

## BOARD OF DIRECTORS

MUNIR SHAIKH  
*Chairman*

VIVEK MOHAN  
*Managing Director*

R A SHAH

ASHOK DAYAL

MARK MASTERSON

RANJAN KAPUR

MARIO DURANTE

GREGORY ORLESKI

SUDARSHAN JAIN  
*Whole Time Director*

*Company Secretary*

KRUPA ANANDPARA

### *Bankers*

Standard Chartered Bank  
BNP Paribas  
ICICI Bank Ltd

### *Auditors*

Deloitte Haskins & Sells

### *Solicitors*

Crawford Bayley & Co.  
Wadia Ghandy & 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*

R SONALKER  
*Director – Finance*

L NETI  
*Director – Supply Chain*

A BHATT  
*Director – Human Resources*

DR A RODRIGUES  
*Regional Medical Director*

U D CHINIWALA  
*Head – Finance*

K M MARFATIA  
*Head – Legal & Secretarial*

DR S J ACHARYA  
*Head – Quality*

R VOHRA  
*Head – Strategy & Business Development*

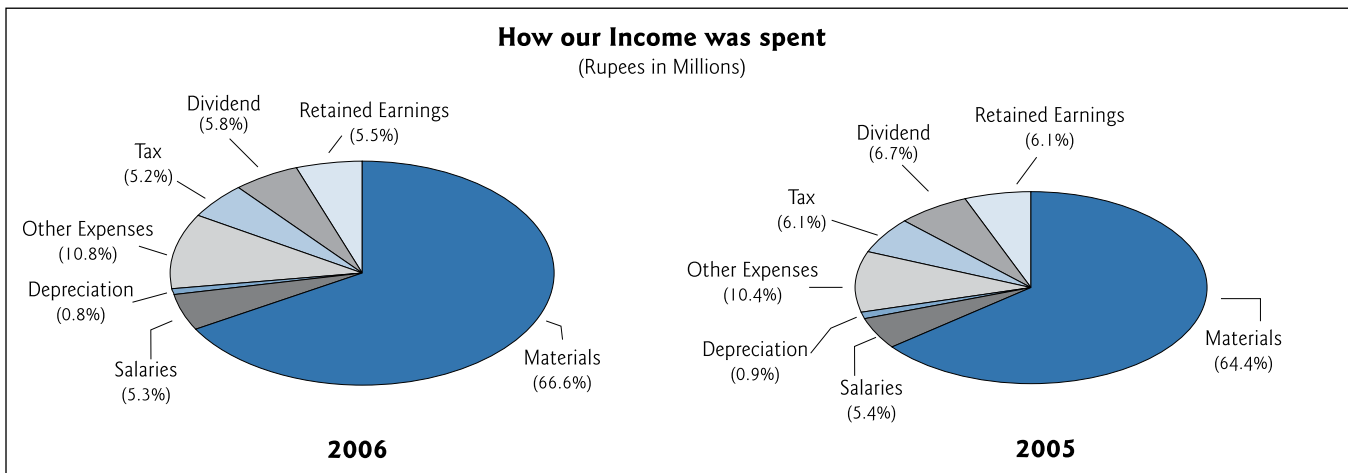
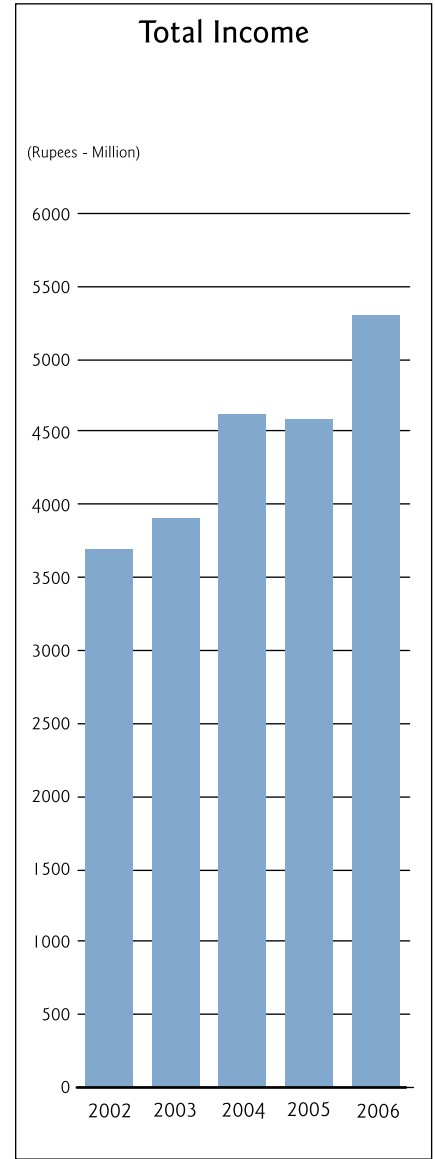
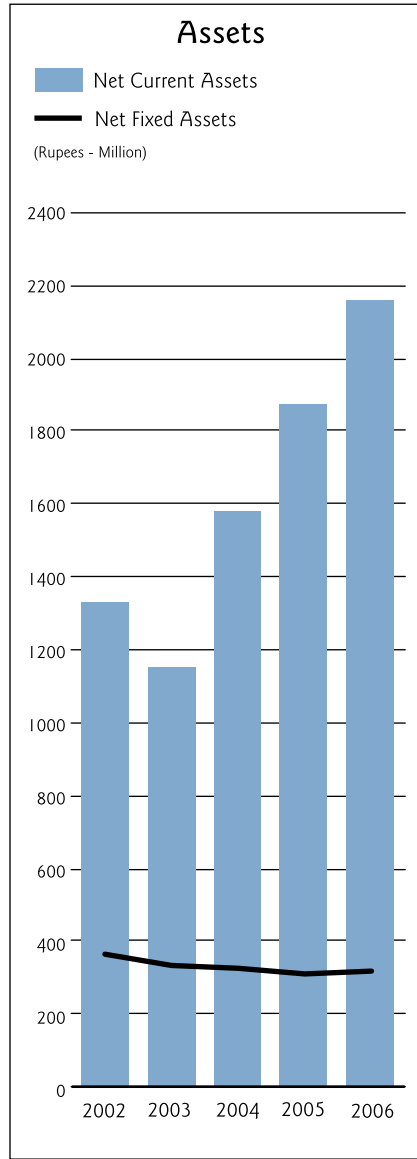
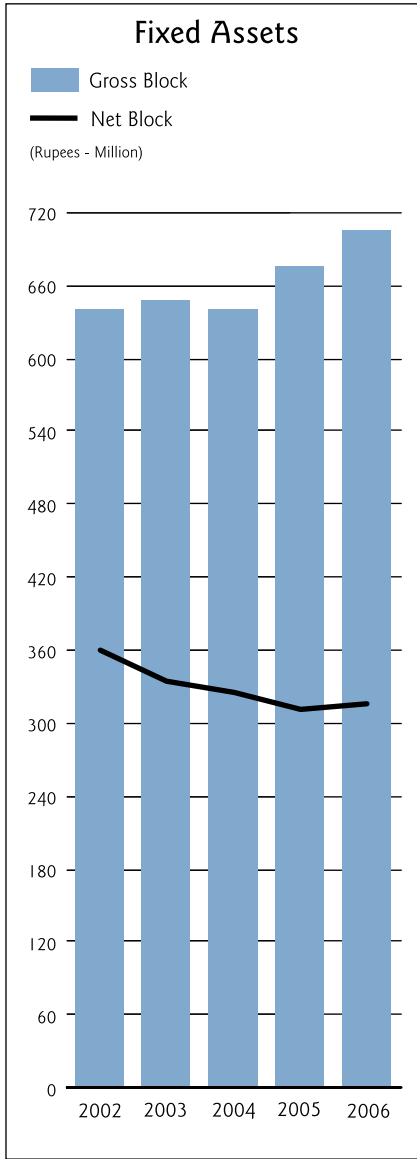
## CONTENTS

	Page
Highlights .. .. .	2-3
Notice .. .. .	4-7
Directors' Report .. .. .	8-12
Report on Corporate Governance ..	13-17
Management Discussion & Analysis Report .. .. .	18-20
Auditors' Report .. .. .	21-23
Balance Sheet .. .. .	24
Profit and Loss Account .. .. .	25
Cash Flow Statement .. .. .	26-27
Schedules to the Balance Sheet ..	28-30
Schedules to the Profit and Loss Account .. .. .	31-32
Significant Accounting Policies and Notes to the Accounts .. ..	33-43
Balance Sheet Abstract and General Business Profile .. .. .	44

## Highlights

(Rupees in Millions)

	1997	1998	1999	2000	2001 (11 months)	2002	2003	2004	2005	2006
<b>OPERATING RESULTS</b>										
SALES AND OTHER INCOME	2560	2734	3020	3643	3260	3694	3906	4626	4595	<b>5308</b>
MATERIALS	1331	1468	1642	1921	1914	2110	2218	2490	2958	<b>3534</b>
SALARIES, BONUS AND STAFF WELFARE	152	171	161	199	186	204	228	244	250	<b>282</b>
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	568	573	699	740	468	478	464	474	476	<b>573</b>
DEPRECIATION	60	53	51	53	45	53	44	42	40	<b>44</b>
INTEREST	5	6	3	15	1	1	1	1	–	<b>1</b>
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	444	463	464	715	646	848	951	1375	871	<b>874</b>
EXTRAORDINARY ITEM — EXPENDITURE/(INCOME)	(245)	134	(298)	(132)	–	31	–	–	–	–
PROVISION FOR TAXATION	190	59	76	125	159	259	271	352	280	<b>276</b>
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	499	270	686	722	487	558	680	1023	591	<b>598</b>
RETAINED EARNINGS	423	155	(44)	(115)	308	362	53	418	281	<b>294</b>
EARNINGS PER SHARE – BASIC & DILUTED (Rs)	61.66	16.69	42.29	44.57	30.06	33.88	43.39	66.92	38.72	<b>39.18</b>
DIVIDEND PER SHARE (Rs)	8.0	6.5	40.5	45.0	10.0	12.0	35.0	35.0	17.5	<b>17.5</b>
<b>FINANCIAL SUMMARY</b>										
<b>ASSETS EMPLOYED</b>										
FIXED ASSETS (At Cost)	661	675	700	710	730	642	649	642	676	<b>706</b>
FIXED ASSETS (Net)	518	485	462	434	417	360	335	325	312	<b>315</b>
ASSETS HELD FOR DISPOSAL (Net)	7	6	–	–	–	–	–	–	–	–
CURRENT ASSETS (Net)	527	759	744	560	899	1334	1152	1580	1871	<b>2157</b>
TOTAL ASSETS	1052	1250	1206	994	1316	1694	1487	1905	2183	<b>2472</b>
<b>FINANCED BY</b>										
SHARE CAPITAL	81	162	162	162	162	162	153	153	153	<b>153</b>
RESERVES AND SURPLUS	940	1066	1021	791	1130	1509	1312	1730	2012	<b>2305</b>
TOTAL SHAREHOLDERS' FUNDS	1021	1228	1183	953	1292	1671	1465	1883	2165	<b>2458</b>
BORROWINGS	31	22	23	41	24	23	22	22	18	<b>14</b>
DEBT : EQUITY	–	–	–	–	–	–	–	–	–	–
<b>NUMBER OF SHAREHOLDERS</b>	11263	11607	13223	16156	14699	14356	13747	14792	14029	<b>14905</b>



## Report & Accounts 2006

### Notice

Notice is hereby given that the Sixty-Third Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Tuesday, April 17, 2007 at 10.30 a.m. to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at November 30, 2006 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.
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 Auditors and fix their remuneration.

#### Special Business:

5. To appoint a Director in place of Mr Ranjan Kapur, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
6. To appoint a Director in place of Mr Mario Durante, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
7. To appoint a Director in place of Mr Gregory Orleski, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
8. To appoint a Director in place of Mr Sudarshan Jain, who was appointed as an Additional Director with effect from September 18, 2006 pursuant to Article 113 of the Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956; but being eligible offers himself for appointment.
9. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED that in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, the consent of the Company be and is hereby accorded to the appointment of Mr Sudarshan Jain as a Whole-time Director of the Company for a period of five (5) years from September 18, 2006 at a remuneration and upon the terms and conditions as set out in the Explanatory Statement annexed hereto and in the draft Agreement, approved by the Board and initialed by

the Chairman for the purpose of identification and which the Directors of the Company be and are hereby authorized to enter on behalf of the Company;

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) shall, in accordance with the statutory limits/approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the Agreement from time to time as may be agreed to by the Board and Mr Sudarshan Jain.

By Order of the Board

Krupa Anandpara  
Company Secretary

Mumbai, February 8, 2007

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. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the special business set out at Item Nos. 5 to 9 above and the details of Directors in respect of Item Nos. 5 to 8 pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.
- iii. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, April 10, 2007 to Tuesday, April 17, 2007 (both days inclusive).
- iv. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before May 16, 2007 to the Members whose names appear on the Register of Members as on April 17, 2007 and to the Beneficial Owners of the shares as on April 9, 2007 as per details furnished by the Depositories for this purpose.
- v. Members are requested to immediately intimate changes, if any, in their registered addresses along with the pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective Depository Participants.
- vi. In order to avail the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agents. 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. The Company/Registrars & Share Transfer Agents will not act on any direct request

received from Members holding shares in dematerialised form for change/deletion of such bank details.

- vii. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed/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 December 31, 1998 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended December 31, 1999 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of fresh warrants/demand drafts.

- viii. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.
- ix. Members are requested to bring their copy of the Annual Report to the meeting, as the same will not be distributed at the meeting.

## Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

### Item No 5

Mr Ranjan Kapur was appointed as an Additional Director of the Company with effect from September 18, 2006. In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Kapur holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Kapur as a Director of the Company liable to retire by rotation.

Mr Ranjan Kapur is currently Country Manager – India of WPP, one of the world's largest communication groups and is a veteran of the advertising industry. Mr Kapur was associated with Ogilvy & Mather for around 40 years and has undertaken various assignments with Ogilvy's operations in several countries including as Chairman of its Indian operations. He was inducted to the Worldwide Board of Ogilvy in the year 1998 and was elected as Vice Chairman for Asia Pacific operations.

Mr Kapur's rich and varied experience will be of immense help to the Board and bear a good influence on the growth prospects of the Company. Your Board recommends his appointment as a Director of the Company.

None of the Directors, except Mr Ranjan Kapur is concerned or interested in the resolution at Item No 5 of the accompanying Notice.

### Item No 6

Mr Mario Durante was appointed as an Additional Director of the Company with effect from September 18, 2006. In terms of Section 260 of the Companies Act, 1956 ("the Act"),

Mr Durante holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Durante as a Director of the Company liable to retire by rotation.

Mr Durante is presently the Divisional Vice President – Manufacturing of Abbott US and is responsible for manufacturing operations of Abbott in Pacific Asia Africa Region, Europe and Latin America. He has been associated with Abbott since 1991 and has held various senior management positions and has been incharge of various operations worldwide.

Mr Durante's extensive and in depth knowledge in manufacturing areas will provide strategic direction to the Company. Your Board recommends his appointment as a Director of the Company.

None of the Directors, except Mr Mario Durante is concerned or interested in the resolution at Item No 6 of the accompanying Notice.

### Item No 7

Mr Gregory Orleski was appointed as an Additional Director of the Company with effect from September 18, 2006. In terms of Section 260 of the Companies Act, 1956 ("the Act"), Mr Orleski holds office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Act has been received from a member signifying his intention to propose the appointment of Mr Orleski as a Director of the Company liable to retire by rotation.

Mr Orleski joined Abbott in the year 2001 as Senior Counsel Canada, International – Legal Operations and is presently the Divisional Counsel International, Pharmaceutical Products Group, Legal Operations. He has 17 years of rich experience in senior management environment including 12 years in Pharmaceutical sector. He is on the Board of various Abbott Group companies overseas.

Mr Orleski's varied experience and strong leadership skills will immensely benefit the Company. Your Board recommends his appointment as a Director of the Company.

None of the Directors, except Mr Gregory Orleski is concerned or interested in the resolution at Item No 7 of the accompanying Notice.

### Item Nos 8 & 9

Mr Sudarshan Jain was appointed as an Additional Director and Whole time Director of the Company with effect from September 18, 2006. A notice pursuant to Section 257 of the Companies Act, 1956 ("the Act"), has been received from a member signifying his intention to propose the appointment of Mr Jain as a Director of the Company not liable to retire by rotation.

Mr Jain has been associated with the Company for the past 23 years and undertaken multiple assignments in marketing and distribution areas and has been leading the Marketing team as Director – Marketing since 1998. He has held several marketing positions with sales and profit responsibility spanning a wide range of businesses comprising Pharmaceuticals, OTC Products, Nutritional, Hospitals and Diagnostics. He has set up new businesses, launched more than 20 brands and nurtured and built mega brands. Prior to joining the Company, he has worked with Johnson & Johnson Limited and Lupin India Limited.

## Report & Accounts 2006

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

1. The appointment shall be for a period of five (5) years commencing from September 18, 2006 as Director – Marketing.
2. As Whole time Director, Mr Jain shall perform such duties and exercise such powers as are entrusted to him from time to time by the Managing Director and/or the Board of Directors (hereinafter called “the Board”).
3. Mr Jain shall devote sufficient time to enable him to discharge his duties to the Company diligently and to the best of his abilities and shall in all respects comply with the Abbott Laboratories Code of Business Conduct.
4. Mr Jain shall, whenever required to by the Managing Director and/or Board, undertake to travel in India and elsewhere as the Managing Director and/or Board may direct.
5. In consideration of the performance of his duties to the Company, Mr Jain shall be entitled to the following remuneration:
  - (a) Salary and allowances: Rs 28 lacs per annum with such increments as may be decided by the Board from time to time, subject to a ceiling of Rs 60 lacs 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.
6. In addition to the above, Mr Jain shall 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.
7. The Company's contribution to provident fund, superannuation/ pension scheme(s), annuity fund and gratuity as per the Rules of the Funds/Schemes and encashment of leave at the end of Mr Jain's tenure shall not be included in the computation of the ceiling on remuneration and allowances/perquisites/benefits.
8. The use of a car while on the business of the Company and telephone at residence shall not be considered as perquisites. 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.
9. 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 Jain may be entitled as aforesaid.
10. Where in any financial year during the tenure of Mr Jain, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Jain 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 in force.
11. During the continuance of the employment, Mr Jain 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 Jain to hold share or shares of any other company or companies.
12. So long as Mr Jain functions as Whole time Director, he 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/Central Government as the case may be.
13. Mr Jain shall not, during the continuance of his employment 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 Jain shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing. PROVIDED HOWEVER that any such divulgence or disclosure to officers and employees of the Company shall not be deemed to be a contravention of this Clause.
14. The employment of Mr Jain 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.
15. In case of demise of Mr Jain during the course of his employment, 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 discretion may determine.
16. 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 6 months' remuneration including salary, allowances, benefits/perquisites in lieu of notice. In such an event, the appointment of Mr Jain as Director shall also cease as provided in Section 283(1)(l) of the Companies Act, 1956.

Pursuant to Section 302 of the Companies Act, 1956, an Abstract of Terms and Memorandum of Interest dated September 27, 2006 has been sent to the Members.

Draft Agreement to be entered into with Mr Jain will be available for inspection by Members on any working day (except Saturday) between 2.00 p.m. to 5.00 p.m. at the Registered Office of the Company.

The Board recommends appointment of Mr Jain as the Whole time Director of the Company.

None of the Directors, except Mr Sudarshan Jain is concerned or interested in the resolutions at Item Nos 8 & 9 of the accompanying Notice.

By Order of the Board

Krupa Anandpara  
Company Secretary

Mumbai, February 8, 2007

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

**Details of the Directors seeking Appointment/Re-appointment at the Annual General Meeting**

(Pursuant to Clause 49 IV(G) of the Listing Agreement)

Name of the Director	Mr Ashok Dayal	Mr Ranjan Kapur	Mr Mario Durante	Mr Gregory Orleski	Mr Sudarshan Jain
<b>Date of Birth</b>	June 2, 1937	November 25, 1942	June 5, 1954	September 19, 1956	June 6, 1955
<b>Date of Appointment</b>	September 18, 2006	September 18, 2006	September 18, 2006	September 18, 2006	September 18, 2006
<b>Expertise in specific Functional Area</b>	Mr Dayal is a fellow of the Indian Institute of Bankers. He has held various senior Management positions in Grindlays Bank, Deutsche Bank AG, RHO and Roland Berger International Management Consultants Pvt. Ltd.	Mr Kapur is an ex-citi banker. He is a veteran of the advertising business having spent 40 years with Ogilvy and credited with its turnaround and accelerated growth. He is also involved in his personal capacity in the development of technology based on line and mobile services companies.	Mr Durante has extensive knowledge in the areas of manufacturing. He joined Abbott in the year 1991 and has held various senior management positions and has been incharge of various manufacturing operations worldwide. Prior to joining Abbott, he was with Saputo Cheeses and Allergan, heading manufacturing operations.	Mr Orleski is a lawyer by profession and has strong legal background with strong planning and organizing skills. He has assisted and counseled Abbott in various projects. Prior to joining Abbott, he has worked with Valeant Pharmaceuticals (formerly ICN Canada Limited) and Merck Frosst Canada Limited.	Mr Jain leads Abbott's marketing team since 1998. He has rich and varied experience in the areas of managing strategic alliances, brand acquisitions, sales force restructuring and deployment, distribution restructuring, product portfolio rationalisation, etc. Prior to joining the Company, he has worked with Johnson & Johnson Limited and Lupin India Limited.
<b>Qualifications</b>	B.A. (Hons.) AIB (Part I) Fellow of the Indian Institute of Bankers. Fellow of the Royal Geographical Society (London).	Masters Degree in English from St. Stephens College, Delhi.	Bachelors Degree in Science from McGill University, with specialization in Microbiology & Immunology.	B.A., B.C.L., LL.B with specialization in Business Law/ Contracts/ Financing from McGill University. He is Registered Industrial Accountant (R.I.A., Level III) from Northern Alberta Institute of Technology and also undergone training for Strategic Planning, Mergers and Acquisitions, Competition Law, Interpretation of Financial Statements.	Basic degree in Physics from St. Stephens College, Delhi and Post Graduate in Business Administration from Indian Institute of Management, Ahmedabad
<b>No. of shares held in the Company</b>	Nil	Nil	Nil	Nil	Nil
<b>Other directorships</b>	Glaxo Smithkline Consumer Healthcare Limited Delhi Safe Deposit ING Vysya Mutual Fund Akzo-Nobel Coatings India Ltd.	Pidilite Industries Ltd. GroupM Media India Private Ltd. Bates India Pvt. Ltd. Rediffusion-Dentsu, Young & Rubicam Pvt. Ltd. MIRC Electronics Ltd. Tagit (India) Private Limited Annik Technology Services Pvt. Ltd. Eon Premedia Pvt. Ltd. Hitech Plast Ltd. MIC Electronics Ltd.	—	Abbott Diagnostics International, Ltd. Abbott Pharmaceuticals PR Ltd.	—
<b>Chairman/Member of the Board Committees of other companies</b>	Glaxo Smithkline Consumer Healthcare Limited	MIRC Electronics Ltd. Pidilite Industries Ltd.	—	—	—

## Report of the Directors

TO THE MEMBERS

Your Directors have pleasure in presenting the Sixty-Third Annual Report and Audited Accounts of the Company for the year ended November 30, 2006.

### Financial Results

(Rupees in Millions)

	Year ended Nov. 30, 2006	Year ended Nov. 30, 2005
Sales	5,102.4	4,446.7
Profit Before Tax	874.4	871.1
Profit After Tax	598.6	591.6
Balance brought forward	1,658.1	1,435.7
Profit available for appropriation	2,256.7	2,027.3
Appropriations:		
Dividend (Proposed)	267.4	267.4
Corporate Dividend Tax	37.5	*42.6
Transfer to Reserves	59.9	59.2
Balance carried forward	1,891.9	1,658.1

\* Includes Rs 5.1 million for the year ended November 30, 2004

### Dividend

Your Directors recommend a dividend of Rs 17.50 per share on 15,280,100 fully paid-up Equity Shares of Rs 10 each of the Company for the year ended November 30, 2006. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs 267.4 million (Previous year: Rs 267.4 million) and Corporate Dividend Tax of Rs 37.5 million. 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 November 30, 2006 amounted to Rs 2,305.3 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 348.1 million and Surplus as per Profit & Loss Account amounting to Rs 1,891.9 million.

### Buyback of shares

In terms of consent given by the shareholders through Postal Ballot, the Company announced buyback of 807,360 Equity Shares at a price of Rs 650 per share through a tender offer route. The same was kept on hold as the Company had sought an exemption from making open offer under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended. The Company has been granted the exemption from making open offer and is taking necessary action for proceeding with the buyback. The same is expected to be completed by first week of April 2007.

### 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. They have selected appropriate 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 November 30, 2006, 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 16 – Significant Accounting Policies 4).

3. They 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. They have prepared the accompanying Annual Accounts for the year ended November 30, 2006, 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 David Wardell resigned as Director of the Company effective July 28, 2006. The Board placed on record its sincere appreciation for his guidance and services rendered by him.

Mr Ranjan Kapur, Mr Mario Durante, Mr Gregory Orleski and Mr Sudarshan Jain have been appointed as Additional Directors effective September 18, 2006. In terms of Section 260 of the Companies Act, 1956, they hold office upto the date of the forthcoming Annual General Meeting and being eligible, offer themselves for appointment.

Mr Ashok Dayal retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself 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 relevant regulation on these issues is an integral part of the Company's operating philosophy.

#### i. Environment

A modern effluent treatment plant is operational at the Goa Plant, treating and discharging wastewater within parameters of treated effluent well below the limits set by the local Pollution Control Board. The treated effluent is recycled for horticulture within the site. Water recycling activities have been encouraged and implemented. The emissions from boiler and generator stacks are monitored regularly and are well below the limits set by the State Pollution Control Board.

#### ii. Health and Safety

As part of its social responsibility towards promoting health and safety, the Company has formed a Safety Committee, which includes representation from workmen and meets regularly to review issues impacting plant

## Report & Accounts 2006

---

safety and employee health. Training programmes are conducted regularly on various health and safety issues including dealing with epidemics, work safety, road safety, first-aid, etc. An Automatic External Defibrillator is installed at the Plant and Headquarter Offices and employees have been trained in its use. Detailed first-aid training has already been imparted to about 25% of employees.

Routine audits for Environment, Health and Safety compliance are conducted with the assistance of personnel from Abbott's global team.

### Technology Absorption and Development

Development of new formulations and dosage forms and modification of existing ones for lifecycle management, 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, which is approved by the Department of Scientific and Industrial Research, has made significant contributions towards its assigned goals of product and process development and cost reduction through import substitution and vendor development. The Company has been able to accelerate the pace of new products introduction in 2006 in its core therapy areas, namely Pain Management (an ibuprofen soft gelatine capsule formulation

under the brand name Brufen Softra and a pediatric syrup formulation as Brufen Junior), Gastroentology (Ganaton OD, once daily formulation of itopride), Metabolics (Obimet Gx, a metformin and glimepiride formulation) .

### Employees

Relations with the employees remained cordial throughout the year. Your Board would like to place on record its appreciation for the dedication and commitment shown by them.

### Reports on Corporate Governance and Management Discussion & Analysis

A Report on Corporate Governance along with 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, February 8, 2007

## 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 maximum demand for power.

- (IV) Total energy consumption and energy consumption per unit of production:

	2006	2005
<b>A. Power &amp; Fuel Consumption</b>		
(a) Electricity		
(i) Purchased (Unit Millions)	2.4	3.0
Total amount (Rs. Millions)	20.5	20.1
Rate/Unit (Rs.)	8.53	6.63
(ii) Own Generation Through Diesel Generator	Cost of 'own generation' is not comparable as the generator sets were operated for trial runs.	
Through Steam turbine/Generator	N.A.	N.A.

	2006	2005
(b) Coal	N.A.	N.A.
(c) Furnace Oil Quantity (kilo ltrs)	54.10	40.50
Total amount (Rs. Millions)	1.1	0.6
Average rate (Rs.)	20.98	15.65
(d) Others/Internal Generation	N.A.	N.A.

#### B. Consumption per Unit of Products

Since the Goa Plant manufactures different dosage forms it is not practical to apportion utility cost based on available records.

#### 2. Technology Absorption

##### A. Efforts made in Technology Absorption.

Following were the achievements of the Company's R&D Centre at Goa:

1. Development of new Pharmaceutical Products.
2. Establishing new technical capabilities.
3. Import substitutions and new vendor development.
4. Optimization, standardization and improvement of products and manufacturing processes.
5. Technical evaluation of off the shelf products, to ensure quality and stability.

The R&D Centre worked on new pharmaceutical products in the areas of liquid orals, tablets and capsules. It also undertook the quality improvement of existing products, manufacturing processes and new vendor evaluation & approval, to meet ever-changing regulatory, quality requirements and commercial advantage. Off the shelf products were technically evaluated and assessed to ensure their quality and stability.

##### B. Benefits derived as a result of the above R & D.

A well focused R&D effort has helped the company in launching a number of new products in the Indian market. Manufacturing process optimization helped to bring in improved quality and efficiency. New vendor evaluation and approval has helped to reduce cost and to improve the efficiency of supply chain. R&D work has also resulted in improving the stability of some of the products.

C. Future plan of action.

R&D activities will continue to focus on new product development, improvement in the existing formulations/process, improving operational efficiencies, new vendor evaluation & approval, technical evaluation and assessment to ensure quality of TPM's products.

D. Expenditure on R&D.

	Rs. in Millions
(a) Capital	0.5
(b) Recurring	<u>20.3</u>
(c) Total	<u><u>20.8</u></u>
(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 on an ongoing basis interacts with Abbott Laboratories Intl Co, USA, for technical expertise for products of high technology and pharmaceutical formulations.

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

The company has benefited substantially as a result of the emphasis on innovation. Reduction in energy consumption and improvement in product quality are some of the benefits achieved in the current year.

(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 35.4 million, which includes a consideration of Rs 3.0 million towards reimbursement of expenses from affiliates and Rs 32.4 million towards exports.

(II) Total foreign exchange used and earned.

A. Total foreign exchange used

	Rs. in Millions
(a) On import of raw materials, finished goods, consumable stores and capital goods	217.4
(b) Expenditure in foreign currencies for MIS services, Professional charges, sales promotion expenses, commission on export sales, business travel, etc.	9.5
(c) Remittance during the year in foreign currency on account of dividend	165.0
<b>B. Total foreign exchange earned</b>	<b>35.4</b>

For and on behalf of the Board

Vivek Mohan	R A Shah
Managing Director	Director

Mumbai, February 8, 2007

## 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 ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company conducts its affairs in compliance with all regulatory and policy requirements as well as industry ethical guidelines. Abbott also has strict guiding principles laid out and communicated through Abbott's own internal Code of Business Conduct to which regular audits are also conducted to ensure controls and compliances and maintained at a high standard. The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are

expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

### 2. Board of Directors

- (a) The Board presently comprises 9 Directors including 2 Executive Directors and 7 Non-Executive Directors, and of which 3 are Independent Directors. The Directors are professionals and have expertise in their respective functional areas.
- (b) The composition of the Board, their attendance at the Board Meetings held during the year and at the last Annual General Meeting along with the number of directorships and membership held in various committees in other companies as on November 30, 2006, are given below:

Name of Directors	Category: Executive/ Non-Executive/ Independent	Attendance at		Membership of other Board(s) (including alternate directorships and directorships in private companies excluding Section 25 companies)	Membership/Chairmanship of other Board Committees (Audit Committee and Shareholders & Investors Grievance Committee)
		Board Meetings	Annual General Meeting (May 3, 2006)		
Mr Munir Shaikh Chairman of the Board	Non-Executive	4	Yes	1*	—
Mr Vivek Mohan Managing Director	Executive	7	Yes	—	—
Mr R A Shah	Non-Executive, Independent	7	Yes	23*	9 (includes Chairmanship of 5 companies)
Mr Ashok Dayal	Non-Executive, Independent	8	Yes	2	1
Mr David Wardell #	Non-Executive	—	No	—	—
Mr Mark Masterson	Non-Executive	3	Yes	2*	—
Mr Ranjan Kapur@	Non-Executive, Independent	2	NA	10	2
Mr Mario Durante@	Non-Executive	1	NA	—	—
Mr Gregory Orleski@	Non-Executive	—	NA	2*	—
Mr Sudarshan Jain@ Whole time Director	Executive	2	NA	—	—

# Resigned with effect from July 28, 2006

@ Appointed as Additional Director with effect from September 18, 2006

\* including directorships of companies incorporated outside India

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

December 3, 2005, February 28, 2006/March 7, 2006, March 31, 2006, May 3, 2006, June 29, 2006, August 25, 2006, September 18, 2006 and November 30, 2006.

- (d) Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Clause 49 IV(G) of the Listing Agreement are annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report.

## Report & Accounts 2006

### 3. Audit Committee

The Audit Committee comprises of 4 Non-Executive Directors, namely, Mr Ashok Dayal (Chairman), Mr R A Shah, Mr Ranjan Kapur, who are Independent Directors and Mr Munir Shaikh. Ms Krupa Anandpara, 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 Section 292A of the Companies Act, 1956. It includes oversight of the company's financial reporting process, reviewing the financial statements, reviewing the adequacy of internal audit function, discussions with internal and statutory auditors periodically about their scope of audit and adequacy of internal control systems, discussing with internal auditors on any significant findings. The Audit Committee also acts as a link between the Board of Directors and the internal and statutory auditors.

The duly constituted Committee met 6 times during the financial year on December 3, 2005, February 28, 2006/ March 7, 2006, March 31, 2006, June 29, 2006, September 18, 2006, and November 30, 2006.

Mr Ashok Dayal and Mr R A Shah attended all the meetings, Mr Munir Shaikh attended 3 meetings and Mr Ranjan Kapur attended 1 meeting.

### 4. Shareholders' / Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises of Mr Ashok Dayal, Non-Executive and Independent Director as Chairman and Mr Vivek Mohan. Ms Krupa Anandpara, Company Secretary, is the Compliance Officer.

During the financial year, the Committee met twice on February 28, 2006 and June 29, 2006.

A summary of complaints received and resolved by the Company during the year ended November 30, 2006 is given below:

	Received	Cleared
Non receipt of share certificates duly transferred	1	1
Non receipt of dividend warrants	31	31
Miscellaneous	10	10
Letters from SEBI, Stock Exchanges and Department of Company Affairs	—	—

As on November 30, 2006, 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

#### (a) Executive Directors

Details of remuneration and perquisites paid, to the Executive Directors for the financial year ended November 30, 2006 is as follows:

Terms of Agreement	Mr Vivek Mohan (Managing Director)	Mr Sudarshan Jain (Whole time Director)
Period of appointment	5 years	5 years
Date of appointment	November 1, 2004	September 18, 2006
Salary & Other Allowances	Rs 11,045,500	Rs 553,150*
Perquisites	Rs 5,020,126	Rs 29,816*
Contribution to Provident Fund, Superannuation Fund & Group Gratuity Scheme	Rs 323,537	Rs 149,547*
Performance Linked Incentive	Rs 1,504,500	Rs 91,454*
Notice Period	By either party giving six months' notice or the Company paying six months' salary in lieu thereof	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	—	

\* For a period from September 18, 2006 to November 30, 2006

#### (b) Non-Executive Directors

The Non-Executive resident Directors are paid sitting fees of Rs 5,000/- for each meeting of the Board or committees of the Board, attended by them.

Mr R A Shah, Mr Ashok Dayal and Mr Ranjan Kapur were paid sitting fees totaling Rs 75,000/-, Rs 85,000/- and Rs 15,000/- respectively for attending Board meetings and various Committee meetings (including Buyback Committee meetings) held during the financial year 2005-2006.

The Company has paid fees amounting to Rs 100,750/- to its Solicitors, M/s Crawford Bayley & Co., Solicitors & Advocates, for professional services rendered to the Company, of which Mr R A Shah, Director is a Senior Partner. The quantum of professional fees received by M/s Crawford Bayley & Co. from the Company forms an insignificant portion of their total revenues and less than a fraction of the total revenues of the Company.

None of the other Non-Executive Directors has any pecuniary relationship or transactions with the Company.

#### (c) None of the Non-Executive Directors and relatives hold any shares of the Company except Mr R A Shah who through his relatives holds 5098 shares.

**6. General Body Meetings**

Financial Year	Date	Time	Location	No. of Special Resolutions
2003	April 27, 2004	3.00 p.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg Mumbai 400 021	—
2004	April 26, 2005	3.30 p.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg Mumbai 400 021	—
2005	May 3, 2006	10.30 a.m.	Y B Chavan Auditorium General Jagannath Bhosale Marg Mumbai 400 021	—

During the year ended November 30, 2006, postal ballot was conducted for seeking shareholders approval for buyback of Company's fully paid equity shares under provisions of Section 77A, 77AA and 77B of the Companies Act, 1956, through Special Resolution. Postal ballot notice was sent to each shareholder as on the cut off date decided. The results were declared based on the report submitted by Ms Neena Bhatia, Scrutinizer appointed for the said postal ballot and the resolution was passed with the requisite majority. Details of voting pattern are as under :

Total votes	15,280,100
Total votes received	9,917,823
Total valid votes	9,894,986
Total invalid Votes	22,837
In favour	9,801,883 (99.06%)
Against	93,103 (0.94%)

At present, no special resolution is proposed to be passed through postal ballot.

**7. Disclosures**

(a) There were no transactions of the Company of a material nature, with its promoters, directors or the management, or relatives etc. during the financial year, 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 as required by law. Transactions with related parties are disclosed in Note B 23 of Schedule 16 to the Accounts in the Annual Report.

- (b) In terms of the disclosures made by Senior Management Personnel of the Company to the Board, there were no material financial and commercial transactions, where they have personal interest, which could have potential conflict with the interest of the Company at large.
- (c) There were no instances of non-compliance by the Company or no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the last 3 financial years.
- (d) In terms of requirement of Clause 49(V) of the Listing Agreement, the Managing Director and Director – Finance have made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

**8. Means of Communication**

- (a) Quarterly and Half yearly 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/shareholding pattern are also made available on the website of the Company ([www.abbott.co.in](http://www.abbott.co.in)) and on SEBI's EDIFAR (Electronic Data Information Filing And Retrieval) System website ([www.sebidifar.nic.in](http://www.sebidifar.nic.in)).
- (b) During the financial year, the Company has not made any presentation to the institutional investors or analysts.
- (c) Management Discussion and Analysis Report forms part of the Directors' Report.

**9. General Shareholder Information:**

- i Annual General Meeting : Tuesday, April 17, 2007  
at 10.30 a.m.  
Y B Chavan Auditorium  
General Jagannath  
Bhosale Marg  
Mumbai 400 021
- ii Financial year : December 1, 2005 –  
November 30, 2006
- iii Date of Book Closure : April 10, 2007 to April 17,  
2007 (both days inclusive)
- iv Dividend Payment Date : On or before May 16, 2007
- v Listing On Stock : Bombay Stock Exchange  
Exchange Limited
- vi Stock Code : 500488

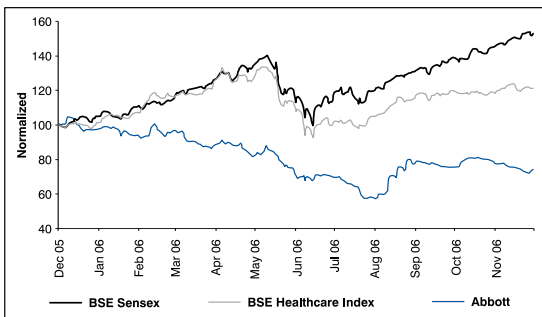
## Report & Accounts 2006

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

Month	High	Low
December 2005	785.00	670.00
January 2006	732.00	675.00
February 2006	744.00	660.00
March 2006	717.00	625.00
April 2006	679.00	585.00
May 2006	705.00	500.00
June 2006	538.70	481.00
July 2006	514.95	412.00
August 2006	610.00	412.10
September 2006	589.95	545.00
October 2006	593.45	545.05
November 2006	649.95	521.05

- viii Performance in comparison to broad based indices:

Abbott Share Price / BSE 100  
Year 2005 – 2006



- ix Registrars and Share Transfer Agents:

Sharepro Services (India) Private Limited,  
Satam Estate, 3rd Floor, Cardinal Gracious Road  
Chakala, Andheri (East), Mumbai 400 099  
Phone : 2834 82 18 / 2832 98 28 / 2821 51 68  
Fax : 2837 56 46  
Email : sharepro@vsnl.com

- x Share Transfer System

In order to expedite the process of share transfers, the Board has delegated the powers 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 requests received for transmission of shares, issue of duplicate certificates and split/consolidation of certificates.

Shares Transfer requests received at the Registrar & Share Transfer Agent are normally processed and delivered within 21 days from the date of lodgement, if the documents are complete in all respects. Requests for dematerialisation of shares are processed and the confirmation is given to the depositories within 15 days from receipt.

- xi Distribution of shareholding as on November 30, 2006

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of shares	Percentage of shareholding
1-50	6,506	43.65	166,399	1.09
51-100	3,236	21.71	288,672	1.89
101-500	3,578	24.00	887,510	5.81
501-1000	833	5.59	611,688	4.00
1001-5000	689	4.62	1,418,320	9.28
5001-10000	35	0.24	238,295	1.56
10001 & above	28	0.19	11,669,216	76.37
Total	14,905	100.00	15,280,100	100.00

Shareholder's profile as on November 30, 2006

Sr. No.	Category of Shareholders	No. of shares held	% to total
1.	Promoters	9,428,184	61.70
2.	Banks	6,260	0.04
3.	Financial Institutions	118,000	0.77
4.	FII/OCB*	90,326	0.59
5.	Insurance Companies	1,130,129	7.40
6.	Mutual Funds	628,241	4.11
7.	Domestic Companies	204,065	1.34
8.	Non Resident Indians	70,613	0.46
9.	Others	3,604,282	23.59
	Total	15,280,100	100.00

\* FII – Foreign Institutional Investors; OCB - Overseas Corporate Bodies

- xii. Dematerialisation of Shares as on November 30, 2006

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on November 30, 2006, 14,230,578 shares representing 93.13% of the Company's total paid-up share capital (including 61.70% held by the Promoter) were held in dematerialised mode. The Company's shares are traded on BSE – A Group.

- xiii. The Company has not issued any GDR/ADR Warrants or any other convertible instruments.

- xiv. Plant Location : L-18/19, Verna Industrial Estate, Goa

- xv. Address for correspondence :

**Abbott India Limited**

Registered office:

3-4, Corporate Park,  
Sion-Trombay Road,  
Mumbai-400 071

Telephone: 67978888

Fax: 67978727

Email: webmaster@abbott.co.in

**Registrar & Share Transfer Agents:**  
Sharepro Services (India) Pvt. Ltd.  
912, Raheja Centre,  
Free Press Journal Road,  
Nariman Point, Mumbai 400 021  
Contact Person: Ms Mazrine Wadia  
Telephone: 2288 15 68 / 2288 15 69  
Fax: 2282 54 84  
Email: sharepro\_services@roltanet.com

(b) There was no audit qualification in the accounts for the year ended November 30, 2006 and the Company continues to ensure the regime of unqualified financial statements.

**10. Non-mandatory requirements**

(a) The Company has provided a mechanism in its Code of Business Conduct for employees to report to the Management about the unethical behaviour, actual or suspected fraud or violation of the Company's Code to the Office of Ethics and Compliance.

On behalf of the Board  
Vivek Mohan                      R A Shah  
Managing Director                      Director  
Mumbai, February 8, 2007

**Declaration by Managing Director under Clause 49 of the Listing Agreement regarding compliance of Code of Conduct**

As required under Clause 49 I (D) of the Listing Agreement with the Bombay Stock Exchange Limited, I hereby affirm that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Abbott India Code of Business Conduct, as applicable to them, for the financial year ended November 30, 2006.

Abbott India Limited  
Vivek Mohan  
Managing Director

Mumbai, February 5, 2007

**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 on November 30, 2006, as stipulated in clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange Limited.

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

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

We 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*

Membership No.: 038568

Mumbai,  
February 8, 2007

## Management Discussion & Analysis Report

### 1. Industry structure and developments

The Indian pharmaceutical market has witnessed strong double-digit growth in both chronic and acute segments and is in line with overall growth in the economy.

The Indian pharmaceutical market ranks 4th in the world in terms of volume and 13th in terms of value. The Government has taken a number of steps to fuel further growth in the sector such as patent protection, import liberalization and increased spending on healthcare.

During the previous year the Government amended the Patents Act to provide for grant of product patents in respect of pharmaceuticals, however, certain provisions of the amended Patents Act such as patentability, compulsory licensing, data exclusivity and mandatory price negotiations of newly patented drugs are not in line with practices in most developed countries. This can seriously affect the introduction of newly patented drugs, resulting in non-availability of many modern therapies to Indian patients.

The Draft National Pharmaceuticals Policy, 2006 (Part A) had been circulated and addresses issues in relation to integration of drug regulatory bodies, IPR implementation, data protection in clinical trials, price negotiations for patented drugs, trade margins, government procurement, branding and Research & Development. In view of sharp differences between the Pharmaceutical Industry and the Ministry of Chemicals & Fertilisers on cost based price control, the Union Cabinet has referred the matter to a group of Ministers for review and recommendation. The Industry has proposed a price monitoring mechanism instead of price control.

### 2. Opportunities and Threats

Introduction of product patents from 2005 presents an opportunity for the growth of the pharmaceutical industry. Such protection will motivate speedier introduction of new products, attract investment in research and lead to development of the overall industry and market. Global phase II and III clinical trials can now be concurrently carried out in India.

Value Added Tax has been implemented in all states excepting Uttar Pradesh. The gradual phasing out of Central Sales tax will further lead to simplification of the distribution chain and spur the growth of the industry.

During the year the Government amended the Drugs (Prices Control) Order 1995, to implement the declaration of Maximum Retail Price Inclusive of All Taxes on all pharmaceutical product packs effective October 2, 2006, thereby bringing uniformity in pharmaceutical prices across the country. This step has been welcomed by all concerned partners in the industry viz doctors, patients and trade.

India is seeing the emergence of corporate hospitals and world-class facilities, which present increased opportunities for the Company.

The Indian middle class is growing rapidly and so also are the prospects for health insurance. The Indian market is under-insured with less than 4% of the population covered by State Health Insurance. The private health insurance market is limited to a miniscule number. It is estimated that the number of Indians who can afford quality private healthcare stands at about 100 million, which is about 1/3rd of the middle class population and 1/10th of the total population. Increasing penetration of health insurance coupled with rising purchasing power is expected to stimulate the market. Healthcare reforms are also expected to expand the coverage of organized healthcare to rural areas leading to increased supply of secondary care.

All the above factors are likely to provide renewed opportunities for the growth of pharmaceutical industry. Yet there are some factors that limit India's appeal for multinational companies. The absence of a clear, objective and transparent policy on drug price control continues to impact the overall industry direction. The new Draft National Pharmaceuticals Policy addresses some of the issues, however, negative policies relating to price control will severely affect industry growth and investment in Indian market. Similarly, the amended Patents Act does not have adequate clarity with respect to definition of patentable invention, data protection and compulsory licensing and government is now insisting on mandatory price negotiations on the newly patented products.

### 3. Segmentwise performance

The Company operates only in the pharmaceutical segment. It has recorded faster growth than most other multinational companies overall and across various therapeutic segments, especially gastroenterology, neurology, anesthesiology and metabolic disorders. A significant proportion of the growth has come from organic means driving increased volumes by revitalizing growth in our core brands, reversing the trend of the past years.

India is afflicted by a variety of health issues. In addition to chronic 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 HIV/AIDS. Although acute diseases are on the decline, chronic diseases are on the rise due to changing lifestyles, yet in the year under review, the growth was seen across segments.

Your Company's product portfolio provides therapies for both acute and chronic health conditions. The performance of the Company is in line with trends observed in the market, viz, good growth in both chronic and acute therapy segments.

Abbott India's hospital product portfolio includes anesthesia and neonatology and continues to record good growth at the market place.

#### 4. Outlook

It is the Company's strategy to continue to focus on its core therapeutic areas in pharmaceuticals, viz, CNS, gastroenterology, metabolic, pain management, urology, specialised anesthesia range and neonatology. Growth in chronic therapy areas is expected to continue while innovations and life cycle management will continue to support performance in acute therapy segments. The Company has introduced a number of new products/line extensions in its core therapy areas, namely, Pain Management (Ibuprofen soft gelatin capsule formulation under the brand name Brufen Softra and a pediatric syrup formulation as Brufen Junior), Gastroenterology (Ganaton OD, once daily formulation of itopride), Metabolics (Obimet Gx, a metformin and glimepiride formulation) to revitalize the portfolio.

The Company is also increasing its manpower numbers in sales and marketing to consolidate and accelerate its growth. While keeping its focus on achieving a higher sales growth, the Company continues to work on extracting cost related efficiency in areas of Supply Chain as well as Administration and Selling expenses. One of the Company's major products i.e. Digene has been transferred to its own factory at Goa, thereby improving the capacity utilization. Besides, the Company continues to explore possibilities of manufacturing products in excise free Zones to improve net realization, and has already located several products in such area.

#### 5. Risks and Concerns

Introduction of new drugs in the market place and proliferations of generic and copy-cat products have affected demand and pricing of your Company's products, especially in case of acute therapy.

Lack of clarity on the Government's future policy especially in relation to Price Control continues to be a major risk facing the industry. The absence of a clear objective and transparent policy on drug pricing is impacting the overall industry direction.

The industry also continues to be faced by the challenges posed by manufacturers of spurious drugs and the Company continues to take various measures to counter the threat.

Introduction of new taxes and changes in existing tax laws as well as other statutes particularly in the pharmaceutical sector continue to pose a challenge to the industry.

#### 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.

The Company has a regular process of Internal Audit conducted by a leading firm of Chartered Accountants whose scope of work and audit programme is agreed with the Audit Committee at the beginning of each year. The findings of the Internal Auditors are discussed with the Audit Committee and adequate mitigatory steps are taken to plug control weaknesses pointed out and taken forward by management.

In line with the requirements of the amended Clause 49 of the Listing Agreement which came into force on January 1, 2006 the Company had appointed a firm of Consultants to do a complete review of risks, internal control assessment and statutory compliances applicable to the Company and to help put in place a framework for ongoing review and implementation.

Their findings /recommendations were discussed with the Board of Directors/Audit Committee and are being implemented.

### 7. Discussion on Financial Performance with respect to Operational Performance

During the year under review, Sales amounted to Rs 5,102.4 million, representing an increase of 14.7% over Last Year and Profit Before Tax stood at Rs 874.4 million as compared to Rs 871.1 million Last Year. The focus during the year was on organic growth, revitalizing performance of our existing brands and portfolio, and to drive prescription share and our volume base. The Profits continued to be under pressure due to the impact of levy of Excise Duty on Maximum Retail Price (MRP) and rising input cost and freight charges due to higher oil prices. However, your Company has taken a number of measures to sustain the profitability through numerous initiatives including manufacturing reconfiguration, distribution rationalization, investments in training and development and focus on strengthening product portfolio and franchise.

The Company has an investment portfolio of Rs 2,047.0 million generated out of surplus, which is invested in Debt Mutual Funds – Liquid schemes. The Company adopts a conservative approach towards investments and its investment strategy is to ensure safety of capital and liquidity. This strategy is reviewed periodically with investment advisors to optimize returns. While the Company is looking for opportunities for acquisition of suitable Brands, it has also announced a Share Buyback by utilizing funds to the tune of Rs 524.8 million.

Your Company continues to hold the World-Class Class A accreditation initially certified by Oliver Wight, a firm of International repute advising on Business Process improvements. This certification marks our commitment to excellence whereby the company

continuously “raises the bar” and sets a high level of expectations of its business, its people and processes. Your company has opportunities to grow the business, and ensuring sound processes will enable it to achieve objectives with greater speed.

### 8. Material developments in Human Resources/ Industrial Relations

During the year under review the Company has made significant progress towards developing high performance work culture, communicating and living the Abbott Values of Pioneering, Achieving, Caring and Enduring, attracting talent and also developing internal talent.

Key Human Resources initiatives of leveraging internal talent by launching and institutionalising Abbott Talent Development programme, Performance Excellence Training, Values workshop, Training on Framework for making Right Decisions, Expansion of Field force were built into the strategic plan of the Company with an objective to align HR to the business and build value. The Company instils and reinforces its belief of being an equal-opportunity employer.

Initiatives of 2005 of Reward and Recognition programme for employees and Two-wheeler Safety training, were further reinforced.

Total number of Employees as on November 30, 2006 was 894.

For and on behalf of the Board

Vivek Mohan      R A Shah  
Managing Director      Director

Mumbai, February 8, 2007

## Auditors' Report

### To the Members of Abbott India Limited

1. We have audited the attached Balance Sheet of Abbott India Limited, ("the Company"), as at November 30, 2006, 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 Statement on 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 November 30, 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on November 30, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, 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 November 30, 2006;
    - (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,  
February 8, 2007

### 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 and 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. Physical verification of fixed assets is being conducted in a phased programme 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 during the year by the management at reasonable intervals.
  - 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 systems commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There were no transactions in respect of sale of services. 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 transactions 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 with regard to the deposits accepted from the public.
8. In our opinion, the internal audit functions carried out during the year by an external entity 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, Service tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year. Further, since the Central Government has

till date not prescribed the amount of cess payable under Section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

b. According to the information and explanations given to us, details of disputed excise duty and sales tax, which have not been deposited as on November 30, 2006 on account of any dispute are given below:

Nature of Statute	Nature of Dues	Amount Rs. in Millions	Period to which the Amount relates	Forum where dispute is pending
Central Excise Act, 1944	Classification dispute	0.3	1991-1992	Commissioner ( Appeals)
	Modvat credit availed on inputs	0.1	1994	Commissioner
	Modvat credit availed on capital goods	0.03	1994	Assistant Commissioner
	Recovery of amount allegedly refunded erroneously	0.1	2000	Assistant Commissioner
	Demand for excise duty on empty plastic containers	0.05	1998-2002	Assistant Commissioner
	Classification dispute	3.0	2005	CESTAT
		0.2	2006	Assistant Commissioner
	Modvat credit availed on capital goods	0.1	2001	Deputy Commissioner
The Bombay Sales Tax Act, 1959	Disputed Set off	4.0	1999-2000	Sales Tax Tribunal
	Uttar Pradesh Trade Tax Act, 1948	Disallowances of Credit Notes & Form 3D.	0.4	1989-1990 & 1998-1999
	Disallowance of Free offer & Scheme offer.	0.03	1996-1997	Sales Tax Tribunal

There were no disputed dues in respect of Income tax, Custom 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 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 explanations 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 explanations 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

Mumbai,  
February 8, 2007

Membership No. 038568

## Balance Sheet

As at November 30, 2006

	Schedule	Rupees in Millions	As at November 30, 2006 Rupees in Millions	As at November 30, 2005 Rupees in Millions
<b>I. SOURCES OF FUNDS</b>				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital.....	(1)	152.8		152.8
(b) Reserves and Surplus .....	(2)	2,305.3		2,011.6
TOTAL SHAREHOLDERS' FUNDS .....			2,458.1	2,164.4
(2) LOAN FUNDS				
Unsecured Loans.....	(3)		14.1	18.2
(3) DEFERRED TAX LIABILITY (NET)			50.4	53.1
TOTAL.....			2,522.6	2,235.7
<b>II. APPLICATION OF FUNDS</b>				
(1) FIXED ASSETS				
(a) Gross Block.....		705.9		676.2
(b) Less: Depreciation.....		399.6		365.7
(c) Net Block .....		306.3		310.5
(d) Capital Work-in-Progress .....		9.0		1.2
TOTAL FIXED ASSETS .....	(4)		315.3	311.7
(2) INVESTMENTS.....	(5)		2,047.0	1,933.0
(3) CURRENT ASSETS, LOANS AND ADVANCES				
(a) Inventories.....	(6)	547.4		442.1
(b) Sundry Debtors .....	(7)	235.2		200.1
(c) Cash and Bank Balances .....	(8)	131.8		93.5
(d) Loans and Advances.....	(9)	128.3		123.3
		1,042.7		859.0
Less :				
CURRENT LIABILITIES AND PROVISIONS	(10)			
(a) Current Liabilities.....		380.1		374.0
(b) Provisions .....		502.3		494.0
		882.4		868.0
NET CURRENT ASSETS .....			160.3	(9.0)
TOTAL.....			2,522.6	2,235.7
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS .....	(16)			

As per our report of even date

For DELOITTE HASKINS & SELLS  
Chartered Accountants

K A KATKI  
Partner

Mumbai, February 8, 2007

VIVEK MOHAN

R A SHAH

ASHOK DAYAL

KRUPA ANANDPARA

For and on behalf of the Board

Managing Director

Director

Director

Company Secretary

Mumbai, February 8, 2007

## Profit and Loss Account

For the Year ended November 30, 2006

	Schedule	Rupees in Millions	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
<b>I. SALES AND OTHER INCOME</b>				
(a) Sales				
Gross .....		5,405.0		4,710.1
Less: Excise Duty (Refer Note B 19 – Schedule 16) .....		63.8		42.7
Sales Tax/VAT .....		238.8		220.7
Net Sales .....		5,102.4		4,446.7
(b) Other Income .....	(11)	205.3		148.6
			5,307.7	4,595.3
<b>II. EXPENDITURE</b>				
(a) Raw and Packing Materials Consumed .....	(12)	116.7		84.6
(b) Purchase of Finished Goods .....		3,516.4		3,011.4
(c) (Increase)/Decrease in Work-in-Progress and Finished Goods .....	(13)	(99.8)		(138.4)
(d) Manufacturing, Administrative and Selling Expenses .....	(14)	854.4		726.5
(e) Depreciation .....		44.4		39.9
(f) Interest .....	(15)	1.2		0.2
			4,433.3	3,724.2
<b>III. PROFIT BEFORE TAX</b> .....			874.4	871.1
<b>IV. PROVISION FOR TAXATION</b>				
Current Income Tax .....		266.0		278.0
Deferred Tax – (Credit) (Net) .....		(2.7)		(11.6)
Fringe Benefit Tax .....		11.2		13.0
			274.5	279.4
<b>V. PROFIT AFTER TAX</b> .....			599.9	591.7
<b>VI. PRIOR YEARS' ADJUSTMENTS</b>				
Taxation .....			(1.3)	(0.1)
			598.6	591.6
<b>VII. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR</b>			1,658.1	1,435.7
			2,256.7	2,027.3
<b>VIII. APPROPRIATIONS</b>				
(a) Proposed Dividend .....			(267.4)	(267.4)
(b) Corporate Dividend Tax				
For the year ended November 30, 2006 .....			(37.5)	–
For the year ended November 30, 2005 .....			–	(37.5)
For the year ended November 30, 2004 .....			–	(5.1)
(c) Revenue Reserve .....			(59.9)	(59.2)
<b>IX. BALANCE CARRIED FORWARD</b> .....			1,891.9	1,658.1
Earnings Per Share – Basic and Diluted .....			Rs 39.18	Rs 38.72
Face Value Per Share .....			Rs 10.00	Rs 10.00
Profit After Tax available to Equity Shareholders .....			598.6	591.6
Number of Shares used in computing Earnings Per Share – Basic and Diluted .....			15,280,100	15,280,100
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS .....	(16)			

As per our report of even date  
For DELOITTE HASKINS & SELLS  
Chartered Accountants  
K A KATKI  
Partner  
Mumbai, February 8, 2007

VIVEK MOHAN  
R A SHAH  
ASHOK DAYAL  
KRUPA ANANDPARA

For and on behalf of the Board  
Managing Director  
Director  
Director  
Company Secretary  
Mumbai, February 8, 2007

## Cash Flow Statement for the year ended November 30, 2006

	Rupees in Millions	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
<b>A Cash flow from operating activities :</b>			
Net Profit before tax.....		874.4	871.1
Adjustments for :			
Depreciation .....	44.4		39.9
Net Loss/(Profit) on sale of Fixed Assets .....	(0.5)		0.2
Unrealised (Gain)/Loss on Foreign Exchange.....	(0.9)		0.6
Provision for Doubtful Debts/Bad Debts written off.....	*		-
Net Loss/(Profit) on sale of Investments in units of Mutual Funds .....	(5.1)		(0.9)
Write back of diminution in value of Investments in units of Mutual Funds.....	(0.7)		(0.2)
Dividend from the units of Mutual Funds .....	(88.7)		(76.2)
Accruals no longer required written back .....	(9.6)		-
Reversal of Impairment loss recognised during a prior period .....	(5.5)		-
Share buy-back expenses.....	5.7		-
Interest Received (net of payment).....	(4.7)		(0.9)
		(65.6)	(37.5)
Operating Profit before working capital changes.....		808.8	833.6
Adjustments for :			
Trade and other receivables.....	(40.3)		(51.0)
Inventories .....	(105.3)		(143.0)
Trade Payables and other liabilities .....	12.3		36.9
		(133.3)	(157.1)
Cash generated from operations .....		675.5	676.5
Direct taxes paid net of refund .....		(268.1)	(309.4)
Net cash from operating activities .....		407.4	367.1
<b>B Cash flow from investing activities :</b>			
Purchase of Fixed Assets .....		(47.9)	(30.2)
Proceeds on sale of Fixed Assets .....		8.3	0.2
Purchase of Investments in units of Mutual Funds including Dividend Reinvested.....	(1,097.9)		(2,609.0)
Less : Dividend Reinvested.....	88.7		76.2
		(1,009.2)	(2,532.8)
Sale of Investments in Units of Mutual Funds.....		989.7	2,776.7
Interest Received .....		5.9	1.1
Net cash from/(used in) investing activities .....		(53.2)	215.0
<b>C Cash flow from financing activities :</b>			
Repayment of long term borrowings.....		(4.1)	(3.7)
Share buy-back expenses.....		(5.7)	-
Interest Paid .....		(1.2)	(0.2)
Dividends paid (Includes Corporate Dividend Tax) .....		(304.9)	(609.8)
Net cash from/(used in) financing activities.....		(315.9)	(613.7)
<b>D Net increase/(decrease) in Cash and Cash equivalents (A+B+C) .....</b>		38.3	(31.6)
<b>E Cash and Cash equivalents at the beginning of the year.....</b>		93.5	125.1
<b>F Cash and Cash equivalents at the close of the year (D+E).....</b>		131.8	93.5

\* – Less than Rs 0.1 Million.

See Notes attached

## Notes to the Cash Flow Statement for the year ended November 30, 2006

	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
1. Cash and Cash equivalents include :		
Cash and Bank Balances .....	131.8	93.5
Unrealised (Gain)/Loss on Foreign Currency .....	-	*
Total .....	<u>131.8</u>	<u>93.5</u>

\* – Less than Rs 0.1 Million

2. The figures of the previous year are regrouped/rearranged wherever considered necessary.

As per our report of even date

For DELOITTE HASKINS & SELLS  
Chartered Accountants

K A KATKI  
Partner

Mumbai, February 8, 2007

VIVEK MOHAN

R A SHAH

ASHOK DAYAL

KRUPA ANANDPARA

For and on behalf of the Board

Managing Director

Director

Director

Company Secretary

Mumbai, February 8, 2007

## Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2006

	Rupees in Millions	As at November 30, 2006 Rupees in Millions	As at November 30, 2005 Rupees in Millions
<b>1 SHARE CAPITAL</b>			
Authorised :			
16,200,000 (2005 : 16,200,000) Equity Shares of Rs 10 each.....		162.0	162.0
5,800,000 (2005 : 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 (2005 : 15,280,100) Equity Shares of Rs 10 each fully paid-up.....		152.8	152.8
PER BALANCE SHEET .....		<u>152.8</u>	<u>152.8</u>
[9,428,184 (2005 : 9,428,184) Equity Shares are held by Abbott Capital India Ltd, UK the holding company, which is subsidiary of Abbott Laboratories, USA].			
Of the above :			
(a) 99,995 (2005 : 99,995) Equity Shares were allotted as fully paid pursuant to a contract without payment being received in cash.			
(b) 15,099,570 (2005 : 15,099,570) Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium and Revenue Reserve.			
(c) 25,000 (2005 : 25,000) Equity Shares were allotted to the financial institutions on conversion of 5% of Debentures into Equity Shares.			
<b>2. RESERVES AND SURPLUS</b>			
Amalgamation Reserve :			
Balance as per last Balance Sheet.....		3.8	3.8
Capital Reserve :			
Balance as per last Balance Sheet.....		52.3	52.3
Capital Redemption Reserve :			
Balance as per last Balance Sheet.....		9.2	9.2
Revenue Reserve :			
Balance as per last Balance Sheet.....	288.2		229.0
Add : Transferred from Profit and Loss Account .....	59.9		59.2
		<u>348.1</u>	<u>288.2</u>
Surplus as per Profit and Loss Account.....		1,891.9	1,658.1
PER BALANCE SHEET .....		<u>2,305.3</u>	<u>2,011.6</u>
<b>3. LOANS</b>			
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		5.9
– Converted into Long-term interest free Sales tax loan [Repayable within one year Rs 3.9 Million (2005 : Rs 4.2 Million)].....	8.2		12.3
(Refer Note B 20 – Schedule 16)		<u>14.1</u>	<u>18.2</u>
PER BALANCE SHEET .....		<u>14.1</u>	<u>18.2</u>

## Schedules

## Annexed to and forming part of the Balance Sheet as at November 30, 2006

## 4. FIXED ASSETS

	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at November 30, 2005	Additions during the year	Disposals during the year	As at November 30, 2006	As at November 30, 2005	For the year	On Disposals during the year	As at November 30, 2006	As at November 30, 2006	As at November 30, 2005
	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions	Rupees in Millions
Leasehold Land.....	4.8	–	–	4.8	0.7	*	–	0.7	4.1	4.1
Buildings.....	327.1	*	0.6	326.5	146.5	10.7	0.1	157.1	169.4	180.6
Machinery and Equipments	225.5	34.9	11.7	248.7	137.9	17.6	5.0	150.5	98.2	87.6
Furniture, Fittings and Office Equipments.....	104.4	12.6	4.6	112.4	74.3	13.9	4.6	83.6	28.8	30.1
Vehicles.....	14.4	0.5	1.4	13.5	6.3	2.2	0.8	7.7	5.8	8.1
	676.2	48.0	18.3	705.9	365.7	44.4	10.5	399.6	306.3	310.5
Previous year.....	642.5	35.8	2.1	676.2	327.5	39.9	1.7	365.7	9.0	1.2
Capital Work-in-Progress and Advances thereagainst, at cost									315.3	311.7
										PER BALANCE SHEET.....

Notes : 1. Included in buildings is an amount of Rs 2,540 (2005 : Rs 2,540) representing value of shares in co-operative housing societies, of which share certificates of Rs 1,540 (2005 : Rs 1,540) are yet to be received.

2. Additions to the Gross Block Machinery and Equipments includes an amount of Rs 5.5 Million being restoration in the value of Machinery and Equipments which was impaired in the year 2004.

\* – Less than Rs 0.1 Million.

## 5. INVESTMENTS (Refer Note A 7 – Schedule 16)

## IN FULLY PAID SHARES – NON TRADE – UNQUOTED :

1,900 (2005 : 1,900) Equity Shares of Zest Pharmaceuticals Pvt Ltd of Rs 10 each fully paid-up .....

## CURRENT INVESTMENTS

## IN UNITS OF MUTUAL FUND – NON TRADE – QUOTED :

Mutual Fund	No. of Units in Millions	Face Value Rs	Repurchase Price Rs in Millions	Rupees in Millions	As at November 30, 2006 Rupees in Millions	As at November 30, 2005 Rupees in Millions
Birla Cash Plus Institutional Premium Reinvestment (WD).....	34.8	10.00	349.1	348.9	*	*
	(38.9)	(10.00)	(389.7)			
DSPML Liquidity Fund Institutional Plan Reinvestment Option (WD) (Refer Note 1 below).....	0.3	1,000.00	317.4	317.2		–
	(–)	(–)	(–)			
DWS Insta Cash Plus Fund Institutional Plan (WD) .....	38.5	10.00	389.7	388.7		–
	(–)	(–)	(–)			
Grindlays Cash Fund Super Inst. Plan C Reinvestment (MD).....	–	–	–	–		308.4
	(30.8)	(10.00)	(308.4)			
HDFC Liquid Fund Premium Plus Plan Reinvestment (WD) .....	28.3	10.00	351.1	343.7		440.7
	(36.4)	(10.00)	(445.3)			
HSBC Cash Fund Institutional Plus Reinvestment (MD) .....	37.5	10.00	375.5	375.5		321.0
	(32.1)	(10.00)	(321.0)			
HSBC Cash Fund Institutional Plus Reinvestment (WD) .....	–	–	–	–		38.4
	(3.8)	(10.00)	(38.4)			
Prudential ICICI Liquid Plan Institutional Plus Reinvestment (MD).....	16.2	10.00	192.8	192.8		434.9
	(36.5)	(10.00)	(434.9)			
Pru ICICI Institutional Liquid Plan Super Institutional Reinvestment (WD) .....	8.0	10.00	80.2	80.2		–
	(–)	(–)	(–)			
					2,047.0	1,933.0
					2,047.0	1,933.0
					*	*
Aggregate Book Value of Unquoted Investments .....					2,047.0	1,933.0
Aggregate Book Value of Quoted Investments.....					2,055.8	1,937.7
Aggregate Market Value of Quoted Investments.....						
						PER BALANCE SHEET.....

Aggregate Book Value of Unquoted Investments .....

Aggregate Book Value of Quoted Investments.....

Aggregate Market Value of Quoted Investments.....

Notes : (1) In order to meet the requirements of Share Buy Back, a lien is created on DSPML Liquidity Fund Institutional Plan Reinvestment Option (WD) to the tune of Rs 170.0 Million (Refer Note B 2 – Schedule 16).

(2) Figures for the previous year are in bracket.

(3) \* – Less than Rs 0.1 Million.

## Schedules

Annexed to and forming part of the Balance Sheet as at November 30, 2006

	Rupees in Millions	As at November 30, 2006 Rupees in Millions	As at November 30, 2005 Rupees in Millions
<b>6. INVENTORIES</b>			
Stock-in-Trade :			
Raw Materials.....		9.2	8.2
Packing Materials.....		6.1	1.6
Work-in-Progress.....		4.4	4.3
Finished Goods [Refer Note B 15(b) – Schedule 16] .....		527.7	428.0
PER BALANCE SHEET .....		<u>547.4</u>	<u>442.1</u>
<b>7. SUNDRY DEBTORS – UNSECURED</b>			
Debts outstanding for a period exceeding six months :			
Considered Good.....	10.3		–
Considered Doubtful.....	9.2		8.8
	<u>19.5</u>		<u>8.8</u>
Less: Provision for Doubtful Debts.....	9.2		8.8
		<u>10.3</u>	–
Other Debts :			
Considered Good .....	224.9		200.1
Considered Doubtful.....	–		0.7
	<u>224.9</u>		<u>200.8</u>
Less: Provision for Doubtful Debts.....	–		0.7
		<u>224.9</u>	<u>200.1</u>
PER BALANCE SHEET .....		<u>235.2</u>	<u>200.1</u>
<b>8. CASH AND BANK BALANCES</b>			
Cash, Cheques and Stamps on hand .....		0.1	0.1
With Scheduled Banks :			
On Current Account .....		126.5	93.4
On Escrow Account (Refer Note B 2 – Schedule 16).....		5.2	–
PER BALANCE SHEET .....		<u>131.8</u>	<u>93.5</u>
<b>9. LOANS AND ADVANCES</b>			
(Unsecured, Considered Good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received .....		99.1	91.6
(Refer Note B 3 – Schedule 16)			
Sundry Deposits .....		28.2	31.7
Balances with Customs and Excise on Current Account.....		1.0	*
PER BALANCE SHEET .....		<u>128.3</u>	<u>123.3</u>
<b>10. CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities :			
Sundry Creditors .....			0.9
Due to Small Scale Industrial Undertakings (Refer Note B 25 – Schedule 16) ...	36.7		
Others .....	249.9		277.2
Unclaimed Dividends (Refer Note B 26 – Schedule 16).....	22.1		21.2
Other Liabilities.....	71.4		74.7
		<u>380.1</u>	<u>374.0</u>
Provisions :			
For Taxation :			
Current Income Tax less payments of Rs 259.5 Million (2005 – Rs 301.9 Million).....	169.5		161.7
Fringe Benefit Tax less payments of Rs 8.6 Million (2005 – Rs 7.5 Million)	8.1		5.5
For Proposed Dividend .....	267.4		267.4
For Corporate Dividend Tax.....	37.5		37.5
For Gratuity/Pension.....	7.0		8.0
For Leave Encashment .....	12.8		13.9
		<u>502.3</u>	<u>494.0</u>
PER BALANCE SHEET .....		<u>882.4</u>	<u>868.0</u>

\* – Less than Rs 0.1 Million.

## Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended November 30, 2006

	Rupees in Millions	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
<b>11. OTHER INCOME</b>			
Sales Tax set off claims .....		21.2	6.8
Insurance, Customs and Carriers Claims .....		0.8	2.3
Profit on sale of Fixed Assets .....		1.2	–
Profit on sale of units of Mutual Funds .....		5.2	1.8
Interest received on Income Tax refund		5.3	–
Interest received on Deposits and others [Tax Deducted at Source Rs 0.1 Million – (2005 : Rs 0.1 Million)] .....		0.6	1.1
Dividend on units of Mutual Funds .....		88.7	76.2
Miscellaneous Income (Refer Note B 14 – Schedule 16) .....		82.3	60.4
PER PROFIT AND LOSS ACCOUNT .....		<u>205.3</u>	<u>148.6</u>
<b>12. RAW AND PACKING MATERIALS CONSUMED</b>			
Opening Stock :			
Raw Materials .....	8.2		4.2
Packing Materials .....	1.6		1.0
		9.8	5.2
Add – Purchases :			
Raw Materials .....	73.3		62.3
Packing Materials .....	48.9		26.9
		122.2	89.2
		132.0	94.4
Less – Closing Stock :			
Raw Materials .....	9.2		8.2
Packing Materials .....	6.1		1.6
		15.3	9.8
PER PROFIT AND LOSS ACCOUNT .....		<u>116.7</u>	<u>84.6</u>

## Schedules

Annexed to and forming part of the Profit and Loss Account for the year ended November 30, 2006

	Rupees in Millions	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
13. (INCREASE)/DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS			
Opening Stock :			
Work-in-Progress .....	4.3		1.9
Finished Goods.....	428.0		292.0
		432.3	293.9
Less – Closing Stock :			
Work-in-Progress .....	4.4		4.3
Finished Goods.....	527.7		428.0
		532.1	432.3
PER PROFIT AND LOSS ACCOUNT .....		(99.8)	(138.4)
14. MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES			
Salaries, Wages and Bonus.....		236.6	206.1
Contribution to Provident and Other Funds.....		28.4	30.9
Workmen and Staff Welfare Expenses.....		16.9	13.2
Consumption of Stores .....		5.4	5.1
Power and Fuel.....		28.8	27.3
Repairs and Maintenance :			
Buildings.....		3.8	1.8
Machinery .....		4.0	3.5
Others .....		21.5	20.1
Rent.....		13.5	12.3
Insurance.....		10.3	7.4
Rates and Taxes.....		15.6	15.5
Loss on Fixed Assets Sold/Discarded .....		0.7	0.2
Loss on Sale of units of Mutual Fund .....		0.1	0.9
Advertising and Publicity.....		134.4	104.7
Forwarding Charges.....		86.8	62.1
Travelling Expenses.....		97.7	84.5
Discount and Commission on Sales.....		29.6	29.8
Exchange Loss (Net) .....		-	0.8
Bad Debts written off .....	0.3		-
Less : Adjusted against earlier year's provision .....	0.3		-
		*	-
Miscellaneous Expenses (Refer Note B 19 – Schedule 16).....		120.3	100.3
PER PROFIT AND LOSS ACCOUNT .....		854.4	726.5
15. INTEREST			
Income-tax.....		1.0	*
Others.....		0.2	0.2
PER PROFIT AND LOSS ACCOUNT .....		1.2	0.2

\* – Less than Rs 0.1 Million.

## Significant Accounting Policies and Notes

### 16. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT NOVEMBER 30, 2006 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 are recognised when the risk and reward of ownership is passed on to the customers, which is generally on despatch of goods. Sales are stated exclusive of Excise Duty, Sales Tax and are net of Sales Return and Trade Discount.

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 @ 80%. Depreciation on addition/deletion to fixed assets during the year is provided on a pro-rata basis.

Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition.

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

##### 5. Impairment of Assets

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

##### 6. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of monetary items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange difference arising on settlement/translation are recognised in the revenue accounts, except those pertaining to the fixed assets acquired from outside India, which are adjusted to the cost of such fixed assets.

##### 7. 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 fair value.

##### 8. Inventories

Inventories are valued at lower of standard cost adjusted for variances and net realisable value. Cost is determined on First-In-First-Out basis. Cost of work-in-progress and finished goods includes labour and manufacturing overheads, wherever applicable.

##### 9. 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.

## Report & Accounts 2006

### A. Significant Accounting Policies (Contd.)

#### 10. Retirement Benefits

The Company has various schemes of Retirement Benefits such as Provident Fund, Superannuation Fund and Gratuity Fund. 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 and encashment of earned leave on retirement has been provided on the basis of actuarial valuation thereof as at the year end.

#### 11. Excise Duty

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

#### 12. Leases

Lease rentals/Licence fees in respect of assets under Operating Lease are charged off to Profit & Loss Account, as incurred.

#### 13. Taxation

The provision for Income Tax 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/substantively enacted tax rates, as applicable, to the extent that the timing differences are expected to crystallise.

Fringe Benefit Tax has been calculated in accordance with the provisions of the Income Tax Act, 1961.

#### 14. Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made.

Provisions are not discounted and are determined based on best estimate required to settle the obligation at each Balance Sheet date. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

A contingent liability is disclosed where the possibility of an outflow of resources embodying the economic benefits is remote.

## Notes

### B. Notes :

#### 1. Contingent Liabilities :

- (a) In 1996 the Government had made a tentative claim for a sum of Rs 111.2 Million to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 1, 1981 to August 25, 1987. This was contested by the Company and subsequently during the previous year a final demand was received for Rs 34.7 Million (including interest of Rs 19.0 Million upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, decided to contest the above final demand of Rs 34.7 Million. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of Rs 6.8 Million (2005 : Rs 6.4 Million) including interest liability.

- (b) Claims against the Company, not acknowledged as debts in respect of :

	<b>Year ended November 30, 2006 Rupees in Millions</b>	<i>Year ended November 30, 2005 Rupees in Millions</i>
(i) Forwarding charges .....	-	5.9
(ii) Income Tax demand under appeals .....	<b>22.3</b>	-
(c) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) .....	<b>9.7</b>	1.0
(d) In respect of the guarantees issued by the banks.....	<b>6.8</b>	4.0

## Notes

	<b>Year ended November 30, 2006 Rupees in Millions</b>	<i>Year ended November 30, 2005 Rupees in Millions</i>
2. The Company had announced a buyback of 807,360 fully paid Equity Shares of the face value of Rs 10/- each at a price of Rs 650 per share from the existing owners of shares of the Company through the Tender Offer route.  In terms of the Buyback Regulations, the Company has made escrow arrangements in the form of pledging acceptable securities of the value over Rs 170.0 Million in favour of Kotak Mahindra Capital Co. Ltd, the Managers to buyback and deposited a sum of Rs 5.2 Million in an Escrow Account. The Company has also set aside acceptable securities of value exceeding Rs 524.8 Million (Buyback Size), distinct from those provided under escrow arrangements, for the purpose of fulfillment of the obligations of the Company under the Buyback.  The said buyback was kept on hold as the Company had sought an exemption under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended. The Company has been granted the exemption and is taking necessary action for proceeding with the buyback.		
3. Advances recoverable in cash or for value to be received includes :		
(a) 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, Singapore..... [Maximum amount due during the year Rs 0.3 Million (2005 : Rs 0.3 Million)]	–	0.3
(ii) Abbott Healthcare Pvt Ltd, India ..... [Maximum amount due during the year Rs 9.6 Million (2005 : Rs 16.4 Million)]	9.6	3.2
(iii) Abbott Laboratories Intl Co, USA ..... [Maximum amount due during the year Rs 4.6 Million (2005 : Rs 3.7 Million)]	0.1	3.7
(iv) Abbott Logistics BV, Netherlands ..... [Maximum amount due during the year Rs 0.2 Million (2005 : Rs Nil)]	0.2	–
(v) Abbott Australasia Pty Ltd, Australia..... [Maximum amount due during the year Rs 0.9 Million (2005 : Rs Nil)]	0.9	–
(vi) Abbott Laboratories Ltd, Thailand ..... [Maximum amount due during the year Rs 0.9 Million (2005 : Rs 0.2 Million)]	–	–
(b) Amount recoverable from Directors, Managers and Officers of the Company.....	4.1	4.5
4. Payments to Directors :		
(a) Salary, other allowances and performance linked bonus #	13.2	13.0
(b) Contribution to PF & other funds (including provision for the actuarially valued liability in respect of future payment of gratuity amounting to Rs 0.4 Million (2005 : Rs 0.5 Million) # .....	0.5	0.6
(c) Perquisites # .....	5.0	7.3
(d) Director's Fees .....	0.2	0.1
# – current year figures include the remuneration for a whole time director for the period September 18, 2006 to November 30, 2006.		
5. Auditors' Remuneration (Including Service Tax) :		
(a) As Auditors.....	2.7	2.7
(b) Certification .....	*	*
(c) Other Services .....	–	–
(d) Reimbursement of out-of-pocket expenses.....	0.1	0.1
6. 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 pharmaceutical formulations/nutritional products. The registered/licensed capacities for pharmaceutical formulations/nutritional products produced by the Company have therefore not been specified.		

\* – Less than Rs 0.1 Million.

## Notes

		<b>Year ended November 30, 2006 Rupees in Millions</b>	<i>Year ended November 30, 2005 Rupees in Millions</i>
(b) Installed Capacities :			
Pharmaceutical Formulations :	Unit	<b>Quantity</b>	<i>Quantity</i>
Tablets.....	Million	<b>686</b>	<i>450</i>
Liquids.....	Kilo Litre	<b>4,880</b>	<i>5,185</i>
Capsules.....	Million	<b>46</b>	<i>46</i>
Nutritional Products :			
Powder.....	Tonne	<b>–</b>	<i>600</i>

The installed capacities are as on the last day of the Accounting year and are certified by the management of the Company.

(c) Actual Production :			
Pharmaceutical Formulations :			
Tablets.....	Million	<b>161</b>	<i>25</i>
Liquids.....	Kilo Litre	<b>1,658</b>	<i>1,141</i>
Capsules.....	Million	<b>22</b>	<i>29</i>
Nutritional Products :			
Powder.....	Tonne	<b>28</b>	<i>49</i>

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

7. Information in respect of Opening Stock, Closing Stock, Sales and Purchase 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	<b>118.62</b> <i>(208.15)</i>	<b>73.1</b> <i>(79.8)</i>	<b>142.44</b> <i>(118.62)</i>	<b>78.5</b> <i>(73.1)</i>	<b>1,757.58</b> <i>(1,688.79)</i>	<b>1,527.2</b> <i>(1,413.0)</i>
Capsules.....	Million	<b>9.67</b> <i>(5.65)</i>	<b>12.7</b> <i>(5.7)</i>	<b>34.31</b> <i>(9.67)</i>	<b>36.8</b> <i>(12.7)</i>	<b>57.09</b> <i>(48.87)</i>	<b>154.1</b> <i>(131.4)</i>
Liquids.....	Kilo Litre	<b>364.91</b> <i>(488.18)</i>	<b>39.7</b> <i>(45.4)</i>	<b>524.46</b> <i>(364.91)</i>	<b>88.2</b> <i>(39.7)</i>	<b>3,662.89</b> <i>(3,414.24)</i>	<b>880.6</b> <i>(731.8)</i>
Ointments.....	Tonne	<b>0.25</b> <i>(2.35)</i>	<b>0.2</b> <i>(1.5)</i>	<b>0.08</b> <i>(0.25)</i>	<b>*</b> <i>(0.2)</i>	<b>10.58</b> <i>(11.77)</i>	<b>16.7</b> <i>(18.2)</i>
Injectables.....	Thousand	<b>2,087.35</b> <i>(1,204.26)</i>	<b>287.5</b> <i>(150.1)</i>	<b>1,776.09</b> <i>(2,087.35)</i>	<b>303.0</b> <i>(287.5)</i>	<b>17,971.55</b> <i>(15,781.90)</i>	<b>2,465.8</b> <i>(2,095.8)</i>
(ii) Nutritional Products :							
Powder.....	Tonne	<b>0.94</b> <i>(–)</i>	<b>0.3</b> <i>(–)</i>	<b>–</b> <i>(0.94)</i>	<b>–</b> <i>(0.3)</i>	<b>28.96</b> <i>(47.41)</i>	<b>8.2</b> <i>(15.4)</i>
(iii) Others :			<b>8.9</b> <i>(4.8)</i>		<b>10.1</b> <i>(8.9)</i>		<b>49.8</b> <i>(41.1)</i>
Excise Duty.....			<b>5.6</b> <i>(4.7)</i>		<b>11.1</b> <i>(5.6)</i>		<b>–</b> <i>(–)</i>
	Total .....		<b>428.0</b> <i>(292.0)</i>		<b>527.7</b> <i>(428.0)</i>		<b>5,102.4</b> <i>(4,446.7)</i>

Notes : (1) Figures for the previous year are in bracket.

(2) \* – Less than Rs 0.1 Million.

Contd.....

## Notes

## 7. Information in respect of Opening Stock, Closing Stock, Sales and Purchase of Finished Goods (Contd.)

Purchase of Finished Goods	Unit	Year ended November 30, 2006		Year ended November 30, 2005	
		Quantity	Value Rupees in Millions	Quantity	Value Rupees in Millions
(i) Pharmaceutical Formulations :					
Tablets .....	Million	1,684.74	652.5	1,645.81	623.2
Capsules .....	Million	65.86	78.2	30.89	46.8
Liquids .....	Kilo Litre	2,275.36	349.8	2,346.20	269.7
Ointments .....	Tonne	12.37	8.4	12.69	8.7
Injectables .....	Thousand	17,703.85	2,370.5	16,822.89	2,064.4
(ii) Others					
			48.5		45.9
			<u>3,507.9</u>		<u>3,058.7</u>
<i>Add:</i> Reversal of Insurance claims lodged on account of loss of stocks due to flood/fire during the previous year .....					
			8.5		(47.3)
	Total .....		<u>3,516.4</u>		<u>3,011.4</u>

Note : The closing stocks stated above are after adjustments of samples, damages/breakages and expired goods. The difference in closing stock figures derived from opening stock, production, purchases and sales would be due to above factors.

## 8. Consumption of Raw Materials and Packing Materials+ :

Item	Unit	Year ended November 30, 2006		Year ended November 30, 2005	
		Quantity	Value Rupees in Millions	Quantity	Value Rupees in Millions
Active Bulk Ingredients.....	Tonne	976.39	58.8	666.77	52.6
Foils .....	Tonne	43.88	7.0	15.31	3.3
Miscellaneous.....			50.9		28.7
	Total .....		<u>116.7</u>		<u>84.6</u>

+ - Consumption has been arrived at by adding purchases to opening stock and deducting closing stock therefrom and includes Rs 0.6 Million (2005 : Nil) of the materials sold/disposed off during the year.

	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
9. Value of Imports calculated on C.I.F. basis :		
(a) Raw Materials .....	-	1.0
(b) Capital Goods .....	2.3	1.8
(c) Finished Goods.....	214.9	110.2
(d) Consumable Stores.....	0.2	0.4
10. Expenditure in foreign currencies for :		
(a) Sales Promotion Expenses.....	2.6	2.7
(b) Professional Fees.....	0.8	0.7
(c) Others.....	6.1	6.7

Notes

	Year ended November 30, 2006 Rupees in Millions	Year ended November 30, 2005 Rupees in Millions
11. (a) Consumption of Raw and Packing Materials :		
Indigenous – 99.2% (2005 : 99.2%).....	115.8	83.9
Imported – 0.8% (2005 : 0.8%).....	0.9	0.7
	<u>116.7</u>	<u>84.6</u>
(b) Consumption of Stores :		
Indigenous – 96.3% (2005 : 90.2%).....	5.2	4.6
Imported – 3.7% (2005 : 9.8%).....	0.2	0.5
	<u>5.4</u>	<u>5.1</u>
12. Remittances during the year in foreign currency on account of dividend :		
Number of non-resident Shareholders 1 (2005 : 2)		
Equity Shares held on which dividend remitted 9,428,184 (2005 : 9,428,184)		
Dividend remitted for the year ended November 30, 2005 (2005 : November 30, 2004).....	165.0	330.0
13. Earnings in Foreign Exchange :		
(a) Goods exported on FOB basis.....	32.4	33.6
(b) Reimbursement of Insurance and Freight on Exports	0.1	*
(c) Reimbursement of expenses from Affiliates.....	2.9	1.7
14. Miscellaneous Income includes :		
(a) Write back of the diminution in value of Investments in units of Mutual Fund.....	0.7	0.2
(b) Accruals no longer required written back.....	9.6	–
(c) Reversal of the Impairment loss recognised in prior period.....	5.5	–
15. (a) Materials cost, Finished Goods Purchased and Manufacturing, Administrative & Selling Expenses include medical samples manufactured/purchased which, valued at standard cost, amount to Rs 60.4 Million (2005 : Rs 67.0 Million)		
(b) Inventory of Finished Goods includes medical samples which, valued at actual cost, amount to Rs 20.5 Million (2005 : Rs 8.3 Million)		
16. Future obligations for :		
(a) Licence fees in respect of office premises taken on leave and license basis for a period of 33 months, renewable with mutual consent		
– not later than one year.....	2.4	2.4
– later than one year and not later than five years.....	0.4	2.8
(b) Licence fees recognised in the Profit and Loss Account for the year.....	2.4	2.4
17. Deferred Tax Asset/(Liability) consists of :		
Book/Tax Depreciation difference.....	(63.6)	(66.2)
Provision for earned leave.....	4.3	4.7
Provision for doubtful debts.....	3.1	3.2
Provision for excise and sales tax.....	5.8	5.2
Total.....	<u>(50.4)</u>	<u>(53.1)</u>

\* – Less than Rs 0.1 Million

## Notes

Year ended  
November 30,  
2006  
Rupees  
in Millions

## 18. Information regarding Forward Contracts :

(a) Forward contracts outstanding at the Balance Sheet date .....	<b>USD</b>	<b>1,424,589.0</b>	<b>63.7</b>
(b) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.			
(c) Foreign currency exposures as on the Balance Sheet date that have not been hedged by the Company under a forward cover are given below :			
Amounts recoverable in foreign currency from the affiliates .....	<b>USD</b>	<b>27,572.1</b>	<b>1.2</b>
Amounts payable in foreign currency on account of the following :			
– Import of goods for trade.....	<b>USD</b>	<b>122,754.5</b>	<b>5.5</b>
– Import of capital goods.....	<b>USD</b>	<b>6,837.4</b>	<b>0.3</b>
– Amounts payable to affiliates.....	<b>AUD</b>	<b>9,233.0</b>	<b>0.3</b>
	<b>USD</b>	<b>36,840.1</b>	<b>1.6</b>

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December, 2005, which is applicable to the financial periods ending on or after March 31, 2006. Therefore, the figures for the previous year have not been disclosed.

19. Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods. Excise duty of Rs 8.7 Million included in Miscellaneous Expenses under Schedule 14 – Manufacturing, Administrative and Selling Expenses represents mainly the difference in amount of excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as medical samples.
20. Consequent to the sale of the undertaking at Jejuri, Maharashtra, 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 February 11, 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.
21. The Company operates in one business segment i.e. "Pharmaceuticals" and one geographical segment i.e. "Within India". Hence, no separate information for segment wise disclosure is required.
22. Purchase and Sale of Investments during the year ended November 30, 2006 :

## CURRENT INVESTMENTS

## IN UNITS OF MUTUAL FUND — NON-TRADE – QUOTED :

Mutual Fund	Purchases		Cost of Sales	
	No. of units in Millions	Rupees in Millions	No. of units in Millions	Rupees in Millions
Birla Cash Plus Institutional Premium Reinvestment (WD)	<b>11.5</b> <i>(42.8)</i>	<b>115.5</b> <i>(429.4)</i>	<b>15.6</b> <i>(30.3)</i>	<b>156.2</b> <i>(303.7)</i>
Birla Cash Plus Institutional Reinvestment (WD) .....	– <i>(*)</i>	– <i>(0.5)</i>	– <i>(5.6)</i>	– <i>(60.2)</i>
DSPML Liquidity Fund Institutional Plan Reinvestment (WD) .....	<b>0.3</b> <i>(–)</i>	<b>317.2</b> <i>(–)</i>	– <i>(–)</i>	– <i>(–)</i>
DWS Insta Cash Plus Fund Institutional Plan (WD) .....	<b>38.5</b> <i>(–)</i>	<b>388.7</b> <i>(–)</i>	– <i>(–)</i>	– <i>(–)</i>
DSP Merrill Lynch Liquidity Fund Reinvestment (WD) .....	– <i>(0.6)</i>	– <i>(6.9)</i>	– <i>(33.4)</i>	– <i>(413.8)</i>
Grindlays Cash Fund Institutional Plan B Reinvestment (WD) .....	– <i>(13.2)</i>	– <i>(136.5)</i>	– <i>(27.0)</i>	– <i>(277.9)</i>

\* – Less than Rs 0.1 Million

Contd.....

## Notes

22. Purchase and Sale of Investments during the year ended November 30, 2006 : (Contd.)

Mutual Fund						Purchases		Cost of Sales	
						No. of units in Millions	Rupees in Millions	No. of units in Millions	Rupees in Millions
Grindlays Cash Fund Super Inst Plan C Reinvestment (MD) .....						<b>0.4</b> (33.3)	<b>3.7</b> (333.7)	<b>31.2</b> (2.5)	<b>312.5</b> (24.9)
HDFC Liquid Fund Premium Plus Plan Reinvestment (WD) .....						<b>6.8</b> (36.4)	<b>84.2</b> (440.7)	<b>14.9</b> (-)	<b>181.2</b> (-)
HDFC Liquid Fund Premium Plan Reinvestment (D).....						- (9.8)	- (118.6)	- (24.1)	- (290.9)
HSBC Cash Fund Institutional Reinvestment (MD).....						- (7.4)	- (77.7)	- (38.2)	- (399.6)
HSBC Cash Fund Institutional Plus Reinvestment (WD) ....						<b>0.1</b> (6.8)	<b>0.8</b> (68.4)	<b>3.9</b> (3.0)	<b>39.2</b> (30.0)
HSBC Cash Fund Institutional Plus Reinvestment (MD) ....						<b>5.4</b> (41.2)	<b>54.5</b> (413.3)	- (9.2)	- (91.9)
Pru ICICI Institutional Liquid Plan Super Institutional Reinvestment (WD) .....						<b>8.0</b> (-)	<b>80.2</b> (-)	- (-)	- (-)
Prudential ICICI Institutional Liquid Plan Reinvestment (MD) .....						- (1.3)	- (13.0)	- (40.5)	- (420.6)
Prudential ICICI Liquid Plan Institutional Plus Reinvestment (MD) .....						<b>4.5</b> (36.5)	<b>53.1</b> (435.4)	<b>24.8</b> (-)	<b>295.5</b> (-)
Templeton India Treasury Management Account Institutional Plan (WD) .....						- (0.1)	- (133.5)	- (0.1)	- (133.5)
Templeton India Treasury Management Account Regular Plan Reinvestment (WD).....						- (*)	- (1.4)	- (0.3)	- (328.8)
Total .....							<b>1,097.9</b> (2,609.0)		<b>984.6</b> (2,775.8)

\* – Less than Rs 0.1 Million

23. Related Party Disclosure

(a) Parties where control exists :

Ultimate Holding Company  
Holding Company

– Abbott Laboratories, USA  
– Abbott Capital India Limited, UK

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

(i) Fellow subsidiaries

– Abbott Logistics BV, Netherlands  
– Abbott GmbH & Co KG, Germany  
– Abbott Laboratories (Singapore) Pte Ltd, Singapore  
– Abbott Laboratories Intl Co, USA  
– Abbott Equity Holdings Ltd, England  
– Abbott Australasia Pty Ltd, Australia  
– Abbott Laboratories Ltd, Thailand  
– Abbott Laboratories (M) Sdn Bhd, Malaysia  
– Abbott Gesellschaft MBH, Austria  
– Abbott Healthcare Pvt Ltd, India  
– Abbott Laboratories SA, USA  
– Abbott Laboratories SA, UAE  
– Abbott Japan Co Ltd, Japan  
– Abbott Laboratories, Chicago IL

## Notes

## (ii) Key Management Personnel :

Mr V Mohan	– Managing Director
Mr S Jain	– Director – Marketing
Mr R Seth (upto May 31, 2006)	– Director – Finance
Mr R Sonalker (w.e.f. November 16, 2006)	– Director – Finance
Mr A Bhatt	– Director – Human Resources
Mr N Y Katre (upto August 31, 2006)	– Director – Supply Chain
Mr U D Chiniwala	– Head – Finance
Mr A V Chandorkar (upto November 30, 2005)	– Vice President – Human Resources & Administration
Dr Angela Rodrigues	– Regional Medical Director
Mr K M Marfatia	– Head – Legal & Secretarial
Mr L N Neti (w.e.f. July 19, 2006)	– Director – Supply Chain
Mr R Vohra (w.e.f. May 16, 2006)	– Head – Strategy & Business Development
Dr S Acharya	– Head – Quality

## (iii) Relatives of Key Management Personnel :

Mrs V Jain	– Wife of Mr S Jain
Mrs S Chandorkar	– Wife of Mr A V Chandorkar

## (c) Transactions during the year :

Rupees in Millions

Nature of Transactions	November 30, 2006	November 30, 2005
<b>Transactions with the Holding Company during the year</b>		
<b>Dividend Remitted</b>		
Abbott Capital India Ltd, UK	165.0	289.2
<b>Transactions with the Fellow Subsidiaries during the year</b>		
<b>Dividend Remitted</b>		
Abbott Equity Holdings Ltd, England	–	40.8
<b>Sale of Goods</b>		
Abbott Healthcare Pvt Ltd, India	8.2	20.9
Abbott Laboratories Ltd, Thailand	1.6	0.2
<b>Sale of Fixed Assets</b>		
Abbott Healthcare Pvt Ltd, India	6.7	–
<b>Sale of DEPB License</b>		
Abbott Healthcare Pvt Ltd, India	–	1.8
<b>Purchase of Goods</b>		
Abbott Logistics BV, Netherlands	189.0	92.4
Abbott Laboratories Intl Co, USA	25.9	17.8
Others	12.0	8.4
<b>Purchase of Fixed Assets</b>		
Abbott Laboratories, Chicago IL	0.3	–
<b>Reimbursement of professional fees, travel and other expenses from Fellow Subsidiaries</b>		
Abbott Australasia Pty Ltd, Australia	0.9	–
Abbott Laboratories (Singapore) Pte Ltd, Singapore	–	0.1
Abbott Laboratories Intl Co, USA	1.7	1.6
Abbott Laboratories (M) Sdn Bhd, Malaysia	0.1	–
Abbott Logistics BV, Netherlands	0.2	–
Abbott Laboratories Ltd, Thailand	0.1	–
Abbott Healthcare Pvt Ltd, India	0.2	0.2

Contd.....

## Notes

(c) Transactions during the year (Contd.) Rupees in Millions

Nature of Transactions	November 30, 2006	November 30, 2005
<b>Travel, professional fees, MIS charges and other expenses reimbursed to Fellow Subsidiaries</b>		
Abbott Laboratories Intl Co, USA	1.1	0.4
Abbott Australasia Pty Ltd, Australia	0.5	0.2
Abbott Laboratories (Singapore) Pte Ltd, Singapore	–	0.6
Abbott Laboratories Ltd, Thailand	–	0.1
Abbott Laboratories SA, USA	0.8	2.6
Abbott Laboratories SA, UAE	*	–
Abbott Japan Co Ltd, Japan	0.1	–
Abbott Healthcare Pvt Ltd, India	0.1	*
<b>Transactions with the Key Management Personnel &amp; their relatives during the year</b>		
<b>Remuneration</b>		
Mr V Mohan	17.9	20.3
Others	23.6	18.4
<b>Rent</b>		
Mr U D Chiniwala	0.1	0.1
Mr A V Chandorkar	–	0.1
Mrs V Jain	0.1	0.1

(d) Outstanding as on November 30, 2006

Nature of Transactions	November 30, 2006	November 30, 2005
<b>Payable to Fellow Subsidiaries at the year end</b>		
Abbott Laboratories Intl Co, USA	11.3	16.0
Abbott Logistics BV, Netherlands	58.2	25.5
Others	2.4	1.5
<b>Receivables/Deposits from Fellow Subsidiaries at the year end</b>		
Abbott Laboratories Intl Co, USA	0.1	3.7
Abbott Healthcare Pvt Ltd, India	8.8	3.2
Others	1.1	0.3
<b>Receivables/Deposits from Key Management Personnel &amp; their relatives at the year end</b>		
Mr U D Chiniwala	2.8	2.8
Mrs V Jain	2.3	2.3
Mrs S Chandorkar	–	1.0
Others	1.3	1.7

\* – Less than Rs 0.1 Million.

24. The Company has Bank Overdraft arrangement secured by hypothecation of all stocks and book debts.
25. The names of the Small Scale Industrial Undertakings to whom the Company owes a sum for more than 30 days as at November 30, 2006 are given below :
- Komal Pharmaceuticals
  - Rasula Pharmaceuticals & Fine Chemicals
  - Roha Dyechem Pvt Ltd
  - K K Alu Foil
  - M K Industries

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.

## Notes

The Company has not received any intimation from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.

26. 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 November 30, 2006.
27. The revenue expenditure on Research and Development is Rs 20.3 Million (2005 : Rs 15.1 Million).
28. The figures of the previous year are regrouped/rearranged wherever considered necessary.

Signatures to Schedules 1 to 16 which form an integral part of the Accounts.

VIVEK MOHAN

R A SHAH

ASHOK DAYAL

KRUPA ANANDPARA

For and on behalf of the Board

*Managing Director*

*Director*

*Director*

*Company Secretary*

Mumbai, February 8, 2007

## Balance Sheet Abstract and General Business Profile

<b>I. Registration Details</b>		
Registration No.	7330	State Code 11
Balance Sheet Date	30-11-2006	
<b>II. Capital Raised during the year (Amount in Rs Millions)</b>		
<u>Public Issue</u>	NIL	<u>Right Issue</u>
<u>Bonus Issue</u>	NIL	<u>Private Placement</u>
		NIL
<b>III. Position of Mobilisation and Deployment of Funds (Amount in Rs Millions)</b>		
<u>Total Liabilities</u>	3,405.0	<u>Total Assets</u>
		3,405.0
<b>Sources of Funds</b>		
<u>Paid-up Capital</u>	152.8	<u>Reserves &amp; Surplus</u>
<u>Secured Loans</u>	NIL	2,305.3
		<u>Unsecured Loans</u>
		14.1
<b>Application of Funds</b>		
<u>Net Fixed Assets</u>	315.3	<u>Investments</u>
<u>Net Current Assets</u>	109.9	2,047.0
<u>Accumulated Losses</u>	NIL	<u>Miscellaneous Expenditure</u>
		NIL
<b>IV. Performance of Company (Amount in Rs Millions)</b>		
<u>Turnover (including Other Income)</u>	5,307.7	<u>Total Expenditure</u>
<u>Profit/(Loss) Before Tax</u>	874.4	4,433.3
<u>Earning Per Share in Rs</u>	39.18	<u>Profit/(Loss) After Tax</u>
		598.6
		<u>Dividend Rate %</u>
		175%
<b>V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)</b>		
Item Code No. (ITC Code)		Product Description
300431 01		Insulins
300490 29		Antacid
300490 63		Ibuprofen

VIVEK MOHAN	For and on behalf of the Board
R A SHAH	<i>Managing Director</i>
ASHOK DAYAL	<i>Director</i>
KRUPA ANANDPARA	<i>Director</i>
	<i>Company Secretary</i>
	Mumbai, February 8, 2007