
BOARD OF DIRECTORS

MUNIR SHAIKH
Chairman

VIVEK MOHAN
Managing Director

R A SHAH

ASHOK DAYAL

THOMAS CHEN

DAVID WARDELL

Company Secretary

G S KURMI

Bankers

Standard Chartered Bank
BNP Paribas
ICICI Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Crawford Bayley & Co

Registered Office

3-4 Corporate Park
Sion Trombay Road
Mumbai 400 071

Factory

L-18/19, Verna Industrial Estate, Goa

Registrars & Share Transfer Agents

Sharepro Services (India) Private Limited
Satam Industrial Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road, Chakala
Andheri (East), Mumbai 400 099

CORPORATE MANAGEMENT

VIVEK MOHAN
Managing Director

S JAIN
Director – Marketing

N Y KATRE
Director – Supply Chain

U D CHINIWALA
Vice President – Finance

A V CHANDORKAR
Vice President – Human Resources & Administration

DR A RODRIGUES
Regional Medical Director

K M MARFATIA
Vice President – Legal

DR S J ACHARYA
General Manager – Quality Control & Development

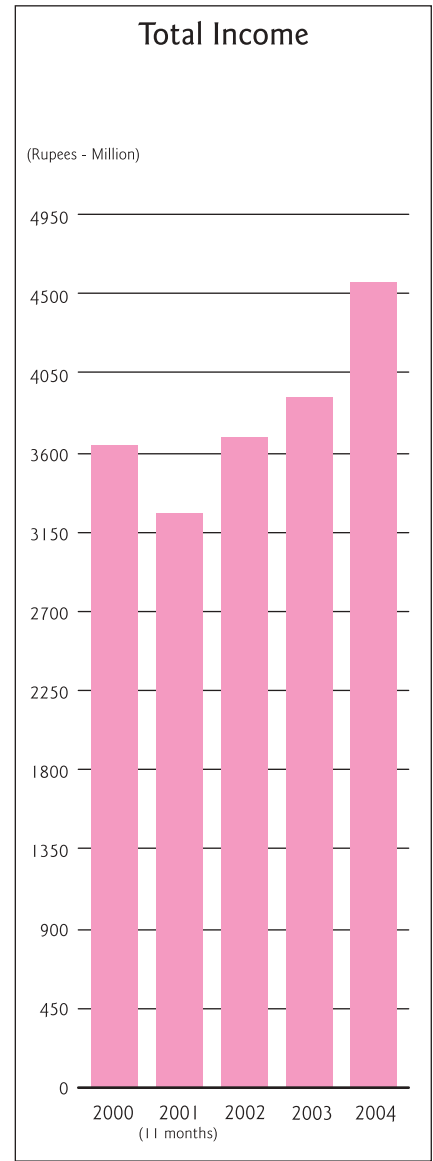
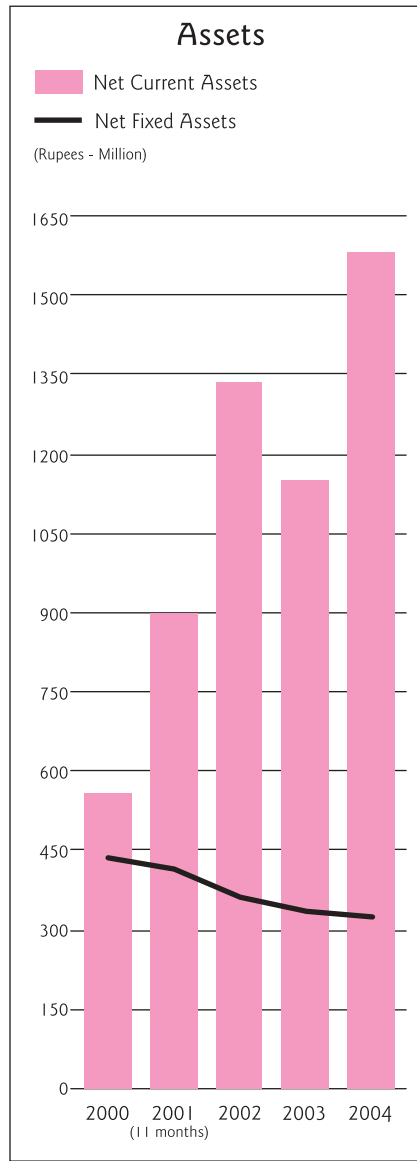
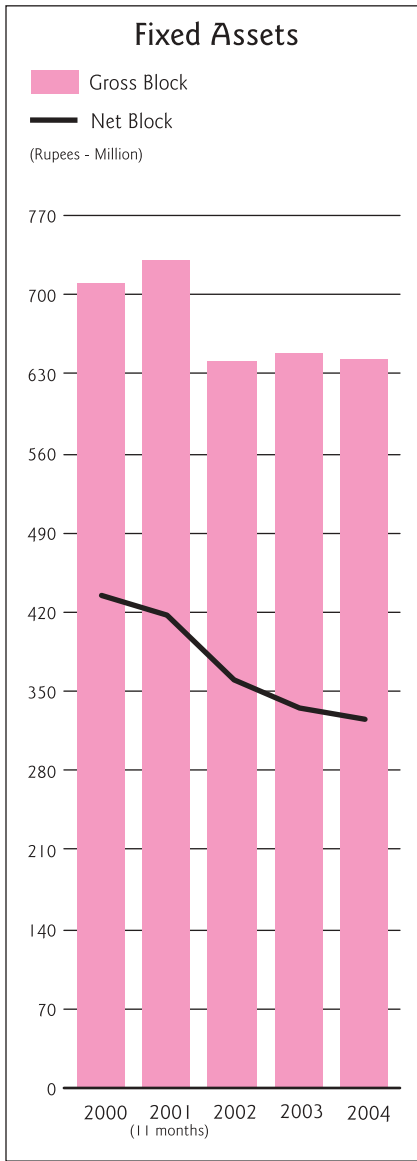
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Highlights

(Rupees in Millions)

	1995 (9 months)	1996	1997	1998	1999	2000	2001 (11 months)	2002	2003	2004
OPERATING RESULTS										
SALES AND OTHER INCOME	1886	2484	2560	2734	3020	3643	3260	3694	3906	4571
MATERIALS	975	1379	1331	1468	1642	1921	1914	2110	2218	2490
SALARIES, BONUS AND STAFF WELFARE	104	128	152	171	161	199	186	204	228	244
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	506	531	568	573	699	740	468	478	464	419
DEPRECIATION	14	38	60	53	51	53	45	53	44	42
INTEREST	25	35	5	6	3	15	1	1	1	1
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	262	373	444	463	464	715	646	848	951	1375
EXTRAORDINARY ITEM — EXPENDITURE/(INCOME)	113	73	(245)	134	(298)	(132)	—	31	—	—
PROVISION FOR TAXATION	47	95	190	59	76	125	159	259	271	352
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	102	205	499	270	686	722	487	558	680	1023
RETAINED EARNINGS	73	152	423	155	(44)	(115)	308	362	53	418
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	12.5	25.3	61.7	16.7	42.3	44.6	30.06	33.88	43.39	66.92
DIVIDEND PER SHARE (Rs)	3.5	6.5	8.0	6.5	40.5	45.0	10.0	12.0	35.0	35.0
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	494	630	661	675	700	710	730	642	649	642
FIXED ASSETS (Net)	362	546	518	485	462	434	417	360	335	325
ASSETS HELD FOR DISPOSAL (Net)	17	7	7	6	—	—	—	—	—	—
CURRENT ASSETS (Net)	175	139	527	759	744	560	899	1334	1152	1580
TOTAL ASSETS	554	692	1052	1250	1206	994	1316	1694	1487	1905
FINANCED BY										
SHARE CAPITAL	81	81	81	162	162	162	162	162	153	153
RESERVES AND SURPLUS	313	517	940	1066	1021	791	1130	1509	1312	1730
TOTAL SHAREHOLDERS' FUNDS	394	598	1021	1228	1183	953	1292	1671	1465	1883
BORROWINGS	160	94	31	22	23	41	24	23	22	22
DEBT : EQUITY	0.4	0.2	—	—	—	—	—	—	—	—
NUMBER OF SHAREHOLDERS	14594	13341	11263	11607	13223	16156	14699	14356	13747	14792



How our Income was spent				
	2004		2003	
	(Rupees in Millions)	%	(Rupees in Millions)	%
1. Materials	2490	54.5	2218	56.8
2. Salaries	244	5.3	228	5.8
3. Depreciation	42	0.9	44	1.1
4. Other Expenses	420	9.2	465	11.9
5. Tax	352	7.7	271	6.9
6. Dividend (Includes Corporate Dividend Tax)	605	13.2	627	16.1
7. Retained Earnings	418	9.2	53	1.4

Notice

Notice is hereby given that the Sixty-First Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, 26 April 2005 at 3.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 30 November 2004 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr Ashok Dayal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr David Wardell, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

RESOLVED that subject to the approval of the Central Government under Section 269 and pursuant to Sections 198, 269, 309 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII to the said Act, the Company hereby accords its approval to the appointment of Mr Vivek Mohan as Managing Director for a period of five (5) years from 1 November 2004 on the terms and conditions, including remuneration, as are set out in the draft Agreement approved by the Board and initialled by the Chairman for the purpose of identification and which the Directors of the Company be and are hereby authorised to enter on behalf of the Company.

RESOLVED Further that the Board of Directors of the Company be and is hereby authorized to make any modifications in respect of the foregoing terms and conditions, including remuneration, as may be required by the Central Government or as may be considered appropriate at any time by the Board of Directors in the best interest of the Company and its shareholders.

By Order of the Board
G S Kurmi
Company Secretary

Mumbai : 22 March 2005

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

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- ii. An explanatory statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business to be transacted at the meeting is appended hereto.
- iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20 April 2005 to Tuesday, 26 April 2005 (both days inclusive).
- iv. Dividend recommended by the Directors and approved by the members at the Annual General Meeting will be paid on or before 25 May 2005. In respect of shares held in physical form, the dividend will be payable to those members whose names appear on the Register of Members on 26 April 2005. In respect of shares held in electronic form the dividend will be payable to the beneficial owners of the shares as on 20 April 2005 as per details furnished by the Depositories for this purpose.
- v. To ensure against misappropriation of dividend warrants to be mailed to them, members holding shares in physical form who have not sent in their bank details are requested to provide their bank account numbers, names and addresses of the bank branches to the Company/Registrars & Share Transfer Agents for incorporating the same on the dividend warrants.
- vi. Members holding shares in physical form are requested to immediately intimate to the Company/Registrars & Share Transfer Agents, changes, if any, in their registered addresses alongwith the pin code number. Members holding shares in dematerialised mode are requested to forward intimation for change of address, if any, to their respective depository participants.
- vii. Reserve Bank of India has introduced Electronic Clearing Service (ECS) for payment of dividend electronically to your Bank. The Company proposes to offer this facility to members located at Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Trivandrum.

- viii. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. Further, the bank details as furnished by the respective Depositories to the Company will be used for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as directed by the Stock Exchanges. The Company/Registrars & Share Transfer Agents will not act on any direct request from members holding shares in dematerialised form for change/deletion of such bank details.
- ix. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly unclaimed dividend for the year ended 31 December 1996 has been transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants for the year ended 31 December 1997 or thereafter are requested to write to the Company/ Registrars & Share Transfer Agents.
- x. As per the Companies Act, 1956, facility for nominations is available for shareholders in respect of the shares held by them. Shareholders who wish to obtain Nomination forms may write to the Company/Registrars & Share Transfer Agents.
- xi. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Registrars & Share Transfer Agents of the Company to enable them to consolidate their shareholding into one folio.
- xii. Trading in the Company's shares through stock exchanges is permitted only in dematerialised/electronic form. The equity shares of the Company have been inducted in both National Securities Depository Limited as well as Central Depositories Services (India) Ltd to enable shareholders to hold and trade the securities in dematerialised/electronic form. In view of the numerous advantages offered by the Depository System, members holding shares in the Company in physical form are requested to avail of the facility of dematerialisation.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 6

At the Board of Directors meeting held on 1 November 2004, Mr Vivek Mohan was, subject to the approval of the Central Government and shareholders, appointed as Managing Director of the Company for a period of 5 years commencing from 1 November 2004. An application has been made to the Central Government for its approval and the same is awaited.

Mr Vivek Mohan has earned his Bachelors Degree in Microbiology from the University of Michigan and is an M.B.A. in International Business from the University of Illinois. He joined Abbott in 1992 as Product Specialist for Abbott Diagnostics Division. In 1995 he joined Abbott International. Mr Mohan has 12 years experience with Abbott Laboratories at various affiliates and has held positions such as Pediatric Nutritional Product Manager, Saudi Arabia, PPD Regional Sales Manager, England and Commercial Director, Abbott Indonesia. In 2002, Mr Mohan was named Country Manager, Abbott Indonesia and in 2003 was promoted to General Manager, his most recent position.

The main terms and conditions of Mr Vivek Mohan's appointment are as under :

1. Mr Mohan to perform such duties and exercise such powers as are entrusted to him by the Board.
2. Mr Mohan to devote sufficient time to enable him to discharge his duties to the Company diligently.
3. Mr Mohan to undertake travel in India and elsewhere as directed by the Board during his period of employment.
4. In consideration of the performance of his duties, Mr Mohan to be entitled to the following remuneration :
 - (a) *Salary and allowances* : Rs 96,00,000/- per annum with such increments as may be decided by the Board from time to time, subject to a ceiling of Rs 1,74,00,000/- per annum; the above salary and allowances to be paid monthly/annually/one time at the discretion of the Board.
 - (b) *Performance Linked Incentive or Bonus* : Such sums as may be approved by the Board.
5. In addition to the above, Mr Mohan to be entitled to furnished/non-furnished residential accommodation, gas, electricity, company maintained car, medical reimbursement, leave travel assistance, club fees, telephone and such other perquisites/benefits in accordance with the Company's Rules, such as group insurance and gratuity.

6. The use of a car while on business of the Company and telephone at residence will not be considered as perquisite. However, personal long distance telephone calls and use of car for private purposes shall be treated as perquisites and valued in accordance with Income-tax Rules, 1962.
7. Within the overall ceiling on managerial remuneration prescribed under the Companies Act, 1956, the Board shall be entitled to add to, alter or vary any of the foregoing terms of remuneration, benefits or perquisites to which Mr Mohan may be entitled as aforesaid.
8. Where in any financial year during the tenure of Mr Mohan, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Mohan shall be subject to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other law or enactment for the time being or from time to time in force.
9. Mr Mohan 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 Mohan to hold share or shares of any other company or companies.
10. So long as he functions as Managing Director, Mr Mohan shall not become interested or otherwise concerned directly or through his wife, sons or unmarried daughters, if any, in any selling agency of the Company, without the prior approval of the Board.
11. Mr Mohan 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 Mr Mohan shall during the continuance of his employment hereunder also use his best endeavours 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 a contravention of this Clause.
12. The employment of Mr Mohan shall forthwith determine if he shall become insolvent or make any composition or

arrangement with his creditors or if he is guilty of misconduct or otherwise violates the Abbott Laboratories Code of Business Conduct.

13. In case of the demise of Mr Mohan during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
14. Either party shall be entitled to determine the Agreement by giving not less than six 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 six months remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such event, the appointment of Mr Mohan as director shall cease as provided in Section 283(1)(l) of the Companies Act, 1956 and simultaneously his employment with the Company shall also come to an end.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the appointment of and payment of remuneration to Mr Mohan be approved by the members by requisite majority.

The terms and conditions of Mr Mohan's appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr Mohan and the Company under Section 302 of the Companies Act, 1956.

Mr Mohan is concerned or interested in the resolution since it relates to his own appointment and remuneration.

The draft of the Agreement to be entered into with Mr Mohan is available for inspection by any member of the Company at the Registered Office of the Company between 2.00 p.m. and 4.00 p.m. on any working day of the Company.

By Order of the Board

**G S Kurmi
Company Secretary**

Mumbai : 22 March 2005

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

Report of the Directors

TO THE MEMBERS

Your Directors have pleasure in presenting the Sixty-First Annual Report and Audited Accounts of the Company for the year ended 30 November 2004.

Financial Results

(Rupees in Millions)

	Year ended 30.11.2004	Year ended 30.11.2003
Sales	4050.7	3731.2
Profit before tax	1374.5	950.6
Profit after tax	1022.5	679.8
Balance brought forward	1120.2	1124.2
Write back of Dividend in respect of previous year	-	11.0
Profit available for appropriation	2142.7	1815.0
Appropriations:		
Dividend (Proposed)	534.8	534.8
Corporate Dividend Tax	69.9	*92.0
Transfer to Reserves	102.3	68.0
Balance carried forward	1435.7	1120.2

*includes Rs 23.5 million for the year ended 30 November 2002

Dividend

Your Directors recommend a dividend of Rs 35 per share on 15,280,100 fully paid-up equity shares of Rs 10 each of the

Company. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 534.8 million (Previous year: Rs 534.8 million). In addition, the Company will pay Corporate Dividend Tax of Rs 69.9 million for the year ended 30 November 2004. The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on 30 November 2004 amounted to Rs 1730.0 million comprising of Amalgamation Reserve Rs 3.8 million, Capital Reserve Rs 52.3 million, Capital Redemption Reserve Rs 9.2 million, Revenue Reserve Rs 229.0 million and Surplus as per Profit & Loss Account Rs 1435.7 million.

Operations

Sales (including other income) for the year ended 30 November 2004 amounted to Rs 4570.7 million as compared to Rs 3905.6 million for the year ended 30 November 2003.

The Company is continuing its efforts to improve productivity and contain costs. The profit before tax amounted to Rs 1374.5 million as compared to Rs 950.6 million for the year ended 30 November 2003.

The Company's Plant at Verna, Goa continues to be eligible for tax holiday pursuant to Section 80-IB of the Income-tax Act, 1961.

Registered Office

The Company's Registered Office premises at Ballard Estate was on tenancy basis. In order to save progressive increase in rent and also to save the recurring expenses for maintaining the office at Ballard Estate, the Company's Registered Office was shifted to its owned office premises at Corporate Park, Chembur. This change was effective 1 October 2004. The shifting of the Registered Office has resulted in cost savings to the company and also enabled all its Mumbai based employees to operate under one roof, resulting in improved synergies, productivity and co-ordination.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors state that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 30 November 2004 and of the profit of the Company for that period, except for the following –

The depreciation on computers, photocopiers, facsimile machines, modems and appliances is provided at the rate of 80% (See Schedule 17 – Significant Accounting Policies 4).

3. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Your Directors have prepared the accompanying Annual Accounts for the year ended 30 November 2004 on a going concern basis.

Fixed Deposits

No fixed deposits were accepted during the year.

Information pursuant to Section 217 of the Companies Act, 1956

The information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings / outgo is given in Annexure I and forms part of this Report.

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees)

Rules, 1975 is given in Annexure II and forms part of this Report. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts is being sent to the shareholders of the Company, excluding the statement of particulars of employees under Section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said statement may write to the Company at its Registered Office.

Directors

Mr D M Gavaskar retired as Managing Director & President of the Company with effect from 1 November 2004. The Board placed on record its deep and sincere appreciation for the services rendered by Mr Gavaskar during his tenure as Managing Director & President of the Company.

At a meeting of the Board of Directors held on 1 November 2004, Mr Vivek Mohan was appointed as Managing Director of the Company for a period of 5 years commencing from 1 November 2004. After his appointment an application was made to the Central Government under the applicable provisions of the Companies Act, 1956, for its approval. The Government's approval is awaited.

Under Article 124 of the Articles of Association of the Company, Mr Ashok Dayal and Mr David Wardell retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors have pleasure in recommending their appointment.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, retire at this Annual General Meeting and are eligible for re-appointment as Auditors.

Health, Safety and Environment

The Company continues to accord utmost priority to the areas of health, safety and environment. Compliance with safety norms and regular monitoring of effluents are an integral part of the Company's operating systems.

Technology Absorption and Development

Development of new formulations and dosage forms and modification of existing ones for cost containment and improved productivity is an ongoing process and the Company is constantly engaged in activities of development and clinical research. The R&D Centre of the Company located at Goa has made significant contributions towards its assigned goals of product and process development.

Employees

Relations between the employees and the management remained generally cordial during the year.

Reports on Corporate Governance and Management Discussion & Analysis

A Report on Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto.

For and on behalf of the Board

Vivek Mohan	R A Shah
Managing Director	Director

Mumbai : 22 March 2005

Annexure I

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy

- (I) Energy conservation measures taken:
Fully automatic packaged type boilers having fuel efficiency in excess of 80% have been installed. Steam condensate is being recovered for re-use in boilers.
Power factor improvement capacitors have been installed for reducing the reactive power consumption.
Maximum demand controller has been installed for limiting development of peak demand.
- (II) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:
Nil.
- (III) Impact of the measures at (I) and (II) above for reduction of energy consumption and consequent impact on the cost of production of goods:
The installation of capacitors and maximum demand controller has resulted in lower KVA maximum demand.
- (IV) Total energy consumption and energy consumption per unit of production:

A. Power & Fuel Consumption

	2004	2003
(a) Electricity		
(i) Purchased (Unit Millions)	1.8	2.3
Total amount (Rs Millions)	9.1	10.5
Rate/Unit (Rs)	5.18	4.53
(ii) Own Generation Through diesel generator		
Units (Millions)	*	*
Units per ltr of diesel oil	0.31	0.47
Cost/Unit (Rs)	8.03	10.02
Through Steam turbine/Generator	N.A.	N.A.
(b) Coal	N.A.	N.A.

* Less than 0.1 Million

	2004	2003
(c) Furnace Oil		
Quantity (kilo ltrs)	58.31	110.00
Total amount (Rs Millions)	0.8	1.4
Average rate (Rs)	13.09	12.97
(d) Others/Internal Generation	N.A.	N.A.

B. Consumption per Unit of Products

Unit of Products ('000 packs)	Standard	2004	2003
Electricity (Units)	There is no specific standard as the consumption per	166.86	29.64
Furnace Oil (ltrs)	Unit depends on the production mix	5.50	1.40
Coal	which consists of tablets and Oral liquids	N.A.	N.A.
Others		N.A.	N.A.

2. Technology Absorption

Efforts made in technology absorption.

- A. Specific areas in which R&D carried out by the Company.
Pharmaceutical development is an ongoing process and is involved in developing formulations and dosage forms of new and existing drugs. Clinical research work is carried out on the formulations of new and existing drugs.
- B. Benefits derived as a result of the above R&D.
The R&D activities of the Company have resulted in new product introductions, manufacturing process upgradation, improved packaging and cost containment.
- C. Future plan of action.
The research activity will continue to concentrate on product development, process development and cost containment.
- D. Expenditure on R&D.

	Rs in Million
(a) Capital	0.1
(b) Recurring	14.4
(c) Total	14.5
(d) Total R&D expenditure as a percentage of total turnover	0.4 %

E. Technology absorption, adaptation and innovation.

- (a) Efforts, in brief, made towards technology absorption, adaptation and innovation.

The Company has developed technology for product improvement, new product development and new dosage forms of formulations.

- (b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

The efforts indicated in (a) above are being evaluated for commercialisation.

- (c) Imported technology (imported during the last five years reckoned from the beginning of the financial year).

Nil

3. Foreign Exchange Earnings and Outgo

- (I) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services, and export plans.

The total foreign exchange earned during the year amounted to Rs 35.8 million, which includes a consideration of Rs 8.1 million towards reimbursement of sales promotion and Rs 27.7 million towards exports.

(II) Total foreign exchange used and earned.

A. Total foreign exchange used	Rs in Million
(a) On import of raw materials, finished goods, consumable stores and capital goods	93.2
(b) Expenditure in foreign currencies for technical support charges, data center charges, business travel, subscription, commission on export sales, registration fees, etc.	9.8
(c) Remittance during the year in foreign currency on account of dividend	330.0
B. Total foreign exchange earned	35.8

For and on behalf of the Board

Vivek Mohan Managing Director	R A Shah Director
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Mumbai : 22 March 2005

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company's philosophy on corporate governance is to conduct its affairs in a manner which is transparent, clear and evident to those having dealings with or having a stake in the Company, namely shareholders, lenders, creditors and employees. The Company's philosophy on corporate governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain

accountable to shareholders and other beneficiaries for their action.

2. Board of Directors

- (a) The present strength of the Board is six directors (1 executive director and 5 non-executive directors, of which two are independent directors) who are professionals and/or have expertise in their respective functional areas.
- (b) The attendance at Board Meetings and the last Annual General Meeting of each of the directors during the financial year of the Company was as under:

Name of Directors	Category: Executive/ Non-Executive/ Independent	Attendance at		Membership of other Board(s) (including alternate directorships and directorships in private companies)	Membership/ Chairmanship of other Board Committees
		Board Meetings	Annual General Meeting (27 April 2004)		
Mr Munir Shaikh Chairman of the Board	Non-Executive Director	4	Yes	3	–
Mr D M Gavaskar Managing Director & President (Retired with effect from 1 November 2004)	Executive Director	7	Yes	–	–
Mr Vivek Mohan Managing Director (Appointed with effect from 1 November 2004)	Executive Director	2	NA	–	–
Mr R A Shah	Non-Executive, Independent Director	8	Yes	23	9 (includes Chairmanship of 2 companies and Vice- Chairmanship of 1 Company)
Mr Ashok Dayal	Non-Executive, Independent Director	5	Yes	4	1
Mr Thomas Chen	Non-Executive Director	–	No	1	–
Mr David Wardell	Non-Executive Director	–	No	3	–

- (c) During the financial year 8 Board Meetings were held on the following dates:

16.12.2003, 25.02.2004, 24.03.2004, 27.04.2004,
28.06.2004, 28.09.2004, 01.11.2004 and 19.11.2004.

3. Audit Committee

The Audit Committee of members of the Board comprises of three non-executive directors, of which Mr Ashok Dayal, who is Chairman of the Audit Committee and Mr R A Shah are independent directors. Mr Munir Shaikh is the other member of the Audit Committee. Mr G S Kurmi, Company Secretary is the Secretary of the Audit Committee.

The role of the Audit Committee and its terms of reference are in accordance with the provisions of Clause 49 of the Listing Agreement and include reviewing the financial statements, overseeing the Company's Annual Report process and discussions with internal and external auditors periodically about their scope of audit and adequacy of internal control systems. The Audit Committee also acts as a link between the Board of Directors and the internal and external auditors.

The duly constituted Committee met five times during the financial year on 25.02.2004, 24.03.2004, 27.04.2004, 28.06.2004 and 28.09.2004.

4. Shareholders'/Investors' Grievance Committee

This Committee comprises of Mr Ashok Dayal, who is a Non-Executive Independent Director and Chairman of the Committee. Mr Vivek Mohan the Managing Director (appointed with effect from 1 November 2004) is the other member of the Shareholders'/Investors' Grievance Committee. Prior to Mr Vivek Mohan, Mr D M Gavaskar the Managing Director & President was the other member of the said Committee. Mr Gavaskar retired from the Board with effect from 1 November 2004 and consequently ceased to be a member of the Shareholders'/Investors' Grievance Committee. Mr G S Kurmi, Company Secretary is the Compliance Officer.

During the financial year, the Committee held 4 meetings on 25.02.2004, 24.03.2004, 28.06.2004 and 28.09.2004.

A summary of complaints received and resolved by the Company during the year ended 30 November 2004 is given below:

	Received	Cleared
Non-receipt of share certificates duly transferred	7	7
Non-receipt of dividend warrants	60	60
Miscellaneous	10	10
Letters from SEBI, Stock Exchanges and Department of Company Affairs	4	4

As on 30 November 2004, there were no pending share transfers. Barring certain cases pending in Courts/Consumer Forums relating to disputes over the title of the shares in which the Company has been made a party, no investor complaint is pending for a period exceeding one month.

5. Remuneration of Directors

The remuneration of the directors during the financial year was as follows:

A. Executive Directors

(Rs in million)

Name of the Director	Salary, benefits, bonuses, pension, etc	Commission/ Performance linked incentive or bonus	Total
Mr Vivek Mohan (Managing Director)*	1.6*	—*	1.6*
Mr D M Gavaskar (Managing Director & President)**	14.2	1.8	16.0

* Appointed as Managing Director with effect from 1 November 2004. The remuneration provided but unpaid in the books of account amounts to Rs 1.6 million. The appointment of and remuneration payable to the Managing Director is subject to the approval of the Central Government and the shareholders.

** Retired as Managing Director & President with effect from 1 November 2004.

Notes :

1. The term of Mr Vivek Mohan, Managing Director is for a period of 5 years from 1 November 2004.
2. Agreement will be entered with Mr Vivek Mohan, upon approval of Central Government.
3. Performance linked incentive or bonus is based upon certain pre-agreed criteria.
4. Presently the Company does not have a Scheme for grant of Stock Options to the Directors.

B. Non-Executive Directors

Two of the Non-Executive Directors, Mr R A Shah and Mr Ashok Dayal were paid sitting fees of Rs 65,000/- and Rs 70,000/- respectively for attending Board meetings and various Committee meetings of the Company.

The Company paid fees amounting to Rs 3,61,445/- to its Solicitors, M/s Crawford Bayley & Co., of which Mr R A Shah is a partner, for professional services rendered to the Company.

6. General Body Meetings

Financial Year	Date	Time	Location
2001	30 April 2002	3.00 p.m.	Jai Hind College Auditorium 'A' Road Churchgate Mumbai 400 020
2002	29 April 2003	3.00 p.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg Mumbai 400 021
2003	27 April 2004	3.00 p.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg Mumbai 400 021

At present, no special resolutions are proposed to be conducted through postal ballot.

7. Disclosures

There were no transactions of a material nature with the directors or the management, the Company's subsidiary or relatives of the directors during the financial year of the Company which could have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note No. 21 of Schedule 17 to the Accounts in the Annual Report.

There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last 3 financial years.

8. Means of Communication

Quarterly results are published in one English daily newspaper (Free Press Journal) circulating in the country and one Marathi newspaper (Navshakti) published from Mumbai. These quarterly results are also made available on the website of the Company (www.abbott.co.in) and on SEBI's EDIFAR (Electronic Data Information Filing And Retrieval) website (www.sebidifar.nic.in). During the financial year, the Company has not made any presentation to the institutional investors or analysts.

The Management Discussion and Analysis Report forms a part of this Annual Report.

9. General Shareholder Information :

Annual General Meeting : Tuesday, 26 April 2005
Y B Chavan Auditorium
General Jagannath Bhosale Marg
Mumbai 400 021
at 3.30 p.m.

Financial Calendar : The Company follows December – November as its financial year.
The unaudited results for every quarter beginning from December are declared in the month following the quarter except for the last quarter, for which the audited results are declared in February.

Date of Book Closure : Wednesday, 20 April 2005 to
Tuesday, 26 April 2005
(both days inclusive)

Dividend Payment Date : On or before 25 May 2005

Listing on Stock Exchange : The Stock Exchange,
Mumbai (BSE)

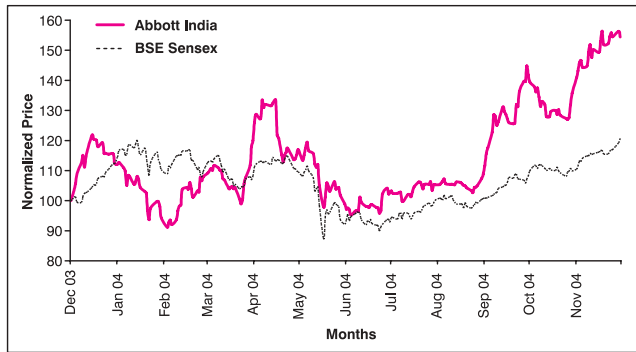
Stock Code : 500488

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

Month	High	Low
December 2003	521.45	428.10
January 2004	482.50	400.90
February 2004	462.40	390.55
March 2004	513.65	423.55
April 2004	571.45	483.05
May 2004	511.50	419.00
June 2004	445.85	407.85
July 2004	455.20	427.30
August 2004	466.00	439.65
September 2004	619.95	477.85
October 2004	596.80	543.70
November 2004	669.40	603.55

Performance in comparison to broad based indices :

Abbott Share Price/BSE 100
Year 2003-2004



Registrars and Share Transfer Agents : Sharepro Services (India) Private Limited
Satam Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road
Chakala, Andheri (East)
Mumbai 400 099
Phone: 2834 82 18/2832 98 28/
2821 51 68
Fax : 2837 56 46

10. Share Transfer System

To expedite the process of share transfers, the Board has delegated the powers of share transfers to a Share Transfer Committee comprising of the officers of the Secretarial Department, who attend to the share transfer formalities at least once in a fortnight. The Share Transfer Committee also considers transmission of shares, issue of duplicate certificates and issue of certificates on split/consolidation/renewal. The business transacted at the Share Transfer Committee meetings is also noted at every meeting of the Board.

Shares lodged for transfer at the Registrar's office are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days.

11. Distribution of shareholding as on 30 November 2004

Number of Equity share holdings	Number of Share-holders	Percent-age of Share-holders	Number of shares	Percent-age of share-holding
1-50	5744	38.83	157892	1.03
51-100	3479	23.52	310323	2.03
101-500	3879	26.22	972029	6.36
501-1000	903	6.10	664718	4.35
1001-5000	708	4.79	1430019	9.36
5001-10000	44	0.30	311541	2.04
10001 & above	35	0.24	11433578	74.83
Total	14792	100.00	15280100	100.00

12. Shareholder's profile as on 30 November 2004

Sr. No.	Category of Shareholders	No. of shares held	% to total
1.	Foreign Collaborators	9428184	61.70
2.	Banks	6400	0.04
3.	Financial Institutions	1560967	10.21
4.	Foreign Institutional Investors	68591	0.45
5.	Non-Domestic Companies	200	0.00
6.	Mutual Funds	52660	0.35
7.	Domestic Companies	238959	1.56
8.	Non-Resident Indians	51332	0.34
9.	Others	3872807	25.35
	Total	15280100	100.00

13. Dematerialisation of Shares as on 30 November 2004

91.02% of the Company's total paid-up share capital (including 61.7% held by the parent company) representing 13,908,366 shares are held in dematerialised form. The Company's shares are traded on BSE – A Group.

14. Plant Location

L-18/19, Verna Industrial Estate, Goa

15. Address for correspondence

Shareholders should address all correspondence to the Company's Registrars and Share Transfer Agents, Sharepro Services (India) Private Limited, at the address mentioned above or at :

912, Raheja Centre, Free Press Journal Road
Nariman Point, Mumbai 400 021
Contact Person : Ms Mazrine Wadia / Mr Ramesh Babu
Telephone : 2288 15 68 / 2288 15 69 / 2288 45 27
Fax : 2282 54 84
Email : sharepro_services@roltanet.com

16. Appointment/Re-appointment of Directors

- (1) As required by Clause 49 VI A of the Listing Agreement, the profile of Mr Vivek Mohan is given in the Explanatory Statement forming part of the Notice for the 61st Annual General Meeting.
- (2) Mr Ashok Dayal and Mr David Wardell retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.
 - (a) Mr David A Wardell holds a Bachelor of Arts Degree from Princeton University and received his Juris Doctorate at Case Western Reserve University. He is a lawyer by profession. He has been with Abbott Laboratories for the last 8 years during which period he held senior management positions. He is presently Divisional Vice President – International Legal Operations, Abbott Laboratories. He is also a Director on the Board of Abbott Laboratories (Philippines), Abbott Products and Abbott Pharmaceuticals PR Ltd.
 - (b) Mr Ashok Dayal is a Fellow of the Indian Institute of Bankers. He held various senior management positions in Grindlays Bank Plc., Deutsche Bank AG, RHO and Rolan Berger International Management Consultants Pvt Ltd. Presently he is the Chairman/ Director and Chairman or member of Audit Committees of the following companies :

Name of the Company	Nature of Interest	Chairmanship or Membership of Audit Committee/ Investor Grievance Committee of Board
1. GSK Consumer Healthcare Ltd	Director	Chairman
2. Delhi Safe Deposit	Director	—
3. ING Savings Trust	Chairman	—
4. Akzo-Nobel Coatings India Ltd	Director	—

On behalf of the Board

Vivek Mohan R A Shah
 Managing Director Director

Mumbai : 22 March 2005

Auditors' Certificate for Corporate Governance

To,

The members of Abbott India Limited

We have examined the compliance of conditions of Corporate Governance by Abbott India Limited for the year ended 30 November 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with The Stock Exchange, Mumbai.

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

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

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that, based on the information received from the Company's Registrars and Share Transfer Agents and as per the records maintained by the Investor Grievance Committee, barring certain cases pending in courts/consumer forums, relating to disputes over the title of shares in which the Company has been made a party, no investor grievance is pending for a period exceeding one month against the Company.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai
 23 March 2005

Membership No 038568

Management Discussion & Analysis Report

1. Industry structure and developments

The Indian pharmaceutical industry ended the year 2004 with estimated sales of Rs 206 billion, growth of 6.5% over the previous year. After a growth of just 5% in 2003, the Industry seems to be on a recovery path and recorded good growth. However, this trend has been impacted in the first quarter of 2005 primarily due to reduced buying by the trade on account of proposed introduction of Value Added Tax (VAT) from April 2005.

India has made an important move by recognising product patents through the issuance of a government ordinance. Its impact on the development of Industry will be clear when this ordinance is adopted by the Parliament and through its implementation.

2. Opportunities and Threats

Introduction of product patents from 2005 presents an opportunity for the growth of the pharmaceutical industry, depending on the implementation and enforcement of the product patent regime. It is hoped that this will facilitate speedier introduction of new research products, attract investment in research and lead to development of the industry and market. This, coupled with India's growing population and increasing health awareness, should further open up the avenues for growth of industry.

The proposed New Drug Policy and Price Control Order promised reduced span of price control and an opportunity for the industry to invest and grow the market. The implementation of this new Policy has been pending for the past over two years. The absence of a clear, objective and transparent policy on drug price control is impacting the overall industry direction.

Although there was an increase in the price of Ibuprofen (bulk drug), the compensatory increase has not been automatically granted for the finished formulation – Brufen Tablets – impacting our profitability.

VAT (Value added tax) is expected to be introduced from 1st April 2005. The Company is in the process of evaluating the impact of the same. This may require change in the purchase, manufacturing and distribution strategies. Your Company will take appropriate steps to align with the VAT regime.

3. Segmentwise performance

India is afflicted by a variety of health issues. In addition to lifestyle diseases such as cardiovascular disorders, diabetes and depression, which are prevalent in the developed countries, India also has to face up to infectious diseases, re-emerged diseases such as tuberculosis (TB) and malaria and dreaded diseases such as cancer and AIDS. Although acute infectious diseases are on the decline, lifestyle diseases are on the rise.

Your Company's product portfolio provides therapies for both acute and lifestyle health conditions. The performance of the Company is in line with trends observed in the market, namely, good growth in chronic disease areas. However, the volumes in acute therapy areas such as gastroenterology and pain management continue to be under pressure.

India is seeing the emergence of corporate hospitals and world-class facilities. Abbott India focuses on anaesthesia range of products such as Forane and Sevorane, which are replacing the older anaesthetic agents. Our business continues to grow in this area.

4. Outlook

The Company continues to grow in gastroenterology, CNS products, anaesthesia range and neonatology segment. However, price control on ibuprofen hampered the profitability of our pain management business.

The Company will continue to focus on its core therapeutic areas in pharmaceuticals, namely, CNS products, gastroenterology, diabetes care, pain management, urology and specialized anaesthesia range and neonatology. In line with this strategy, your Company will continue to focus on core therapeutic areas, coupled with stringent cost management efforts.

5. Risks and Concerns

In view of fierce competition in the market place, price control has become irrelevant and it is hoped that the Government will be more pragmatic and selective in its implementation of price control.

The pharma industry has witnessed moderate growth and the operating results of the Company have been under pressure during the last few years due to fierce competition and introduction of low-priced generics.

In the face of various adversities, several measures and strategic decisions taken by the Company in the past have enabled it to maintain its position and market share.

Introduction of new drugs by the Indian Companies and change in therapies have affected the demands of the mass based products of your Company, which in turn have affected the capacity utilisation in our factory. Decline in the capacity utilisation on the one hand and increase in input cost on the other hand are also causes of concern, which are being actively addressed.

6. Internal Control Systems and their adequacy

Your Company has an adequate system of internal controls which ensures that its assets are protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported in conformity with generally accepted accounting principles.

The Internal control systems are documented with clearly defined authority limits. These systems are designed to ensure accuracy and reliability of accounting data, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically updated to meet current business requirements.

Internal audit, for the year under review, was carried out by M/s A F Ferguson & Company, Chartered Accountants, who have reported to the Board of Directors that there are no audit observations of major importance in respect of areas covered by them. Pursuant to the strategic alliance of A F Ferguson & Company with our statutory auditors, Deloitte Haskins & Sells, A F Ferguson & Company have resigned as internal auditors of the Company.

In view of the above, the Board of Directors have appointed PricewaterhouseCoopers Pvt Ltd as the internal auditors of the Company.

The Audit Committee reviews the internal controls, audit coverage and audit reports periodically.

7. Discussion on Financial Performance with respect to Operational Performance

During the year under review, sales amounted to Rs 4050.7 million representing an increase of 8.6% over last year. During the year your Company reported Profit Before Tax of Rs 1374.5 million.

Your Company continues to focus on cost containment to improve the operational efficiency and optimum utilisation of capital. Last year, the Company had started a rigorous review of its entire operations under the process titled "Class A". In February 2005, your Company successfully achieved Class A accreditation. The process will enhance the efficiency of the Company through improved operating synergies between various business processes.

Your Company has cash surplus of Rs 2099.6 million as on 30 November 2004, which is invested in liquid schemes of Debt Mutual Funds. In view of the falling interest rates, the yield on these investments has declined.

8. Material developments in Human Resources/Industrial Relations

During the year under review the Company has made significant progress towards developing a high-performance work culture. Key Human Resources (HR) initiatives have been built into the 'Strategic Plan' of the Company in order to attract, develop and create a talent pool capable of achieving the business objectives of the Company. Focused initiatives were undertaken to improve HR process tools and techniques. Signing long-term wage agreements with the Union in respect of Field Staff and Depot/Chembur establishment employees strengthened bilateral relations between the parties.

The number of employees as on 30 November 2004 was 862,

For and on behalf of the Board

Vivek Mohan	R A Shah
Managing Director	Director

Mumbai : 22 March 2005

Auditors' Report

To the Members of Abbott India Limited

1. We have audited the attached Balance Sheet of Abbott India Limited, as at 30 November 2004, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from directors as on 30 November 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30 November 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) *attention is invited to Note No. 3(a) of Schedule 17 annexed to and forming part of the financial statements, regarding the appointment and remuneration provided but unpaid to the present Managing Director amounting to Rs. 1.6 Million, which is subject to approval of the Central Government and the Members at the ensuing Annual General Meeting of the Members of the Company.*
- (vii) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 30 November 2004;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Membership No 038568

Mumbai,
25 January 2005

Annexure referred to in paragraph 3 of the Auditors' Report on the Accounts of Abbott India Limited

1. In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that clauses xiii, xiv, xviii, xix, xx are not applicable to the Company.
2. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. Some of the fixed assets were physically verified during the year by the management in accordance with a phased programme of verification by the management designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - c. Although some of the fixed assets have been disposed off during the year, in our opinion and according to the information and explanations given to us, the ability of the Company to continue as a going concern is not affected.
3. In respect of its inventories:
 - a. As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

4. According to the information and explanations given to us, the Company has not granted or taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods. There are no transactions in respect of sale of services during the year. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
6. To the best of our knowledge and belief and according to the information and explanations given to us, there were no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that were required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
7. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
8. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
9. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of formulations, pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed records have been maintained and the prescribed accounts are in the process of being made up. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
10. In respect of statutory dues:
 - a. According to the information and explanations given to us the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities during the year. During the year there were no dues payable in respect of Service tax.
 - b. According to the information and explanations given to us, details of disputed sales tax, income-tax dues and excise duty which have not been deposited as on November 30, 2004 on account of any dispute are given below:

Nature of Statute	Nature of Dues	Amount Rs. in Millions	Period to which Amount relates	Forum where dispute is pending
Income Tax Act, 1961	Appeal against Tax Deducted at Source assessments	0.01	2000-01	Income Tax Appellate Tribunal
The Central Excise Act, 1944	Classification Dispute	3.7	1987 to 1998	Commissioner (Appeals)
	Modvat Credit availed on inputs/ capital goods	0.1	1994	Commissioner
	Excise duty on Physician's samples	1.1	1992 to 1994	Assistant Commissioner
	Recovery of amount allegedly refunded erroneously	0.1	2000	Assistant Commissioner
	Differential duty – royalty payment to be added to assessable value	0.01	2000	CEGAT
	Differential duty – royalty payment to be added to assessable value	0.06	2001 to 2003	Assistant Commissioner
	Demand for excise duty on empty plastic containers	0.05	1998 to 2002	Assistant Commissioner
The Bombay Sales Tax Act, 1959	Disputed Set off	4.0	1999- 2000	Sales tax Tribunal
Uttar Pradesh Trade Tax Act, 1948	Appeal against arbitrary Increase of Turnover	0.2	1988-1989	Sales Tax Tribunal
	Disallowance of Credit Notes	0.4	1989-1990 and 1998-1999	Sales Tax Tribunal
	Non submission/Rejection of relevant statutory forms	0.1	2000-2001	Sales Tax Tribunal
	Non submission/Rejection of relevant statutory forms	0.01	2001-2002	Deputy Commissioner of Trade Tax
Central Sales Tax Act, 1956	Non submission/Rejection of relevant statutory forms	0.01	2001-2002	Deputy Commissioner of Trade Tax

There were no disputed dues in respect of Customs duty, Wealth tax, Service tax and cess during the year.

11. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
12. In our opinion and according to the information and explanations given to us, the Company has not obtained any borrowings from any banks or financial institutions or by way of debentures.
13. In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
15. The Company has not obtained any term loans.
16. According to the information and explanation given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have prima-facie, not been used during the year for long term investment.
17. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
K A KATKI
Partner
Membership No 038568

Mumbai,
25 January 2005

Balance Sheet

As at 30 November 2004

	Schedule	Rupees in Millions	As at 30 November 2004 Rupees in Millions	As at 30 November 2003 Rupees in Millions
I. SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	(1)	152.8		152.8
(b) Reserves and Surplus	(2)	1,730.0		1,312.2
TOTAL SHAREHOLDERS' FUNDS			1,882.8	1,465.0
(2) LOAN FUNDS				
Unsecured Loans	(3)		21.9	22.0
(3) DEFERRED TAX LIABILITY (NET)			64.7	71.1
TOTAL			1,969.4	1,558.1
II. APPLICATION OF FUNDS				
(1) FIXED ASSETS				
(a) Gross Block		642.5		648.7
(b) Less: Depreciation		327.5		314.8
(c) Net Block		315.0		333.9
(d) Capital Work-in-Progress		10.2		0.7
TOTAL FIXED ASSETS	(4)		325.2	334.6
(2) INVESTMENTS	(5)		2,099.6	1,600.1
(3) CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories	(6)	299.1		337.5
(b) Sundry Debtors	(7)	203.2		233.7
(c) Cash and Bank Balances	(8)	125.1		104.8
(d) Loans and Advances	(9)	68.9		94.5
		696.3		770.5
Less :				
CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities		344.2		351.2
(b) Provisions		807.5		795.9
	(10)	1,151.7		1,147.1
NET CURRENT ASSETS			(455.4)	(376.6)
TOTAL			1,969.4	1,558.1
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	(17)			

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai, 25 January 2005

VIVEK MOHAN
R A SHAH
ASHOK DAYAL

G S KURMI

For and on behalf of the Board

Managing Director
Director
Director

Company Secretary

Mumbai, 25 January 2005

Profit and Loss Account

For the Year ended 30 November 2004

	Schedule	Rupees in Millions	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
I. SALES AND OTHER INCOME				
(a) Sales	(11)	4,050.7		3,731.2
(b) Other Income	(12)	520.0		174.4
			4,570.7	3,905.6
II. EXPENDITURE				
(a) Raw and Packing Materials Consumed	(13)	147.9		343.1
(b) Purchase of Finished Goods		2,306.1		1,761.2
(c) (Increase)/Decrease in Work-in-Progress and Finished Goods	(14)	36.1		114.1
(d) Manufacturing, Administrative & Selling Expenses	(15)	662.7		691.7
(e) Depreciation		41.7		43.9
(f) Interest	(16)	1.7		1.0
			3,196.2	2,955.0
III. PROFIT BEFORE TAX			1,374.5	950.6
IV. PROVISION FOR TAXATION				
Current Income Tax		358.4		287.5
Deferred Tax — (Credit)		(6.4)		(10.5)
			352.0	277.0
V. PROFIT AFTER TAX			1,022.5	673.6
VI. PRIOR YEARS' ADJUSTMENTS				
Taxation			*	6.2
			1,022.5	679.8
VII. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		1,120.2		1,124.2
Write Back of Dividend in respect of previous year		—		11.0
			1,120.2	1,135.2
			2,142.7	1,815.0
VIII. APPROPRIATIONS				
(a) Proposed Dividend			(534.8)	(534.8)
(b) Corporate Dividend Tax				
For the year ended 30 November 2002			—	(23.5)
For the year ended 30 November 2003			—	(68.5)
For the year ended 30 November 2004			(69.9)	—
(c) Revenue Reserve			(102.3)	(68.0)
			1,435.7	1,120.2
IX. BALANCE CARRIED FORWARD				
Earnings per Share — Basic and Diluted			Rs 66.92	Rs 43.39
Face Value per Share			Rs 10.00	Rs 10.00
Profit After Tax available to Equity Shareholders			1,022.5	679.8
Number of Shares used in computing earnings per Share — Basic and Diluted			15,280,100	15,665,573
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	(17)			

* – Less than Rs. 0.1 Million

As per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

K A KATKI
Partner

Mumbai, 25 January 2005

VIVEK MOHAN
R A SHAH
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For and on behalf of the Board

Managing Director
Director
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Company Secretary

Mumbai, 25 January 2005

Cash Flow Statement for the year ended 30 November 2004

	Rupees in Millions	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
A Cash flow from operating activities :			
Net Profit before tax		1,374.5	950.6
Adjustments for :			
Depreciation	41.7		43.9
(Profit)/Loss on sale of Fixed Assets/Impairment of Fixed Assets	17.2		1.8
Unrealised (Gain)/Loss on Foreign Exchange	0.2		–
Provision for Doubtful Debts	1.8		3.1
(Profit)/Loss on sale of Investments	(426.7)		(112.8)
(Write back)/Diminution in value of Investments	(2.2)		3.6
Dividend	(55.8)		(28.6)
Interest payments	1.7		1.0
		<u>(422.1)</u>	<u>(88.0)</u>
Operating Profit before working capital changes		952.4	862.6
Adjustments for :			
Trade and other receivables	54.0		14.6
Inventories	38.4		143.5
Trade Payables and other liabilities	(39.1)		(169.7)
		<u>53.3</u>	<u>(11.6)</u>
Cash generated from operations		1,005.7	851.0
Direct taxes paid		(322.0)	(305.7)
Net cash from operating activities		<u>683.7</u>	<u>545.3</u>
B Cash flow from investing activities :			
Purchase of Fixed Assets		(45.9)	(23.1)
Proceeds on sale of Fixed Assets		2.4	3.1
Purchase of Investments		(3,539.8)	(2,042.9)
Sale of Investments		3,469.2	2,018.3
Dividend received		55.8	28.6
Net cash used in investing activities		<u>(58.3)</u>	<u>(16.0)</u>
C Cash flow from financing activities :			
Proceeds/(Repayment) of long term borrowings		(0.1)	(1.5)
Buyback of shares		–	(322.0)
Dividends paid (Includes Corporate Dividend Tax)		(603.3)	(206.9)
Interest paid		(1.7)	(1.0)
Net cash used in financing activities		<u>(605.1)</u>	<u>(531.4)</u>
D Net Increase/(decrease) in Cash and Cash equivalents (A+B+C)		20.3	(2.1)
E Cash and Cash equivalents at the beginning of the year		104.8	106.9
F Cash and Cash equivalents at the close of the year (D + E)		125.1	104.8

See Notes attached

Notes to the Cash Flow Statement for the year ended 30 November 2004

	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
1. Cash and Cash equivalents include :		
Cash and Bank Balances	125.1	104.8
Unrealised (Gain)/Loss on Foreign Currency	*	*
Total	<u>125.1</u>	<u>104.8</u>

* – Less than Rs 0.1 Million

2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
3. The figures of the previous year are regrouped wherever considered necessary.

As per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants
K A KATKI
Partner
Mumbai, 25 January 2005

VIVEK MOHAN
R A SHAH
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For and on behalf of the Board
Managing Director
Director
Director
Company Secretary
Mumbai, 25 January 2005

Schedules

Annexed to and forming part of the Balance Sheet as at 30 November 2004

	Rupees in Millions	As at 30 November 2004 Rupees in Millions	As at 30 November 2003 Rupees in Millions
1. SHARE CAPITAL			
Authorised :			
16,200,000 (2003 : 16,200,000) Equity Shares of Rs 10 each		162.0	162.0
5,800,000 (2003 : 5,800,000) Unclassified Shares of Rs 10 each		58.0	58.0
		<u>220.0</u>	<u>220.0</u>
Issued and Subscribed :			
15,280,100 (2003 : 15,280,100) Equity Shares of Rs 10 each fully paid-up		152.8	152.8
		<u>152.8</u>	<u>152.8</u>
PER BALANCE SHEET			
[9,428,184 (2003 : 9,428,184) of which 8,262,000 Equity Shares are held by Lupharma UK Holding One Ltd, the holding Company and 1,166,184 Equity Shares are held by Abbott Equity Holdings Ltd, the group Company, both of which are subsidiaries of Abbott Laboratories, USA]			
Of the above :			
(a) 99,995 Equity Shares are allotted as fully paid pursuant to a contract without payment being received in cash.			
(b) 15,099,570 Equity Shares are issued as fully paid Bonus Shares by capitalisation of Share Premium and Revenue Reserve.			
(c) 25,000 Equity Shares are allotted to the financial institutions on conversion of 5% of Debentures into Equity Shares.			
2. RESERVES AND SURPLUS			
Amalgamation Reserve :			
Balance as per last Balance Sheet		3.8	3.8
Capital Reserve :			
Balance as per last Balance Sheet	52.3		-
Add: Amount credited pursuant to High Court Order dated 22 January 2004 on amalgamation of Lenbrook Pharmaceuticals Ltd	-		52.3
		<u>52.3</u>	<u>52.3</u>
Capital Redemption Reserve :			
Balance as per last Balance Sheet	9.2		-
Add: Transferred from Revenue Reserve pursuant to buyback of equity shares	-		9.2
		<u>9.2</u>	<u>9.2</u>
Revenue Reserve :			
Balance as per last Balance Sheet	126.7		380.7
Add: Transferred from Profit and Loss Account	102.3		68.0
Less: Adjusted against premium paid on buyback of equity shares	-		(312.8)
Less: Transferred to Capital Redemption Reserve pursuant to buyback of equity shares	-		(9.2)
		<u>229.0</u>	<u>126.7</u>
Surplus as per Profit and Loss Account		1,435.7	1,120.2
PER BALANCE SHEET		<u>1,730.0</u>	<u>1,312.2</u>
3. LOANS			
Unsecured Loans :			
Deferred Sales tax liability under the Maharashtra Government's Package Scheme of Incentives 1988			
— Pending Conversion into Long term interest free Sales tax loan	5.9		3.1
— Converted into Long term interest free Sales tax loan [Repayable within one year Rs 3.7 Million (2003 : Rs 2.9 Million)]	16.0		18.9
		<u>21.9</u>	<u>22.0</u>
PER BALANCE SHEET		<u>21.9</u>	<u>22.0</u>

Schedules

Annexed to and forming part of the Balance Sheet as at 30 November 2004

						Rupees in Millions	As at 30 November 2004 Rupees in Millions	As at 30 November 2003 Rupees in Millions
5. INVESTMENTS (Contd.)								
CURRENT INVESTMENTS								
IN UNITS OF MUTUAL FUNDS – NON TRADE – QUOTED:								
Mutual Fund	Type	No. of Units Millions	Face Value Rs	Repurchase Price Rs in Millions				
Brought Forward							872.0	771.5
HDFC Income Fund	Growth	– (8.1)	10.00	– (125.5)	–		96.2	
HDFC Liquid Fund Premium Plan	Dividend	14.3 (–)	10.00	172.9 (–)	172.3		–	
HDFC Short Term Premium Plus Plan	Dividend	– (7.2)	10.00	– (77.7)	–		77.7	
HSBC Cash Fund Institutional Plan	Monthly Dividend	30.8 (–)	10.00	321.8 (–)	321.8		–	
HSBC Income Fund Short Term Institutional	Dividend	– (9.5)	10.00	– (100.2)	–		100.2	
HSBC Institutional Income Fund Short Term Plan	Dividend	– (8.1)	10.00	– (82.4)	–		82.4	
K Bond Wholesale Plan – Bonus Option	Growth	– (1.1)	10.00	– (12.8)	–		12.0	
Prudential ICICI Institutional Liquid Plan	Monthly Dividend	39.2 (–)	10.00	406.2 (–)	406.2		–	
Prudential ICICI Income Plan	Growth	– (4.6)	10.00	– (88.6)	–		63.1	
Prudential ICICI Institutional Short Term	Fortnightly Dividend	– (11.9)	10.00	– (128.9)	–		128.9	
Prudential ICICI Institutional Short Term	Dividend	– (3.2)	10.00	– (35.0)	–		35.0	
Prudential ICICI Liquid Plan	Growth	– (0.2)	10.00	– (3.1)	–		3.0	
Prudential ICICI Short Term Plan	Dividend	– (1.0)	10.00	– (10.2)	–		10.2	
Templeton India Income Fund	Growth	– (8.3)	10.00	– (193.7)	–		130.7	
Templeton India Short Term Income Plan	Weekly Dividend	– (0.1)	1,000.00	– (89.2)	–		89.2	
Templeton India Treasury Management account Regular Plan	Weekly Dividend	0.3 (–)	1,000.00	327.3 (–)	327.3		–	
							1,227.6	828.6
PER BALANCE SHEET							2,099.6	1,600.1
Notes: (1) Figures for the previous year are in bracket.								
(2) Aggregate Book Value of Unquoted Investments							*	*
(3) Aggregate Book Value of Quoted Investments							2,099.6	1,600.1
(4) Aggregate Market Value of Quoted Investments							2,100.4	2,017.1
(5) * – Less than Rs 0.1 Million								

Schedules

Annexed to and forming part of the Balance Sheet as at 30 November 2004

	Rupees in Millions	As at 30 November 2004 Rupees in Millions	As at 30 November 2003 Rupees in Millions
6. INVENTORIES			
Stock-in-Trade :			
Raw Materials		4.2	5.3
Packing Materials		1.0	2.2
Work-in-Progress		1.9	7.6
Finished Goods		<u>292.0</u>	<u>322.4</u>
PER BALANCE SHEET		<u>299.1</u>	<u>337.5</u>
7. SUNDRY DEBTORS – UNSECURED			
Debts outstanding for a period exceeding six months :			
Considered Good			0.3
Considered Doubtful	9.5		<u>8.4</u>
	<u>9.5</u>		8.7
Less: Provision for Doubtful Debts	<u>9.5</u>		<u>8.4</u>
		-	0.3
Other Debts :			
Considered Good		<u>203.2</u>	<u>233.4</u>
PER BALANCE SHEET		<u>203.2</u>	<u>233.7</u>
8. CASH AND BANK BALANCES			
Cash, Cheques and Stamps on Hand		0.1	0.1
With Scheduled Banks :			
On Current Account		<u>125.0</u>	<u>104.7</u>
PER BALANCE SHEET		<u>125.1</u>	<u>104.8</u>
9. LOANS AND ADVANCES			
(Unsecured, Considered Good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received		37.6	59.4
(Refer Note 2)			
Sundry Deposits		31.3	34.9
With Customs and Excise on Current Account		*	0.2
PER BALANCE SHEET		<u>68.9</u>	<u>94.5</u>
10. CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities :			
Sundry Creditors :			
Due to Small Scale Industrial Undertakings (Refer Note 22)	13.8		19.6
Others	312.3		317.1
Unclaimed Dividends (Refer Note 23)	<u>18.1</u>		<u>14.5</u>
		344.2	351.2
Provisions :			
For Taxation :			
Current Income Tax less payments thereagainst	185.5		149.1
For Proposed Dividend	534.8		534.8
For Corporate Dividend Tax	69.9		68.5
For Gratuity/Pension	6.5		32.7
For Leave Encashment	<u>10.8</u>		<u>10.8</u>
		807.5	795.9
PER BALANCE SHEET		<u>1,151.7</u>	<u>1,147.1</u>

* – Less than Rs 0.1 Million

Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended 30 November 2004

	Rupees in Millions	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
11. SALES			
Gross		4,721.0	4,455.4
Less: Excise Duty	41.3		135.7
Sales Tax	254.2		243.0
Trade Discount	374.8		345.5
		<u>670.3</u>	<u>724.2</u>
PER PROFIT AND LOSS ACCOUNT		<u>4,050.7</u>	<u>3,731.2</u>
12. OTHER INCOME			
Sales Tax set off claims		19.1	8.9
Sales Tax refund		*	0.3
Insurance, Customs and Carriers Claims		1.0	1.5
Profit on sale of Fixed Assets		0.4	0.5
Profit on sale of Current Investments – Units of Mutual Funds		433.1	113.3
Interest received on Deposits and others (Tax deducted at source Rs 0.2 Million – 2003 : Rs 0.3 Million)		1.5	3.2
Dividend from wholly owned Subsidiary Company (Tax deducted at source Rs Nil – 2003 : Rs 1.0 Million)		–	9.9
Dividend on Current Investments – Units of Mutual Funds		55.8	18.7
Exchange Gain		0.1	–
Miscellaneous Income (Tax deducted at source Rs Nil – 2003 : Rs 0.1 Million)		9.0	18.1
PER PROFIT AND LOSS ACCOUNT		<u>520.0</u>	<u>174.4</u>
13. RAW AND PACKING MATERIALS CONSUMED			
Opening Stock :			
Raw Materials	5.3		30.7
Packing Materials	2.2		6.2
		7.5	36.9
Add – Purchases :			
Raw Materials	121.7		240.0
Packing Materials	23.9		73.7
		<u>145.6</u>	<u>313.7</u>
		153.1	350.6
Less – Closing Stock :			
Raw Materials	4.2		5.3
Packing Materials	1.0		2.2
		<u>5.2</u>	<u>7.5</u>
PER PROFIT AND LOSS ACCOUNT		<u>147.9</u>	<u>343.1</u>

* – Less than Rs 0.1 Million

Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended 30 November 2004

	Rupees in Millions	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
14. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
Opening Stock :			
Work-in-Progress	7.6		26.9
Finished Goods	<u>322.4</u>		<u>417.2</u>
		330.0	<u>444.1</u>
Less – Closing Stock :			
Work-in-Progress	1.9		7.6
Finished Goods	<u>292.0</u>		<u>322.4</u>
		293.9	<u>330.0</u>
PER PROFIT AND LOSS ACCOUNT		<u>36.1</u>	<u><u>114.1</u></u>
15. MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES			
Salaries, Wages and Bonus		196.1	177.6
Contribution to Provident and Other Funds		32.9	38.7
Workmen and Staff Welfare Expenses		14.9	11.7
Consumption of Stores		4.1	3.3
Power and Fuel		18.4	21.1
Repairs and Maintenance :			
Buildings		0.9	1.2
Machinery		2.1	2.2
Others		19.8	17.3
Rent		12.2	11.6
Insurance		9.1	9.9
Rates and Taxes		16.4	16.7
Loss on Fixed Assets Sold/Discarded		7.8	2.3
Impairment on Fixed Assets		9.8	-
Advertising and Publicity		42.7	42.9
Forwarding Charges		62.0	66.5
Travelling Expenses		74.6	70.1
Discount and Commission on Sales		30.9	37.2
Loan Licence Manufacturing Charges		8.4	46.5
Marketing Fees		-	10.1
Exchange Loss		-	1.6
Bad Debts written off	0.7		1.1
Less: Adjusted against earlier year's provision	<u>0.7</u>		<u>1.1</u>
		-	-
Provision for Doubtful Debts		1.8	3.1
Miscellaneous Expenses		97.8	100.1
PER PROFIT AND LOSS ACCOUNT		<u>662.7</u>	<u><u>691.7</u></u>
16. INTEREST			
Bank Overdrafts		*	*
Income-tax		0.4	0.1
Others		1.3	0.9
PER PROFIT AND LOSS ACCOUNT		<u>1.7</u>	<u><u>1.0</u></u>

*- Less than Rs 0.1 Million

Significant Accounting Policies and Notes

17. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30 NOVEMBER 2004 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

A. Significant Accounting Policies :

1. Basis of Accounting :

The financial statements are prepared under historical cost convention on an accrual basis.

2. Use of Estimates :

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

3. Revenue Recognition :

Sales of product are recognised when the risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Sales are stated exclusive of sales tax and excise.

Dividend income is recognised when the right to receive the dividend is unconditional at the balance sheet date.

Interest income is recognised on the time proportion basis.

4. Fixed Assets and Depreciation :

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment in value, if any.

Depreciation has been provided on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 except in respect of Computers, Photocopiers, Facsimile machines, Modems and Appliances where depreciation has been provided at 80% on written-down value method. Depreciation on addition / deletion to assets during the year is provided on pro-rata basis.

Cost of Leasehold land is amortised over the period of lease.

5. Foreign Currency Transactions :

The foreign currency monetary assets and liabilities covered by forward contracts are stated at the forward contract rates while those not covered by forward contracts are restated at the rates ruling at the year end. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Any other exchange differences are dealt with in the profit and loss account. Premium for forward contract is recognized as expenditure over the life of the contract.

6. Investments :

Long term Investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current Investments are stated at lower of cost and net realisable value.

7. Inventories :

Inventories are valued on a FIFO basis, at lower of standard cost adjusted for variances and net realizable value.

8. Research and Development :

Capital expenditure on Research and Development is treated in the same way as expenditure on Fixed Assets. The Revenue expenditure on Research and Development is written off in the year in which it is incurred.

9. Retirement Benefits :

The Company has various schemes of Retirement Benefits such as Provident Fund, Superannuation Fund and Gratuity Fund duly recognised by Income-tax authorities and administered by the Trustees. Company's contribution towards Provident Fund and Superannuation Fund are made at pre-determined rates and charged to the Profit and Loss Account for the year.

The Gratuity and Superannuation fund benefits are funded through the Group Schemes of the Life Insurance Corporation of India.

The liability for gratuity, encashment of earned leave on retirement and pension has been provided on the basis of actuarial valuation thereof as at the year end.

10. Excise Duty :

Excise Duty paid on goods manufactured by the Company and remaining in inventory, is included as part of valuation of Finished Goods.

11. Taxation :

The provision for taxation is made at the average rate of tax as applicable for the income of the previous year as defined under the Income-tax Act, 1961.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax/substantially enacted tax rates, as applicable, to the extent that the timing differences are expected to crystallise.

Notes

	Year ended 30 November 2004	<i>Year ended 30 November 2003</i>
	Rupees in Millions	<i>Rupees in Millions</i>
B. Notes :		
1. (a) Based on the data obtained by Government, it had directed the Company to pay an amount of Rs 111.2 Million alongwith interest due thereon into the Drugs Prices Equalisation Account (DPEA) on account of alleged unintended benefit enjoyed by the Company during the period 1 May 1981 to 25 August 1987. The Company has filed its reply contending that no amount is payable into DPEA. In the meantime, the Government has been restrained from taking any action whatsoever against the members of the Associations who have filed a Writ Petition in the Mumbai High Court. In view of the above, no provision is considered necessary.		
(b) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances).....	1.6	4.3
(c) In respect of the counter guarantees given to the bank on behalf of third parties	8.8	9.2
2. Current Assets, Loans and Advances include :		
(a) Interest accrued on deposits	-	*
(b) Amount recoverable from companies under same management within the meaning of Section 370 (1B) of the Companies Act, 1956		
(i) Abbott Laboratories (Singapore) Pte Ltd	0.2	*
[Maximum amount due during the year Rs 0.5 Million (2003 : Rs 4.2 Million)]		
(ii) Abbott Healthcare Pvt Ltd	-	0.6
[Maximum amount due during the year Rs 3.4 Million (2003 : Rs 6.8 Million)]		
(iii) Abbott Laboratories Intl Co	2.0	1.7
[Maximum amount due during the year Rs 2.0 Million (2003 : Rs 1.7 Million)]		
(iv) Abbott Japan Co Ltd	-	-
[Maximum amount due during the year Rs * Million (2003 : Rs * Million)]		
(v) Abbott Thailand	-	-
[Maximum amount due during the year Rs Nil (2003 : Rs * Million)]		
(vi) Abbott Korea	-	*
[Maximum amount due during the year Rs 0.1 Million (2003 : Rs * Million)]		
(c) Amount recoverable from Lenbrook Pharmaceuticals Ltd a 100% owned subsidiary since then merged with the Company	-	-
[Maximum amount due during the year Rs Nil (2003 : Rs 6.1 Million)]		
3. Payments to Directors :		
(a) Managerial remuneration under Section 198 of the Companies Act, 1956	17.9	12.0
[Inclusive of Performance Linked Bonus Rs 1.8 Million (2003 : Rs 1.2 Million) monetary value of perquisites Rs * Million (2003 : Rs * Million)]		
[The above managerial remuneration includes Rs 1.6 Million (2003 : Rs Nil) provided but not paid to the present Managing Director, whose appointment w.e.f 1 November 2004 and remuneration is subject to approval of Central Government and the Members at the ensuing Annual General Meeting of the Company]		
(b) Directors' Fees	0.1	0.1
(c) In addition, provision is made for the actuarially valued liability in respect of future payment of gratuity and pension amounting to Rs 2.1 Million (2003 : Rs 7.4 Million).		
4. Auditors' Remuneration (Including Service Tax) :		
(a) Audit Fees	2.2	2.0
(b) Certification.....	*	0.1
(c) Other Services	-	*
(d) Reimbursement of out-of-pocket expenses	0.1	0.1
5. Particulars in respect of goods manufactured :		
(a) Registered/Licensed Capacities :		
In terms of Press Note No. 4 dated 25.10.1994 industrial licensing has been abolished in respect of formulations. The registered/licensed capacities for formulations produced by the Company have therefore not been specified.		
* - Less than Rs 0.1 Million.		

Notes

		Year ended 30 November 2004	<i>Year ended 30 November 2003</i>
		Rupees in Millions	<i>Rupees in Millions</i>
(b) Installed Capacities :			
Pharmaceutical Formulations :	Unit	Quantity	<i>Quantity</i>
Tablets	Million	450	<i>450</i>
Liquids	Kilo Litre	5,185	<i>5,185</i>
Capsules.....	Million	27	<i>–</i>

The installed capacities are as on the last day of the Accounting year. It is certified by the management of the Company. The auditors have placed reliance without verification on the certificates stated above in respect of installed capacities.

(c) Actual Production :			
Pharmaceutical Formulations :			
Tablets	Million	18	<i>870</i>
Liquids	Kilo Litre	1,072	<i>2,421</i>
Capsules.....	Million	22	<i>22</i>
Injectables	Thousand	1,442	<i>2,285</i>

Note : Actual production includes quantities produced in the factories of third parties on loan licences.

6. Opening Stock, Closing Stock and Sales of Finished Goods :

Class of Goods	Unit	Opening Stock		Closing Stock		Sales	
		Quantity	Value Rupees in Millions	Quantity	Value Rupees in Millions	Quantity	Value Rupees in Millions
(i) Pharmaceutical Formulations :							
Tablets	Million	143.50 <i>(187.91)</i>	82.2 <i>(83.5)</i>	208.15 <i>(143.50)</i>	79.8 <i>(82.2)</i>	1,794.36 <i>(1,848.81)</i>	1,345.4 <i>(1,301.5)</i>
Capsules.....	Million	15.49 <i>(3.68)</i>	16.5 <i>(4.3)</i>	5.65 <i>(15.49)</i>	5.7 <i>(16.5)</i>	48.35 <i>(46.35)</i>	108.3 <i>(94.8)</i>
Liquids	Kilo Litre	290.74 <i>(413.02)</i>	31.2 <i>(35.7)</i>	488.18 <i>(290.74)</i>	45.4 <i>(31.2)</i>	3,609.95 <i>(3,680.92)</i>	682.6 <i>(621.2)</i>
Ointments	Tonne	4.08 <i>(3.40)</i>	3.1 <i>(2.5)</i>	2.35 <i>(4.08)</i>	1.5 <i>(3.1)</i>	13.73 <i>(16.46)</i>	18.0 <i>(21.5)</i>
Injectables	Thousand	1,528.64 <i>(2,191.00)</i>	175.4 <i>(271.7)</i>	1,204.26 <i>(1,528.64)</i>	150.1 <i>(175.4)</i>	14,755.59 <i>(13,599.95)</i>	1,860.8 <i>(1,660.7)</i>
(ii) Others			8.7 <i>(3.4)</i>		4.8 <i>(8.7)</i>		35.6 <i>(31.5)</i>
Excise Duty.....			5.3 <i>(16.1)</i>		4.7 <i>(5.3)</i>		– <i>(–)</i>
	Total....		322.4 <i>(417.2)</i>		292.0 <i>(322.4)</i>		4,050.7 <i>(3,731.2)</i>

Contd.....

Notes

6. Opening Stock, Closing Stock and Sales of Finished Goods (Contd.):

Purchase of Finished Goods	Unit	Quantity	Value Rupees in Millions
(i) Pharmaceutical Formulations :			
Tablets	Million	1,875.38 (978.74)	566.6 (393.1)
Capsules	Million	20.93 (40.32)	22.4 (51.2)
Liquids	Kilo Litre	2,881.10 (1,267.21)	243.6 (135.0)
Ointments	Tonne	14.85 (22.46)	8.9 (15.0)
Injectables	Thousand	13,025.45 (10,695.22)	1,435.5 (1,134.3)
(ii) Others			
			29.1 (32.6)
	Total		2,306.1 (1,761.2)

Note : Figures for the previous year are in bracket.

7. Consumption of Raw Materials and Packing Materials*:

Item	Unit	Year ended 30 November 2004		Year ended 30 November 2003	
		Quantity	Value Rupees in Millions	Quantity	Value Rupees in Millions
Active Bulk Ingredients	Tonne	569.57	117.2	1,670.08	234.2
Foils	Tonne	10.00	2.0	173.30	21.8
Miscellaneous			28.7		87.1
	Total		147.9		343.1

* Consumption has been arrived at by adding purchases to opening stock and deducting closing stock therefrom and includes Rs 1.8 Million (2003 : Rs 3.5 Million) of the materials sold/disposed off during the year.

	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
8. Value of Imports calculated on C.I.F. basis :		
(a) Raw Materials	83.6	123.5
(b) Capital Goods	1.7	1.5
(c) Finished Goods	84.8	89.6
(d) Consumable Stores	0.5	0.2
9. Expenditure in foreign currencies for :		
(a) Sales Promotion Expenses	3.2	2.5
(b) Technical support charges/Data center charges etc.	5.2	5.8
(c) Others	1.4	1.0

Notes

	Year ended 30 November 2004 Rupees in Millions	Year ended 30 November 2003 Rupees in Millions
10. (a) Consumption of Raw and Packing Materials :		
Indigenous-41.7% (2003 : 57.4%)	61.7	197.1
Imported-58.3% (2003 : 42.6%)	86.2	146.0
	<u>147.9</u>	<u>343.1</u>
(b) Consumption of Stores :		
Indigenous-80.5% (2003 : 90.9%)	3.3	3.0
Imported-19.5% (2003 : 9.1%)	0.8	0.3
	<u>4.1</u>	<u>3.3</u>
11. Remittances during the year in foreign currency on account of dividend :		
	For the Year ended	For the Year ended
Number of non-resident Shareholders 2 (2003 : 2)		
Equity Shares held on which dividend remitted – 9,428,184 (2003 : 9,428,184) Dividend remitted	30.11.2003 330.0	30.11.2002 113.1
12. Earnings in Foreign Exchange :		
(a) Goods exported at FOB prices	27.6	20.7
(b) Reimbursement of Insurance and Freight on Exports ..	0.1	*
(c) Reimbursement of Sales Promotion Expenses	8.1	10.6
(d) Administrative Fee	-	0.4
13. Miscellaneous Expenses include :		
Loss on Sale of Units of Mutual Funds	6.4	0.5
(Write back)/Diminution in Value of Investments	(2.2)	3.6
14. Materials cost, Finished Goods Purchased and other expenditure include medical samples manufactured/purchased which, valued at standard cost, amount to Rs 39.5 Million (2003 : Rs 72.2 Million)		
15. Future obligations for :		
(a) Lease rentals in respect of assets taken on operating lease prior to 1 April 2001	0.3	1.1
(b) Licence fees in respect of office premises taken on leave and license basis :		
– not later than one year	1.0	2.4
– later than one year and not later than five years	-	1.0
16. Deferred Tax Asset/(Liability) consists of :		
Book/Tax Depreciation difference	(76.6)	(85.9)
Provision for earned leave	3.9	3.9
Provision for doubtful debts	3.5	3.0
Provision for pension	-	6.6
Provision for excise and sales tax	4.2	3.5
Others (Net)	0.3	(2.2)
Total	<u>(64.7)</u>	<u>(71.1)</u>
17. During the year the value of Plant and Machinery has been impaired by Rs 9.8 Million.		
18. Consequent to the sale of Jejuri undertaking as a going concern in 2002, the eligibility certificate under the package scheme of incentives notified under Maharashtra Government's Resolution Number IDL-1088/(6603) IND-8, dated 30.09.1988 stands transferred to the purchaser as per order passed by Office of the Joint Director of Industries dated 11 February 2004. As the Sales Tax deferral benefit is being utilised by the Company, the Company has agreed to repay these amounts on the respective due dates to the purchaser.		
19. The Company operates solely in the pharmaceuticals segment and hence no separate information for segment wise disclosure is required.		
* – Less than Rs 0.1 Million.		

Notes

20. Purchase and Sale of Investments during the year ended 30 November 2004 :

CURRENT INVESTMENTS

IN UNITS OF MUTUAL FUNDS — NON TRADE – QUOTED:

Mutual Fund	Type	Purchases		Cost of Sale	
		No. of units in Millions	Rupees in Millions	No. of units in Millions	Rupees in Millions
Alliance Income Fund	Growth	–	–	–	–
		(–)	(–)	(6.6)	(118.3)
Birla Bond Plus Institutional Plan	Dividend	12.4	129.3	21.6	226.0
		(9.2)	(96.7)	(–)	(–)
Birla Cash Plus	Monthly Dividend	20.1	201.4	20.1	201.4
		(–)	(–)	(–)	(–)
Birla Cash Plus Institutional Premium Dividend Plan	Weekly Dividend	26.3	263.9	–	–
		(–)	(–)	(–)	(–)
Birla FMP Plan B Yearly Group 3	Growth	–	–	–	–
		(–)	(–)	(1.5)	(15.0)
Birla Cash Plus Institutional Dividend Plan	Weekly Dividend	5.5	59.8	–	–
		(–)	(–)	(–)	(–)
Birla Income Plus Plan B	Growth	–	–	3.8	78.8
		(–)	(–)	(3.1)	(71.2)
DSP Merrill Lynch Bond Fund	Growth	–	–	26.2	339.4
		(–)	(–)	(–)	(–)
DSP Merrill Lynch Liquidity Fund	Growth	–	–	–	–
		(22.6)	(331.0)	(26.6)	(388.5)
DSP Merrill Lynch Liquidity Fund	Weekly Dividend	44.2	548.3	11.4	141.4
		(–)	(–)	(–)	(–)
DSP Merrill Lynch Short Term Fund	Growth	–	–	–	–
		(1.2)	(12.5)	(3.2)	(32.5)
Grindlays Cash Fund	Weekly Dividend	0.5	4.7	0.5	4.7
		(–)	(–)	(–)	(–)
Grindlays Cash Fund Institutional Plan B	Weekly Dividend	13.7	141.4	–	–
		(–)	(–)	(–)	(–)
Grindlays Super Saver Income Fund ... Medium Term Plan	Bimonthly Dividend	0.2	1.6	7.7	77.5
		(7.5)	(75.9)	(–)	(–)
Grindlays Super Saver Income Fund – Short Term Plan B Institutional Plan ..	Monthly Dividend	7.6	78.2	19.0	195.2
		(14.7)	(152.0)	(3.4)	(35.0)
Grindlays Super Saver Income Fund ...	Growth	–	–	5.8	66.2
		(–)	(–)	(4.7)	(53.2)
Grindlays Super Saver Income Fund ... Short Term Plan	Monthly Dividend	–	–	–	–
		(5.1)	(52.8)	(5.1)	(52.8)
HDFC High Interest Fund Short Term Plan	Dividend	–	–	–	–
		(2.9)	(30.4)	(2.9)	(30.4)
HDFC Income Fund	Growth	–	–	8.1	96.2
		(–)	(–)	(3.7)	(44.9)
HDFC Income Fund	Dividend	–	–	–	–
		(*)	(0.2)	(0.7)	(7.4)
HDFC India High Interest Fund	Growth	–	–	–	–
		(–)	(–)	(2.9)	(60.0)
HDFC Liquid Fund	Dividend	6.6	66.2	6.6	66.2
		(5.5)	(55.0)	(5.5)	(55.0)
HDFC Liquid Fund	Growth	–	–	–	–
		(2.4)	(29.2)	(2.4)	(29.2)
HDFC Liquid Fund - Premium Plan	Dividend	14.3	172.3	–	–
		(–)	(–)	(–)	(–)
HDFC Short Term Plan	Dividend	–	–	–	–
		(7.7)	(77.5)	(7.7)	(77.5)
HDFC Short Term Plan - Premium Plan	Dividend	–	–	–	–
		(5.1)	(55.4)	(5.1)	(55.4)
HDFC Short Term Plan - Premium Plus Plan	Dividend	0.2	1.6	7.4	79.4
		(7.2)	(77.8)	(–)	(–)
HSBC Cash Fund	Dividend	–	–	–	–
		(3.5)	(35.0)	(3.5)	(35.0)
HSBC Cash Fund Institutional	Monthly Dividend	30.8	321.8	–	–
		(–)	(–)	(–)	(–)

* – Less than Rs 0.1 Million

Contd.....

Notes

20. Purchase and Sale of Investments during the year ended 30 November 2004 (Contd.) :

Mutual Fund	Type	Purchases		Cost of Sale	
		No. of units in Millions	Rupees in Millions	No. of units in Millions	Rupees in Millions
HSBC Income Fund Short Term Institutional	Dividend	8.7	92.2	18.2	192.4
HSBC Institutional Income Fund	Dividend	(9.5)	(100.2)	(-)	(-)
HSBC Institutional Income Fund Short Term Plan	Dividend	(6.0)	(60.0)	(6.0)	(60.0)
K Bond (Wholesale Plan) - Bonus Option	Growth	0.2	1.6	8.3	84.8
K Bond Unit Scheme 99 (Wholesale Plan)	Growth	(8.1)	(83.2)	(-)	(-)
Prudential ICICI FMP Yearly VI	Growth	(-)	(-)	(-)	(-)
Prudential ICICI Income Plan	Growth	(-)	(-)	(1.5)	(15.0)
Prudential ICICI Institutional Liquid Plan	Monthly Dividend	(-)	(-)	4.6	63.1
Prudential ICICI Institutional Short Term Plan	Fortnightly Dividend	50.3	522.3	(4.9)	(71.4)
Prudential ICICI Institutional Short Term Plan	Dividend	9.2	99.3	(-)	(-)
Prudential ICICI Liquid Plan	Dividend	(11.9)	(129.2)	(-)	(-)
Prudential ICICI Liquid Plan	Daily Dividend	0.1	0.8	3.3	35.8
Prudential ICICI Short Term Plan	Dividend	(3.2)	(35.0)	(-)	(-)
Sun F & C Money Value Fund	Growth	16.5	195.9	16.7	198.9
Templeton India Income Fund	Growth	(5.9)	(80.1)	(5.9)	(80.1)
Templeton India Liquid Fund	Growth	13.9	165.2	13.9	165.2
Templeton India Liquid Fund	Weekly Dividend	(14.2)	(167.8)	(14.2)	(167.8)
Templeton India Short Term Income Plan	Monthly Dividend	2.4	28.2	2.4	28.2
Templeton India Short Term Income Plan	Weekly Dividend	(-)	(-)	(-)	(-)
Templeton India Treasury Management Account Regular Plan	Weekly Dividend	*	*	1.0	10.1
		(*)	(*)	(*)	(*)
		(-)	(-)	(2.0)	(21.9)
		(-)	(-)	8.3	130.7
		(-)	(-)	(1.4)	(23.2)
		(6.9)	(102.5)	(9.6)	(142.5)
		3.4	33.9	3.4	33.9
		(-)	(-)	(-)	(-)
		0.1	65.2	0.1	65.2
		(0.1)	(53.3)	(0.1)	(53.3)
		*	17.3	0.1	106.5
		(0.1)	(89.2)	(-)	(-)
		0.3	327.4	(-)	(-)
		(-)	(-)	(-)	(-)
	Total		<u>3,539.8</u>		<u>3,042.5</u>
			<u>(2,042.9)</u>		<u>(1,905.5)</u>

*-Less than 0.1 Million

21. Related Party Disclosure

a. Parties where control exists :

Holding Company

- Lumpharma UK Holding One Ltd

b. Other related parties with whom transactions have taken place during the year :

I. Fellow subsidiaries

- Abbott Logistics BV
- Abbott GmbH & Co KG
- Abbott Laboratories (Singapore) Pte Ltd
- Abbott Laboratories Intl Co
- Abbott Equity Holdings Ltd
- Abbott Australia Pvt Ltd
- Abbott Japan Co Ltd
- Abbott Healthcare Pvt Ltd

Notes

- II. 100% Owned subsidiary# – Lenbrook Pharmaceuticals Ltd
- III. Key Management Personnel :
- Mr Vivek Mohan@ – Managing Director
- Mr D M Gavaskar@ – Managing Director & President
- Mr S Jain – Director – Marketing
- Mr N Y Katre – Director – Supply Chain
- Mr U D Chiniwala – Vice President – Finance
- Mr A V Chandorkar – Vice President – Human Resources & Administration
- Dr Angela Rodrigues – Regional Medical Director
- Mr K M Marfatia – Vice President – Legal
- Dr S Acharya@ – General Manager – Quality Control & Development
- IV. Relatives of Key Management Personnel
- Mrs S Gavaskar@ – Wife of Mr D M Gavaskar
- Mrs V Jain – Wife of Mr S Jain
- Mrs S Chandorkar – Wife of Mr A V Chandorkar

@ For part of the year

For part of the previous year

c. Transactions during the year :

Rupees in Million

Sr. No.	Nature of Transactions	Holding Company	100% Owned Subsidiary	Fellow Subsidiary	Key Management Personnel	Relatives of Key Management Personnel
Sales & Income						
1.	Marketing Fees					
	Abbott Healthcare Pvt Ltd			– (0.9)		
2.	Rendering of services					
	Abbott Laboratories (Singapore) Pte Ltd			– (0.4)		
3.	General Administrative Charges					
	Lenbrook Pharmaceuticals Ltd		– (0.9)			
	Abbott Healthcare Pvt Ltd			0.2 (0.4)		
4.	Interest		– (0.2)			
5.	Dividend Received		– (9.9)			
Purchases & Expenses						
1.	Goods – Trading					
	Abbott Logistics BV			74.8 (71.8)		
	Abbott Laboratories Intl. Co			10.1 (17.8)		
	Others			14.7 (16.8)		
	Total			99.6 (106.4)		
2.	Marketing Fees		– (10.1)			

Contd.....

Notes

c. Transactions during the year (Contd.):

Rupees in Million

Sr. No.	Nature of Transactions	Holding Company	100% Owned Subsidiary	Fellow Subsidiary	Key Management Personnel	Relatives of Key Management Personnel
3. Receiving of Services						
	Abbott Laboratories Intl Co			3.6 (4.4)		
	Abbott Australia Pvt Ltd			1.6 (1.4)		
	Total			5.2 (5.8)		
4. Interest (Net)						
	Abbott Healthcare Pvt Ltd			1.1 (0.7)		
	Payments to Key Management Personnel					
1. Remuneration						
	Mr D M Gavaskar				16.0 (12.0)	
	Others				15.4 (12.1)	
	Total				31.4 (24.1)	
2. Rent						
	Less than Rs 0.1 Million Individually				0.3 (0.3)	
	Mrs V Jain					0.1 (0.1)
	Others					* (*)
					0.3 (0.3)	0.1 (0.1)
	Dividend Remitted					
	Abbott Equity Holdings Ltd	289.2 (99.1)		40.8 (14.0)		

d. Outstandings as on November 30, 2004

Payable					
Abbott Laboratories Intl Co				9.2 (4.2)	
Abbott Logistics BV				18.7 (19.7)	
Others				2.0 (4.5)	
Total				29.9 (28.4)	
Mr Vivek Mohan					1.6 (-)

* – Less than Rs 0.1 Million.

Contd.....

Notes

d. Outstandings as on November 30, 2004 (Contd.) :

Rupees in Million

Sr. No.	Nature of Transactions	Holding Company	100% Owned Subsidiary	Fellow Subsidiary	Key Management Personnel	Relatives of Key Management Personnel
	Receivables/Deposits					
	Abbott Laboratories Intl Co			2.0 (1.7)		
	Others			0.2 (0.6)		
	Total			2.2 (2.3)		
	Mr U D Chiniwala				2.8 (2.8)	
	Others				2.0 (7.9)	
	Total				4.8 (10.7)	
	Mrs V Jain					2.3 (2.3)
	Mrs S Chandorkar					1.0 (1.0)
	Total					3.3 (3.3)

Note : Figures for the previous year are in bracket.

22. The names of the Small Scale Industrial Undertakings to whom the Company owes a sum for more than 30 days as at 30 November 2004 are given below :

Herald Publications Pvt Ltd

The above information and that given in Schedule 10 – “Current Liabilities and Provisions” regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

23. In respect of the amounts as mentioned under Section 205C of the Companies Act, 1956, no dues are to be credited to the Investor Education and Protection Fund as on 30 November 2004.

24. The revenue expenditure on Research and Development is Rs 14.4 Million (2003 : Rs 14.7 Million).

25. The figures of the previous year are regrouped wherever considered necessary.

Signatures to Schedules 1 to 17 which form an integral part of the Accounts.

VIVEK MOHAN
R A SHAH
ASHOK DAYAL
G S KURMI

For and on behalf of the Board

Managing Director
Director
Director

Company Secretary

Mumbai, 25 January 2005

Balance Sheet Abstract and General Business Profile

I. Registration Details

Registration No.	7330	State Code	11
Balance Sheet Date	30-11-2004		

**II. Capital Raised during the year
(Amount in Rs Millions)**

<u>Public Issue</u>	NIL	<u>Right Issue</u>	NIL
<u>Bonus Issue</u>	NIL	<u>Private Placement</u>	NIL

**III. Position of Mobilisation and Deployment of Funds
(Amount in Rs Millions)**

<u>Total Liabilities</u>	3,121.1	<u>Total Assets</u>	3,121.1
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Sources of Funds

<u>Paid-up Capital</u>	152.8	<u>Reserves & Surplus</u>	1,730.0
<u>Secured Loans</u>	NIL	<u>Unsecured Loans</u>	21.9

Application of Funds

<u>Net Fixed Assets</u>	325.2	<u>Investments</u>	2,099.6
<u>Net Current Assets</u>	(520.1)	<u>Miscellaneous Expenditure</u>	NIL
<u>Accumulated Losses</u>	NIL		

**IV. Performance of Company
(Amount in Rs Millions)**

<u>Turnover (including Other Income)</u>	4,570.7	<u>Total Expenditure</u>	3,196.2
<u>Profit/(Loss) Before Tax</u>	1,374.5	<u>Profit/(Loss) After Tax</u>	1,022.5
<u>Earning per Share in Rs.</u>	66.92	<u>Dividend Rate %</u>	350%

**V. Generic Names of Three Principal Products/
Services of Company (As per monetary terms)**

<u>Item Code No.</u>		<u>Product Description</u>
(ITC Code)		
300431 01		Insulins
300490 37		Antacid
300490 07		Ibuprofen

For and on behalf of the Board

VIVEK MOHAN
R A SHAH
ASHOK DAYAL

Managing Director
Director
Director

G S KURMI

Company Secretary

Mumbai, 25 January 2005