹ **83.03 Lakhs** (March 31, 2017 : ₹ 33.37 Lakhs) withholding taxes has been deposited with tax authorities against exercised options.

(All amounts in ₹ Lakhs, unless otherwise stated)

**c) Employees Restricted Stock Options Plan (Stocks of Abbott Laboratories, USA, being Ultimate Holding Company)**

Abbott Laboratories, USA as part of the 'Long-Term Incentive Program' has offered Restricted Stock Units (RSUs) to specified employees of its subsidiaries, whereby the employees covered by the plan are granted units. The units when vested, become shares of Abbott Laboratories, USA at a NIL Cost. The shares of Abbott Laboratories, USA are listed with the New York Stock Exchange, USA. The grants issued are vested in one third instalments 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, 2018		For the year ended March 31, 2017	
	Number of options	Weighted average exercise price US \$	Number of options	Weighted average exercise price US \$
Outstanding at the beginning of the year	55,667	NA	53,208	NA
Add : Granted during the year	28,749	NA	36,224	NA
Add : Transfer in during the year	-	NA	308	NA
Less : Exercised during the year	(22,176)	NA	(16,037)	NA
Less : Cancelled/Expired during the year	(2,863)	NA	(12,730)	NA
Less : Transfer out during the year	(2,250)	NA	(5,306)	NA
<b>Outstanding at the end of the year</b>	<b>57,127</b>	<b>NA</b>	<b>55,667</b>	<b>NA</b>

The weighted average share price at the date of exercise for stock options exercised during the year was **US\$ 59.77** (March 31, 2017 : US\$ 44.69).

The following tables list the inputs to the models used for the Restricted Stock Option plan for the years ended March 31, 2018 and March 31, 2017 respectively :

	As at March 31, 2018	As at March 31, 2017
Dividend yield (%)	0%	0%
Expected volatility (%)	18.76%	23.08%
Risk-free interest rate (%)	2.10%	1.21%
Expected life of Restricted Stock Units (years)	2 years	2 years
Weighted average share price (₹)	₹ 3,787.18	₹ 2,930.32
Model used	Black Scholes	Black Scholes

The expected life of the RSUs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

During the year, ₹ **2,91.71 Lakhs** (March 31, 2017 : ₹ 1,59.87 Lakhs) withholding taxes has been deposited with tax authorities against exercised options.

**40 COMMITMENTS AND CONTINGENCIES****a. Leases****(i) Operating lease commitments - Company as lessee**

The Company has obtained various residential/office premises (including furniture and fittings, therein as applicable) under operating lease or leave and licence agreements. These generally range between 11 months to 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. Some of the lease agreements have price escalation clause. The Company has given refundable interest free security deposits in accordance with the agreed terms. There are no restrictions imposed by these arrangements.

Lease payments are recognised in the Statement of Profit and Loss under 'Rent'.

(All amounts in ₹ Lakhs, unless otherwise stated)

**Disclosures with respect to operating leases :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
i) Operating lease payments recognised in the Statement of Profit and Loss under 'Rent' (Refer Note 34)	46,12.37	16,90.87
ii) Future minimum lease rental payables under non-cancellable operating leases :		
Within one year	45,85.38	5,46.36
After one year but not more than five years	54,83.04	4,89.32
More than five years	-	-

There are no sub-leases.

**(ii) Operating lease commitments - Company as lessor**

The Company has recognised rent income from leasing of a property amounting to ₹ **28.63 Lakhs** (March 31, 2017 : NIL) in the Statement of Profit and Loss under 'Other Income' (Refer Note 27). The lease agreement is of cancellable nature.

**b. Commitments**

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5,69.73	3,60.66

**c. Contingent liabilities****Claims against company not acknowledged as debts**

- (i) In February 1996, the Government had made a tentative claim for a sum of ₹ 11,11.66 Lakhs to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for ₹ 3,46.64 Lakhs (including interest of ₹ 1,90.39 Lakhs upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, contested the above final demand of ₹ 3,46.64 Lakhs and filed a writ petition before the Bombay High Court to restrain the government from recovering the said amount. The Bombay High Court has admitted the writ petition and granted stay of the recovery of the amount subject to the Company furnishing a bank guarantee in respect of the principal amount of ₹ 1,56.25 Lakhs. The said bank guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of ₹ **1,11.78 Lakhs** (March 31, 2017 : ₹ 1,07.89 Lakhs) including interest liability till date.

	As at March 31, 2018	As at March 31, 2017
(ii) Sales Tax	35,00.22	7,77.67

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'.

(All amounts in ₹ Lakhs, unless otherwise stated)

**42 RELATED PARTY DISCLOSURE****A) Parties where control exists :**

Ultimate Holding Company : Abbott Laboratories, USA

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

**B) Other related parties with whom transactions have taken place during the year :****I) Fellow subsidiaries :**

British Colloids Ltd., U.K.

Abbott Healthcare Products Ltd., U.K.

Abbott Healthcare Private Ltd., India

Abbott International LLC, USA

Abbott Products Operations AG., Switzerland

Abbott Laboratories (Singapore) Pte Ltd., Singapore

Abbott Manufacturing Pte Ltd., Singapore

Abbott GmbH &amp; Co. K.G., Germany

Alere Medical Private Limited, India

**II) Key Management personnel :**

Mr. Ambati Venu, Managing Director (w.e.f. September 29, 2016)

Mr. Rajiv Sonalker, Whole-time Director (w.e.f. August 8, 2017)

Mr. Rehan A. Khan, Managing Director (till April 30, 2016)

Mr. Munir Shaikh, Chairman

Mr. Rajendra Shah, Independent Director

Mr. Ranjan Kapur, Independent Director (ceased to be the Director effective January 27, 2018 due to demise)

Mr. Krishna Mohan Sahni, Independent Director

**C) Transactions during the year :****I) Transactions with the Holding Company during the year**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Capital India Ltd., U.K.</b>		
Remittance of dividend	42,87.64	37,51.68

**II) Transactions with Fellow Subsidiaries during the year****i) Remittance of dividend :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>British Colloids Ltd., U.K.</b>		
Remittance of dividend	5,88.00	5,14.50
<b>Abbott Healthcare Products Ltd., U.K.</b>		
Remittance of dividend	14,97.98	13,10.73

(All amounts in ₹ Lakhs, unless otherwise stated)

**ii) Sales to fellow subsidiaries :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Healthcare Private Ltd., India</b>		
Sales of stock-in-trade	53,65.79	47,94.12
Sales of raw materials	54,94.81	32,49.89

**iii) Purchases from fellow subsidiaries :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Healthcare Private Ltd., India</b>		
Purchase of raw materials	4,57.99	-
Purchase of stock-in-trade	138,76.53	93,84.27
Purchase of promotional goods	1,84.84	2,74.82
Conversion charges	2,39.65	4,61.34
<b>Abbott Products Operations AG., Switzerland</b>		
Purchase of raw materials	185,78.10	224,95.84
Purchase of stock-in-trade	39,34.76	20,91.75

**iv) Purchase of trademarks from Ultimate Holding Company and fellow subsidiary :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Laboratories, USA</b>		
Purchase of trademarks	2,83.14	-
<b>Abbott GmbH &amp; Co. K.G., Germany</b>		
Purchase of trademarks	4,27.65	-

**v) Loan/deposit and interest to/from fellow subsidiaries :**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Healthcare Private Ltd., India</b>		
Interest free security deposit paid	14,79.87	-
Interest free security deposit received	44.66	-
<b>Alere Medical Private Limited, India</b>		
Loan given (Refer Note 43)	200,00.00	-
Interest income on above loan (Refer Note 27)	5,20.55	-

(All amounts in ₹ Lakhs, unless otherwise stated)

## vi) Reimbursements to and from fellow subsidiaries :

	Reimbursement to		Reimbursement from	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Healthcare Private Ltd., India</b>				
Shared and support Services	10,52.03	11,65.26	-	-
Rent expenses	32,93.22	2,12.82	-	-
Market research and other expenses	-	1,06.59	16.42	-
Excise duty payment/cenvat recovery on Loan Licensee manufacturing	38.10	2,47.02	1,78.89	2,29.12
<b>Abbott International LLC, USA</b>				
Employee benefits expense, travel and other expenses	36.98	37.12	-	6.39
<b>Abbott Manufacturing Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	-	-	22.45	33.87
<b>Abbott Laboratories (Singapore) Pte Ltd., Singapore</b>				
Employee benefits expense, travel and other expenses	24.62	18.33	-	-
<b>Abbott Products Operations AG., Switzerland</b>				
Employee benefits expense, travel and other expenses	-	-	1,77.80	2,20.51

## vii) Income from fellow subsidiaries :

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Abbott Healthcare Private Ltd., India</b>		
Shared and support services (Refer Note 26(b))	16,27.73	16,48.82
Rent income (Refer Note 27)	28.63	-
<b>Abbott Products Operations AG., Switzerland</b>		
Shared and support services (Refer Note 26(b))	5,26.33	4,66.28

## viii) Key management personnel remuneration \* :

	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. Ambati Venu, Managing Director (w.e.f. September 29, 2016)	5,85.89	2,64.87
Mr. Rajiv Sonalker, Whole-time Director (w.e.f. August 8, 2017)	1,61.64	-
Mr. Rehan A. Khan, Managing Director (till April 30, 2016)	-	68.34

\* During the year, as a part of the 'Long-Term Incentive Program', Restricted Stock Units of Abbott Laboratories, USA, carrying perquisite value of ₹ 1,23.72 Lakhs (March 31, 2017 : NIL) 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

## ix) Non-Executive, Other Directors' sitting fees :

	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. Munir Shaikh, Chairman	13.50	14.00
Mr. Rajendra Shah, Independent Director	17.00	15.50
Mr. Ranjan Kapur, Independent Director (ceased to be the Director effective January 27, 2018 due to demise)	10.50	15.50
Mr. Krishna Mohan Sahni, Independent Director	15.00	14.50

## D) Outstanding :

	As at March 31, 2018	As at March 31, 2017
<b>Trade payables to fellow subsidiaries (Refer Note 21)</b>		
Abbott Products Operations AG., Switzerland	56,34.60	73,23.38
Abbott Laboratories (Singapore) Pte Ltd., Singapore	-	3.53
Abbott International LLC, USA	-	18.26
Abbott Healthcare Private Ltd., India	16,73.23	5,13.17
	73,07.83	78,58.34
<b>Other payables to fellow subsidiaries (Refer Note 22)</b>		
Abbott Healthcare Private Ltd., India	44.66	-
	44.66	-
<b>Trade receivables from fellow subsidiaries (Refer Note 10)</b>		
Abbott Healthcare Private Ltd., India	22,72.66	14,67.62
	22,72.66	14,67.62
<b>Other receivables from fellow subsidiaries (Refer Note 14)</b>		
Abbott International LLC, USA	-	1,50.58
Abbott Manufacturing Pte Ltd., Singapore	-	9.20
Abbott Products Operations AG., Switzerland	90.39	82.58
Abbott Healthcare Private Ltd., India	35.92	1,62.43
Alere Medical Private Limited, India (Refer Note 43)	4,68.49	-
	5,94.80	4,04.79
<b>Loan and deposit to fellow subsidiaries</b>		
Abbott Healthcare Private Ltd., India (Refer Note 6, 8 and 15)	14,69.86	-
Alere Medical Private Limited, India (Refer Note 13) *	200,00.00	-

\* The above loan is guaranteed by Abbott Laboratories, USA i.e. the Ultimate Holding Company.

**Terms and conditions of transactions with related parties :**

All transactions with related parties are made in the ordinary course of business and the same is at arm's length. Outstanding balances at the year end are unsecured and settlement occurs in cash. The Company has not recorded any impairment for receivables. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which related parties operate.



(All amounts in ₹ Lakhs, unless otherwise stated)

**43 DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) AND SECTION 186 (4) OF THE COMPANIES ACT, 2013 :**

During the year ended March 31, 2018, the Company had granted loan of ₹ 200,00.00 Lakhs to Alere Medical Private Limited, India, a fellow subsidiary, for a period of six months effective December 26, 2017, 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 funding working capital requirement. This loan is guaranteed by Abbott Laboratories, USA i.e. the Ultimate Holding Company.

Nature of transaction	Purpose for which the loan is proposed to be utilised by recipient	As at March 31, 2018	Maximum balance outstanding during the year ended March 31, 2018 @	As at March 31, 2017	Maximum balance outstanding during the year ended March 31, 2017
<b>Loan given to fellow subsidiary :</b>					
Alere Medical Private Limited, India	Funding working capital requirement	205,20.55	205,20.55	-	-

@ Including accrued interest ₹ 5,20.55 Lakhs, net of TDS ₹ 4,68.49 Lakhs (Refer Note 42(D)).

**44 FAIR VALUE DISCLOSURE****A. The carrying value and fair value of financial assets/liabilities by categories are as follows :**

	Carrying value of the financial assets/liabilities		Fair value of the financial assets/liabilities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
<b>Financial assets/liabilities at amortised cost</b>				
<b>Financial assets at amortised cost (non-current) :</b>				
Loans (Refer Note 6)	15,02.58	5,56.24	15,02.58	5,56.24
Other financial assets (Refer Note 7)	22,70.67	21,18.69	22,70.67	21,18.69
<b>Financial assets at amortised cost (current) :</b>				
Trade and other receivables (Refer Note 10)	263,44.30	176,21.99	263,44.30	176,21.99
Cash and cash equivalents (Refer Note 11)	37,67.71	202,23.58	37,67.71	202,23.58
Bank balances other than cash and cash equivalents (Refer Note 12)	993,67.32	888,68.46	993,67.32	888,68.46
Loans (Refer Note 13)	205,47.81	1,92.14	205,47.81	1,92.14
Other financial assets (Refer Note 14)	40,21.24	38,75.71	40,21.24	38,75.71
<b>Financial liabilities at amortised cost (current) :</b>				
Trade payables (Refer Note 21)	480,62.48	474,69.34	480,62.48	474,69.34
Other financial liabilities	48,66.84	38,33.38	48,66.84	38,33.38
<b>Financial assets/liabilities at fair value through Profit or Loss</b>				
<b>Financial assets at fair value through Profit or Loss (current) :</b>				
Forward contract receivable	31.59	-	31.59	-
<b>Financial liabilities at fair value through Profit or Loss (current) :</b>				
Forward contract payable	-	2,72.80	-	2,72.80

(All amounts in ₹ Lakhs, unless otherwise stated)

**B. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximations of fair values :**

	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2018	As at March 31, 2018	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Loans (non-current)					
Deposits for premises (Refer Note 6)	1,58.94	1,58.94	-	-	1,58.94
Deposits given to fellow subsidiary (Refer Note 6)	12,12.28	12,12.28	-	-	12,12.28
Deposits against tenders (Refer Note 6)	1,31.36	1,31.36	-	-	1,31.36
Other financial assets (Refer Note 7)	22,70.67	22,70.67	-	-	22,70.67
	37,73.25	37,73.25	-	-	37,73.25
<b>Financial assets at fair value through Profit or Loss</b>					
Forward contract receivable	31.59	31.59	-	31.59	-
	31.59	31.59	-	31.59	-

	Carrying amount	Fair value	Fair value hierarchy		
	As at March 31, 2017	As at March 31, 2017	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
<b>Financial assets at amortised cost</b>					
Loans (non-current)					
Deposits for premises (Refer Note 6)	4,38.85	4,38.85	-	-	4,38.85
Deposits 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
	26,74.93	26,74.93	-	-	26,74.93
<b>Financial liabilities at fair value through Profit or Loss</b>					
Forward contract payable	2,72.80	2,72.80	-	2,72.80	-
	2,72.80	2,72.80	-	2,72.80	-

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, 2017.

During the reporting period ending March 31, 2018 and March 31, 2017, 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

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 2018	As at March 31, 2017
(a) Deposits for premises	<b>Discounted cashflow method using interest rate for similar financial instrument</b>	Discounted cashflow method using interest rate for similar financial instrument
(b) Financial assets/liabilities other than (a) above	<b>Expected cashflows for the financial instruments</b>	Expected cashflows for the financial instruments

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets or liabilities does not have significant impact in its value.

**45 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 minimise potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below :

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks.

Particulars	Carrying Amount	
	As at March 31, 2018	As at March 31, 2017
<b>Fixed rate instruments</b>		
Financial assets	<b>987,35.00</b>	1047,60.00

**Fair value sensitivity analysis for fixed rate instruments :**

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

(All amounts in ₹ Lakhs, unless otherwise stated)

The Company's exposure to foreign currency risk is as follows :

Particulars (₹ Lakhs)	As at March 31, 2018				As at March 31, 2017	
	USD	Euro	GBP	CHF	USD	Euro
Trade receivables	<b>7,42.60</b>	-	-	-	<b>5,93.36</b>	-
Other financial assets	<b>92.08</b>	-	<b>0.63</b>	<b>13.64</b>	<b>2,73.57</b>	<b>9,42.12</b>
Trade payables	<b>82,56.89</b>	<b>6.80</b>	-	<b>13.37</b>	<b>109,08.70</b>	<b>6,02.97</b>
Other financial liabilities	-	-	-	-	<b>18.26</b>	-

**Foreign currency sensitivity**

The following table demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, being the most transacted currencies with all other variables held constant. The exchange rate between Rupee and other foreign currencies have changed substantially in the recent years and may fluctuate substantially in the future. Consequently the results of the Company's operations could be affected as the Rupee appreciates/depreciates against these currencies.

Currency	As at March 31, 2018		As at March 31, 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	<b>(74.22)</b>	<b>74.22</b>	<b>(1,00.60)</b>	1,00.60
Euro	<b>(0.07)</b>	<b>0.07</b>	3.39	(3.39)
Increase/(Decrease) in Profit or Loss	<b>(74.29)</b>	<b>74.29</b>	(97.21)	97.21

**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 ₹ **1578,21.18 Lakhs** as at March 31, 2018 (March 31, 2017 : ₹ 1334,56.50 Lakhs). Customer credit risk is managed for each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Further, significant sales of the Company are against advance payment /collection on delivery terms. Outstanding customer receivables are regularly monitored and any shipments to new overseas customers are generally covered by letters of credit or other forms of credit insurance. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The ageing of trade receivables and allowance for credit losses is as follows :

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gross	Allowance for credit losses	Gross	Allowance for credit losses
Not yet due	<b>229,49.52</b>	-	152,40.08	-
Past due 1 - 30 days	<b>21,30.99</b>	<b>23.75</b>	18,05.22	7.02
Past due 31 - 60 days	<b>3,61.20</b>	<b>4.43</b>	2,79.37	0.85
Past due 61 - 90 days	<b>4,33.66</b>	<b>46.45</b>	2,59.68	31.60
Over 90 days	<b>16,07.46</b>	<b>10,63.90</b>	12,14.94	11,37.83
	<b>274,82.83</b>	<b>11,38.53</b>	187,99.29	11,77.30

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in loss allowance of trade receivables and other financial assets :

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	14,92.33	14,50.19
Allowance for doubtful debts and advances	1,52.53	2,93.08
Bad debts written off	(1,10.21)	(2,50.94)
<b>Balance at the end of the year</b>	<b>15,34.65</b>	<b>14,92.33</b>

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Company's exposure to customers is diversified and no single customer has significant contribution to trade receivables balances.

The credit risk on liquid funds such as balances with banks in current and deposit accounts is limited because the counter parties are banks with reasonably high credit ratings.

Financial assets other than trade receivables and bank balances are not exposed to any material credit risk.

### c) Liquidity risk

Liquidity risk is the risk that company will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The details of the contractual maturities of significant liabilities as at March 31, 2018 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer note 21)	480,62.48	480,62.48	-	-	-	480,62.48
Other current financial liabilities (Refer note 22)	48,98.43	48,98.43	-	-	-	48,98.43
	<b>529,60.91</b>	<b>529,60.91</b>	-	-	-	<b>529,60.91</b>

The details of the contractual maturities of significant liabilities as at March 31, 2017 are as follows :

Particulars	Carrying Amount	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade payables (Refer note 21)	474,69.34	474,69.34	-	-	-	474,69.34
Other current financial liabilities (Refer note 22)	41,06.19	41,06.19	-	-	-	41,06.19
	<b>515,75.53</b>	<b>515,75.53</b>	-	-	-	<b>515,75.53</b>

## 46 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

(All amounts in ₹ Lakhs, unless otherwise stated)

of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

## 47 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.

### Ind AS 115 Revenue from Contracts with Customers :

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115 Revenue from Contracts with Customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires revenue to be recognised when promised goods or services are transferred to the customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, timing, amount and uncertainty of revenue and cash flows arising from the entity's contracts with the customers.

The new revenue standard supersedes all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the modified retrospective approach and accordingly comparatives for the year ending March 31, 2019 will not be retrospectively adjusted.

The Company has undertaken a review of main types of commercial arrangements entered into with customers under this model and has performed an analysis of the impact, including areas such as variable consideration, right of return and agent relationships and has concluded that the standard will not have a material impact on the revenue streams from the supply of goods, its associated rebates and return provisions. The present timing of the recognition of product sales and the basis of estimates of sales deductions are consistent with those adopted under Ind AS 115.

Based on the analysis, it is assessed that the standard will not have any significant impact on revenue recognition or measurement compared to current practice.

## 48 RECENT ACCOUNTING PRONOUNCEMENTS

### Appendix B to Ind AS 21, Foreign currency transactions and advance consideration :

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration. The Appendix is effective for annual period beginning on or after April 1, 2018.

49 The Company has bank overdraft arrangement secured by hypothecation of all stocks and book debts, against which there are no borrowings.

50 Previous year's figures have been regrouped/reclassified to conform to the current year's classification.

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

per **RAVI BANSAL**  
Partner  
Membership No. 49365

Place : Mumbai  
Date : May 14, 2018

For and on behalf of the Board of Directors

**AMBATI VENU**  
Managing Director  
DIN : 07614849

**R A SHAH**  
Director  
DIN : 00009851

**RAJIV SONALKER**  
CFO and Whole-time Director  
DIN : 07900178

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

Place : Mumbai  
Date : May 14, 2018

# NOTICE

Notice is hereby given that the Seventy-fourth Annual General Meeting of Abbott India Limited will be held at RAMA WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 400 020 on Wednesday, July 18, 2018 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, 2018 together with the Reports of Directors and Auditors thereon.
- To declare a final dividend of ₹ 50/- and special dividend of ₹ 5/- per Equity Share for the financial year ended March 31, 2018.
- To appoint a Director in place of Mr Kaiyomarz Marfatia (DIN : 03449627), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS :

### 4. Ratification of remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors for the financial year 2018-19

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 2018-19, be and is hereby ratified.

### 5. Appointment of Ms Anisha Motwani (DIN : 06943493) as Independent Director

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

**RESOLVED That** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, read with Schedule IV of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (“the Act”) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Ms Anisha Motwani (DIN : 06943493), who was appointed as

Additional Director by the Board of Directors effective April 25, 2018 in terms of the provisions of Section 161 of the Act and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 3 (three) years effective April 25, 2018.

### 6. Appointment of Mr Jawed Zia (DIN : 00191276) as Director, liable to retire by rotation

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

**RESOLVED That** Mr Jawed Zia (DIN : 00191276), who was appointed as Additional Director of the Company by the Board of Directors effective June 1, 2018 as per the provisions of Section 161 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), and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation.

### 7. Appointment of Mr Rajiv Sonalker (DIN : 07900178) as Director

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

**RESOLVED That** Mr Rajiv Sonalker (DIN : 07900178), who was appointed as Additional Director of the Company by the Board of Directors effective August 8, 2017 as per the provisions of Section 161 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), and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

### 8. Appointment of Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director

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

**RESOLVED That** in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of Mr Rajiv Sonalker (DIN : 07900178) as Whole-time Director, not liable to retire by rotation, for a period of 2 (two) years effective August 8, 2017, 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 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 said appointment and/or remuneration, from time to time, as it may deem fit.

### 9. Re-appointment of Mr Munir Shaikh (DIN : 00096273) who has attained the age of Seventy-five years and who retires by rotation and being eligible, offers himself for re-appointment, as Director, liable to retire by rotation

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

**RESOLVED That** pursuant to the provision of Section 152 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) (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, as amended from time to time, consent of the Company be and is hereby accorded to the re-appointment of Mr Munir Shaikh (DIN : 00096273), who has attained the age of Seventy-five years and who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, as Director of the Company, liable to retire by rotation.

### By Order of the Board

**Krupa Anandpara**

Company Secretary  
Membership No.: ACS 16536

Mumbai  
June 1, 2018

### Registered Office :

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

### NOTES:

- 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 Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature of the representative(s) authorised to attend and vote on their behalf at the Meeting. Proxies submitted on behalf of Corporate Members must be supported by an appropriate Board Resolution.
- A 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 retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, are annexed hereto.
- The requirement for ratification of appointment of Auditors by Members at each Annual General Meeting has been omitted as per Section 40 of the Companies (Amendment) Act, 2017 (notified on May 7, 2018). Accordingly, resolution for ratification of appointment of S R B C & CO LLP, Statutory Auditors, who were appointed at the Annual General Meeting held on August 1, 2014 is not included in this Notice.
- The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 12, 2018 to Wednesday, July 18, 2018 (both days inclusive).
- Final dividend of ₹ 50/- and special dividend of ₹ 5/- per Equity Share of ₹ 10/- each, as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid on and from July 24, 2018 to the Members whose names appear on the Register of Members as on July 18, 2018 and to the Beneficial Owners of the shares as on July 11, 2018, 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 dematerialized form are requested to submit the PAN to their respective Depository Participants. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent.

- ix. 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.
- x. Members holding shares in electronic form are requested to intimate immediately change, if any, in their registered address or bank particulars 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 change, if any, in their registered address or bank particulars to the Company/Registrar & Share Transfer Agent.
- xi. Members holding shares in physical mode are advised to register nomination in respect of their shareholding in the Company. Nomination Form (SH - 13) is made available on the website of the Company at <http://www.abbott.co.in/investor-relations.html>
- Members holding shares in electronic form are required to contact their Depository Participants for registering/changing their nomination.
- xii. The Company has transferred the amount lying in the following unpaid/unclaimed dividend accounts to the Investor Education and Protection Fund since the date of last Annual General Meeting :

Sr. No.	Particulars	Year	Details
1	53 <sup>rd</sup> Unpaid Dividend	2010	Abbott India Limited
2	Unpaid Final Dividend	2010	Erstwhile Solvay Pharma India Limited

Members whose dividend has remained unpaid/unclaimed from the year 2011 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, 2017) on the Company's website under the Investor Section at <http://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

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

Accordingly, 24,671 Equity Shares held by 191 Shareholders were transferred to "Abbott India Limited - Unclaimed Suspense Account" in January, 2017. The Company has not received any claims during the year.

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

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

Accordingly, 51,809 Equity Shares held by 317 Shareholders were transferred to the IEPF Authority in November, 2017. No claims have been received till date.

The details of shares so transferred is available on the Company's website under the Investor Section at <http://www.abbott.co.in/investor-relations/other-information/unclaimed-dividend.html>

- xv. Members seeking any information or clarifications on the Annual Report are requested to send their queries in writing to the Company at least one week prior to the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- xvi. In case all the joint holders attending the Meeting, the Member whose name appears as first holder in the order of names as per Register of Members of the Company will be entitled to vote.
- xvii. Members are requested to bring their copy of the Annual Report to the Meeting, as the same will not be distributed at the Meeting.
- xviii. Annual Report for the financial year 2017-18 along with the Notice of Seventy-fourth 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.

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 or to those Members who have requested for the same.

Members are requested to register/update their email address with the Company/Depository Participants for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc. electronically.

The aforesaid documents can also be downloaded from the Company's website at <http://www.abbott.co.in/investor-relations/financials.html>

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

#### xx. Voting through electronic means

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

The facility for voting through Insta Poll shall be provided at the Meeting. Members attending the Meeting who have not cast their vote earlier by remote e-voting shall be entitled to vote at 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, 2018.

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

Commencement of remote e-voting	: From 9 a.m. (IST) on Sunday, July 15, 2018
End of remote e-voting	: Upto 5 p.m. (IST) on Tuesday, July 17, 2018

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 authorised by him in writing within forty-eight hours from the conclusion of this Meeting. The results declared along with the consolidated Report 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.

- xxi. Attendance Slip, Proxy Form and the Route Map showing directions to reach the venue of the Seventy-fourth Annual General Meeting are annexed herewith.

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

#### Item No. 4

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 2018-19 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 the Rules framed thereunder, remuneration payable to M/s Kishore Bhatia & Associates, Cost Auditors, as stated above, requires ratification by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of Members as an Ordinary Resolution.

#### Item No. 5

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms Anisha Motwani (DIN : 06943493) as Additional Director of the Company effective April 25, 2018, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder ("the Act") read with Article 113 of the Articles of Association of the Company. She holds office upto the date of this Annual General Meeting.

Further, the Board as per the applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Regulations") and based on the recommendations of the Nomination and Remuneration Committee, appointed Ms Motwani as an Independent Director of the Company, not liable to retire by rotation, for a term of (3) three years effective April 25, 2018, subject to approval of the Members at the Annual General Meeting of the Company.

Ms Motwani has given her consent to act as a Director of the Company. Also, as per confirmations received from her, she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meets the criteria of Independence as prescribed under the applicable provisions of the Act and the Regulations.

In the opinion of the Nomination and Remuneration Committee and the Board, Ms Motwani is independent of the Management.

Ms Motwani is a seasoned marketing professional with over 28 years of experience in Marketing across diverse industries. In her last executive role, she was the Chief Marketing & Digital Officer of Max Life Insurance. She is the Founder and Partner at 'Storm The Norm', an innovation company. She is also an Advisor to World Bank and the Max Group. She was voted as one of the 50 Most Powerful Women in Indian Business by Business Today for three consecutive years since 2009. She was also recognised amongst the Top 50 Women in Media, Marketing and Advertising by Impact & Colors for 3 consecutive years since 2011. She has been conferred Women at Work Leadership Award 2011 by Asian Confederation of Business and the Udyog Ratan by the Institute of Economic Studies.

Ms Motwani has been in the forefront of behaviour change projects such as Swacchh Bharat and Clean Ganga Mission. She writes for the Economic Times, Business Standard, India Today, Huffington Post and Marketingbuzzar.com.

Ms Motwani holds a Bachelor of Science from Sophia College, New Delhi and a Masters of Business Administration from the University of Rajasthan.

Ms Motwani serves as Independent Director on the Boards of Prataap Snacks Limited (listed company), India Shelter Finance Corporate Limited, L&T Investment Management Limited, PNB Metlife India Insurance Company Limited and also a Director on the Board of Quintessentially Lifestyle Services (India) Private Limited.

The additional details of Ms Motwani as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. Ms Motwani does not hold any shares in the Company.

The Letter of appointment of Ms Motwani containing terms of her appointment, will be kept open for inspection by Members at the Registered Office of the Company during business hours on all working days (except Saturdays).

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Ms Motwani, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the resolution set forth in Item No. 5 for the approval of Members as an Ordinary Resolution.

#### Item No. 6

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Jawed Zia (DIN : 00191276) as Additional Director of the Company effective June 1, 2018, as per the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder ("the Act") read with Article 113 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

Mr Zia is Vice-President of Established Pharmaceuticals business of Abbott in India. He has a wealth of experience gained in various geographies and functions across the globe. Prior to joining the Company, Mr Zia was the Vice-Chairman and Managing Director of Novartis India Limited responsible for the Novartis Group of Companies. He has a successful career history in Novartis working across Pharmaceuticals, Consumer Health and Devices in positions of increasing responsibility across various functions of Market Research, Brand Management, Marketing Management, Division Management and Area Management in Ireland, Saudi Arabia, Turkey, Singapore, Canada, Switzerland and in India.

Mr Zia has a deep knowledge and extensive experience of building businesses from inception. His innate ability to drive growth of people and businesses, build brands, transform operations and scale capabilities has been the hallmark of his success.

Mr Zia is a graduate in Clinical Pharmacology from All India Institute of Medical Sciences, New Delhi and a Master of Business Administration from Trinity College, Dublin (Ireland).

Mr Zia has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The additional details of Mr Zia as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. Mr Zia does not hold any shares in the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Zia, 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 Nos. 7 and 8

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr Rajiv Sonalker (DIN : 07900178) as Additional Director of the Company effective August 8, 2017, as per the provisions of Section 161 of the Companies

Act, 2013 and Rules framed thereunder ("the Act") read with Article 113 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting.

The Board, based on the recommendation of the Nomination and Remuneration Committee, also appointed Mr Sonalker as Whole-time Director, not liable to retire by rotation, for a term of (2) two years effective August 8, 2017, subject to the approval of the Members at the Annual General Meeting of the Company.

Mr Sonalker has been the Chief Financial Officer of the Company since 2006. Besides in-depth knowledge of the Company, he has over 29 years of strong financial and management experience having worked in Pharmaceutical, FMCG and Engineering industries. Prior to joining the Company, he worked with Bristol-Myers Squibb as Director - Finance and in positions of increasing responsibility in Voltas, Johnson and Johnson, Sanofi Aventis in India and Germany.

Mr Sonalker has been awarded the "Best CFO in MNC, Mid Enterprise Category, by Business World in the year 2016.

Mr Sonalker holds a Bachelor of Science from Elphinston College, Mumbai and is a fellow Member of the Institute of Chartered Accountants of India.

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

1. Period of Appointment is 2 (two) years, commencing from August 8, 2017;
2. Mr Sonalker shall perform such duties and exercise such powers as are entrusted to him from time to time by the Board of Directors (hereinafter called "the Board"), subject to the superintendence, control and directions of the Board;
3. Mr Sonalker shall devote sufficient time to enable him to discharge his duties to the Company diligently and to the best of his abilities and skills. He shall in all respects comply with the Abbott Code of Business Conduct and other Abbott India Policies and Procedures;
4. During the period of his employment with the Company, Mr Sonalker shall, whenever required to by the Board, undertake to travel in India and elsewhere as the Board may direct;
5. In consideration of the performance of his duties to the Company, Mr Sonalker shall be entitled to the following remuneration subject to applicable taxes :
  - (a) Salary and perquisites : upto a ceiling of ₹ 2 Crores per annum; to be paid monthly/annually, as may be approved by the Board;
  - (b) Performance Linked Incentive or Bonus : as may be approved by the Board; upto a ceiling of ₹ 57 Lakhs per annum.

In addition to the above, Mr Sonalker shall be entitled to Medical Reimbursement, 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 Sonalker will be entitled to Restricted Stock Units/any other stock options of Abbott Laboratories, USA as per his eligibility.

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

6. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 2013 and Rules framed thereunder, the Board shall be entitled to add, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr Sonalker may be entitled as aforesaid;
7. Where in any financial year during the tenure of Mr Sonalker as Whole-time Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Sonalker shall be subject to the provisions of Section 197 and Section II of Part II of Schedule V to the Companies Act, 2013 or any other law or enactment for the time being or from time to time in force;
8. Mr Sonalker shall not directly or indirectly, engage himself in any other business or occupation or employment whatsoever, without the approval of the Board. PROVIDED HOWEVER, that it shall be permissible to Mr Sonalker to hold share(s) of any other company(ies);
9. So long as Mr Sonalker functions as Whole-time Director, he shall not become interested or otherwise concerned directly or through any of his relatives, if any, in any selling agency of the Company, without the prior approval of the Board;
10. Mr Sonalker shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and he shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be contravention of this Clause;
11. The employment of Mr Sonalker shall forthwith be determined if he shall become insolvent or make any composition or arrangement with his creditors or if he is guilty of any misconduct or otherwise violates the Abbott Code of Business Conduct;

12. In case of the demise of Mr Sonalker during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole and uncontrolled discretion may determine;
13. Either party shall be entitled to determine 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/ prerequisites in lieu of notice.

Mr Sonalker is the Key Managerial Personnel of the Company and a Member of Risk Management and Finance Committees.

Mr Sonalker has given his consent to act as a Director of the Company. Also, as per confirmation received from him, he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He satisfies all the conditions as set out under Part I of Schedule V and Section 196 (3) of the Act for his appointment as Whole-time Director.

The additional details of Mr Sonalker as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure forming part of this Notice. Mr Sonalker does not hold any shares in the Company.

A copy of the agreement between Mr Sonalker and the Company containing terms of his appointment referred in this Notice shall be made available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays).

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr Sonalker, is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 7 and 8.

The Board recommends the resolutions set forth in Item Nos. 7 and 8 for the approval of Members as Ordinary Resolutions.

**Item No. 9**

Mr Munir Shaikh (DIN : 00096273), Non-Executive Chairman of the Board retires by rotation at this Annual General Meeting of the Company in terms of provisions of Section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment. Mr Shaikh has attained the age of Seventy-five years.

In terms of the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which shall come into force from April 1, 2019, no person who has attained the age

of Seventy-five years shall be appointed or continue as a Director unless a special resolution is passed approving such appointment or continuation. In view of the same, approval of the Members is sought through Special Resolution for re-appointment of Mr Munir Shaikh, who has attained the age of Seventy-five years, as Director of the Company, liable to retire by rotation.

Mr Munir Shaikh has held several management and leadership positions with Abbott since 1968 in different geographies across various businesses. In his last role, from June, 2005 until his retirement in 2010, he was the Divisional Vice President, South-East Asia/Middle-East/Africa, Abbott Nutrition International based in Singapore.

As the Chairman of the Board of the Company since March, 2001, Mr Shaikh brings to the Board extensive leadership and industry experience of over five decades, including a deep knowledge and understanding of the Company's business operations, strategies and the business environment into which the Company operates. His significant contribution and guidance to the Board in governance matters and strategic direction to the Management in Company's business over these years have helped the Company achieve several milestones year-after-year.

Mr Shaikh is a Fellow of the Institute of Chartered Accountants of England and Wales.

The Nomination and Remuneration Committee and the Board is of the view that his strong knowledge, independent perspective and continued association will continue to immensely benefit the Company and therefore, recommend his re-appointment. Mr Shaikh is not related to the Promoter Companies. He does not hold any shares in the Company.

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

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

**By Order of the Board**

**Krupa Anandpara**

Company Secretary

Membership No.: ACS 16536

Mumbai  
June 1, 2018

**Registered Office :**

Abbott India Limited  
CIN : L24239MH1944PLC007330

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

Telephone No.: +91-22-6797 8888 / +91-22-3816 2000

Fax : +91-22-6797 8727 / +91-22-3816 2400

Email : [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com)

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

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE SEVENTY-FOURTH ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

Name of Director	Mr Kaiyomarz Marfatia	Ms Anisha Motwani	Mr Jawed Zia	Mr Rajiv Sonalker	Mr Munir Shaikh
<b>Date of Birth</b>	November 22, 1956	June 21, 1963	October 3, 1963	June 19, 1959	March 1, 1943
<b>Date of Appointment</b>	March 1, 2011	April 25, 2018	June 1, 2018	August 8, 2017	March 2, 2001
<b>Expertise in Specific Functional Area</b>	Mr Marfatia has over 38 years of diverse experience in the Legal and Secretarial streams, of which about 22 years have been with Abbott.	Ms Motwani has over 28 years of experience in Marketing across diverse industries.	Mr Zia has a deep knowledge and extensive experience of building businesses from inception. He has over 30 years of experience in various functions and geographies across the globe.	Mr Sonalker has over 29 years of strong financial and management experience, having worked in Pharmaceutical, FMCG and Engineering industries in Indian and International environments.	Mr Shaikh possesses vast knowledge of the industry and is a consummate team player with an entrepreneurial flair.
<b>Qualifications</b>	Bachelor of Commerce from Lala Lajpat Rai College and Law degree from Government Law College, Mumbai	Bachelor of Science from Sophia College, New Delhi and Masters of Business Administration from University of Rajasthan	Graduate in Clinical Pharmacology from All India Institute of Medical Sciences, New Delhi and Master's in Business Administration from Trinity College, Dublin (Ireland)	Bachelor of Science from Elphinstone College, Mumbai and a Fellow Member of the Institute of Chartered Accountants of India	Fellow of the Institute of Chartered Accountants in England and Wales
<b>No. of Shares held in the Company</b>	NIL	NIL	NIL	NIL	NIL
<b>Directorships in other Indian Companies</b>	None	5	None	None	None
<b>Membership of Committees in other Indian Companies</b>	None	2	None	None	None
<b>Relationship between Directors inter-se</b>	None	None	None	None	None

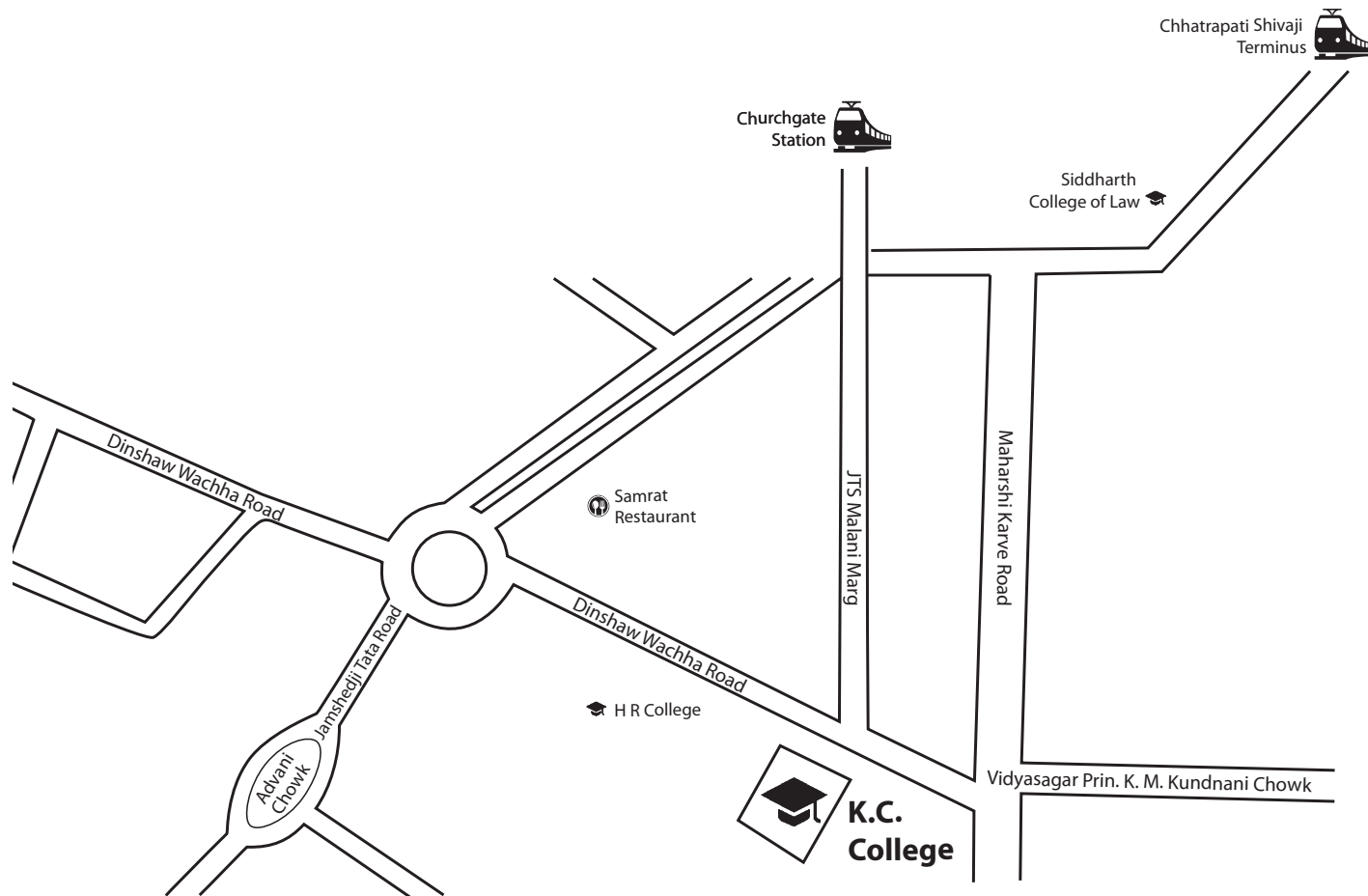
# Route Map

**Venue :** RAMA 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 kms



## ABBOTT INDIA LIMITED

Corporate Identification Number (CIN): L24239MH1944PLC007330  
 Registered Office: 3, Corporate Park, Sion-Trombay Road, Mumbai - 400 071  
 Tel.: +91-22-6797 8888/+91-22-3816 2000 Fax : +91-22-6797 8727/+91-22-3816 2400  
 Email: [investorrelations.india@abbott.com](mailto:investorrelations.india@abbott.com) Website: [www.abbott.co.in](http://www.abbott.co.in)

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
 Joint Shareholders may obtain additional slip at the Venue of the Meeting

No. of shares held : ..... Folio No. / DP ID/ Client ID\* : .....

I certify that I am a Member / Proxy for the Member of the Company.

I hereby record my presence at the Seventy-fourth Annual General Meeting of the Company held on Wednesday, July 18, 2018 at 3.30 p.m. at RAMA WATUMULL AUDITORIUM, K C College, 124, Dinshaw Wachha Road, Vidyasagar Prin. K. M. Kundnani Chowk, Churchgate, Mumbai - 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, 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/DP ID/Client ID\* : .....

Registered address : .....

E-mail Id : .....

\* Applicable for Members holding shares in electronic form.

I/We, being the Member(s) of ..... shares of Abbott India Limited, hereby appoint :

- Name : .....  
 Address : .....  
 E-mail ID : ..... Signature : ....., or failing him/her
- Name : .....  
 Address : .....  
 E-mail ID : ..... Signature : ....., or failing him/her
- Name : .....  
 Address : .....  
 E-mail ID : ..... Signature : .....

as my/our proxy to and vote (on a poll) for me/us and on my/our behalf at the Seventy-fourth Annual General Meeting of the Company, to be held on Wednesday, July 18, 2018 at 3:30 p.m. at RAMA 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 overleaf :



✂

✂

Resolution No.	Particulars	For	Against
<b>ORDINARY RESOLUTIONS</b>			
1.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of Directors and Auditors thereon.		
2.	Declaration of final dividend of ₹ 50/- and special dividend of ₹ 5/- per equity share for the financial year ended March 31, 2018.		
3.	Appointment of Mr Kaiyomarz Marfatia as Director, liable to retire by rotation.		
4.	Ratification of remuneration of ₹ 6.65 Lakhs payable to M/s Kishore Bhatia & Associates (Registration No. 00294), Cost Auditors for the financial year 2018-19.		
5.	Appointment of Ms Anisha Motwani as Independent Director, for a term of 3 (three) years effective April 25, 2018.		
6.	Appointment of Mr Jawed Zia as Director, liable to retire by rotation.		
7.	Appointment of Mr Rajiv Sonalker as Director.		
8.	Appointment of Mr Rajiv Sonalker as Whole-time Director, for a period of 2 (two) years effective August 8, 2017.		
<b>SPECIAL RESOLUTION</b>			
9.	Re-appointment of Mr Munir Shaikh, who has attained the age of Seventy-five years, as Director, liable to retire by rotation.		

Signed this ..... day of ..... 2018

Signature of Member

Signature of Proxy Holder(s)

Affix  
Revenue  
Stamp

**Notes:**

1. This form of proxy, in order to be effective should be duly signed, completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.
3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
4. Appointing a proxy does not prevent a Member from attending the meeting in person if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. Proxy shall not have right to speak at the meeting and shall not be entitled to vote except on a Poll.

**Abbott**



**ABBOTT INDIA LIMITED**

CIN : L24239MH1944PLC007330  
3, 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.