ABBOTT INDIA LIMITED | ANNUAL REPORT **2009-2010**

Transforming For Tomorrow

Abbott
A Promise for Life

A Promise for life

Turning Science into Caring

We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century - passionately and thoughtfully translating science into lasting contributions to health.

Our products encircle life, from newborns to aging adults, from nutrition and diagnostics through medical care and pharmaceutical therapy.

Caring is central to the work we do and defines our responsibility to those we serve:

> We advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of health care.
>
> We value our diversity-that of our products, technologies, markets and people-and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of addressing changing health needs.
>
> We focus on exceptional performance-a hallmark of Abbott people worldwide-demanding of ourselves and each other because our work impacts people's lives.
>
> We strive to earn the trust of those we serve by committing to the highest standards of quality, excellence in personal relationships, and behavior characterized by honesty, fairness and integrity.
>
> We sustain success-for our business and the people we serve-by staying true to key tenets upon which our company was founded over a century ago: innovative care and a desire to make a meaningful difference in all that we do.

The promise of our company is in the promise that our work holds for health and life.

Abbott
A Promise for Life

Our **Mission in India**

To be an admired organization and a leader in our core therapy areas by shaping the Continuum of Care and be amongst the 3 fastest growing companies through 2015

Abbott India is the name of a century-old legacy

A legacy of trust that touches lives from infants to ageing adults.

A legacy of drug discovery, manufacture and marketing of products in the pharmaceutical, nutritional, hospital and diagnostic segments.

Our products and services span the continuum of care from prevention and diagnosis to treatment and cure.

In all these years, we have evolved our operations to move ahead with changing times, closely identifying critical areas of intervention and developing solutions to enhance affordable healthcare.

Abbott India's people, products and processes have made this journey fulfilling, drawing strength from our values: Pioneering, Achieving, Caring and Enduring.

We reaffirm our commitment to these values, even as we brace ourselves to penetrate newer markets, adopt advanced technologies and expand the circle of wellness to many more lives.

Across **the report**

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

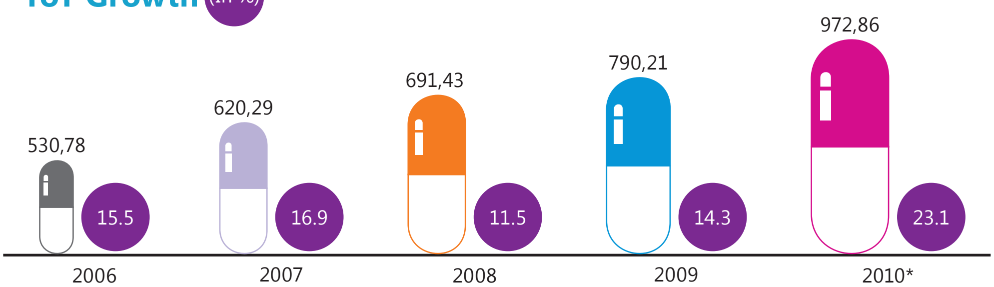
Performance **at a Glance**

We are amongst the fastest growing companies in the Indian pharmaceutical market. Our significant focused investment in people, products, processes and programs are expected to drive sustainable growth and value creation through 2015.

Total Revenue (Rs. Lakhs)

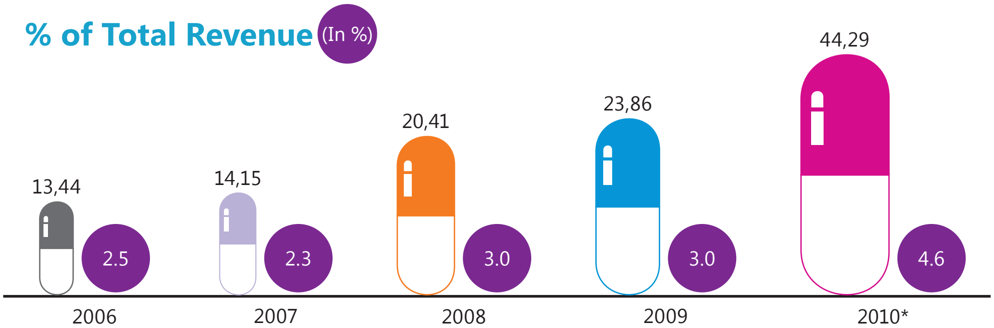
CAGR 16.4%

YoY Growth (In %)



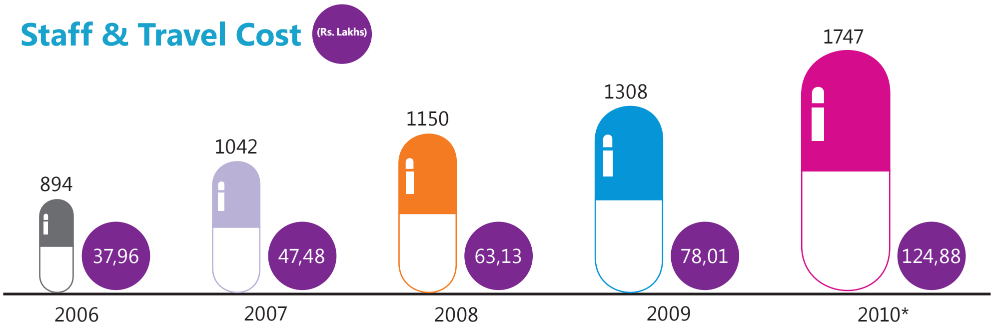
Advertising and Publicity (Rs. Lakhs)

% of Total Revenue (In %)



Headcount (Nos)

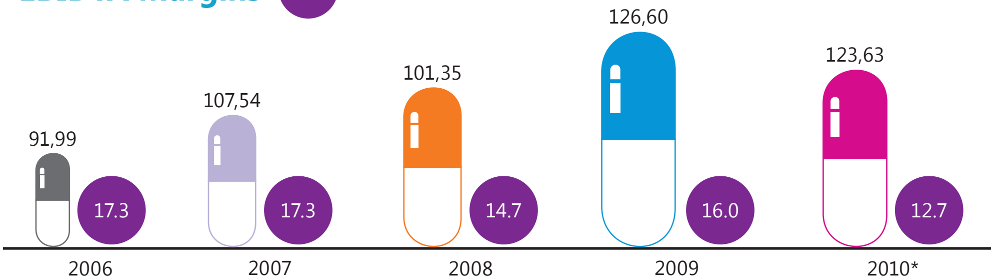
Staff & Travel Cost (Rs. Lakhs)



* To make the figures comparable, 2010 numbers are for 12 months ending November 30, 2010

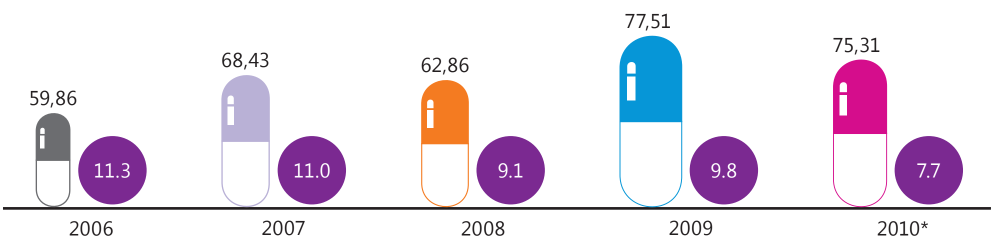
EBIDTA (Rs. Lakhs)

EBIDTA Margins (In %)



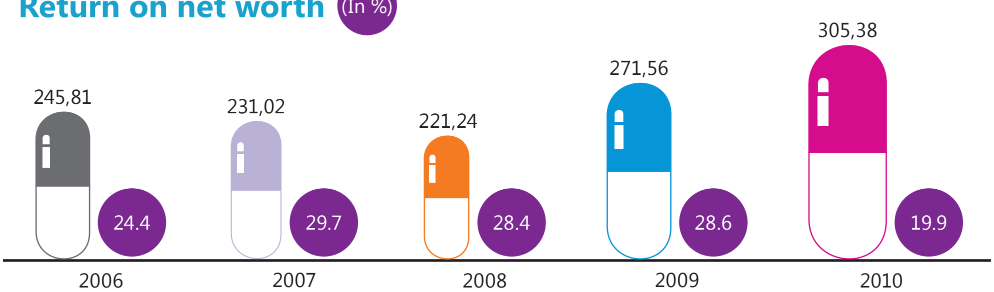
PAT (Rs. Lakhs)

PAT Margins (In %)



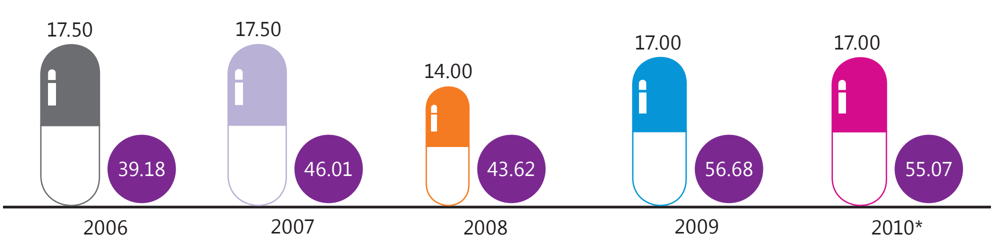
Net Worth (Rs. Lakhs)

Return on net worth (In %)



Dividend (Rs. per share)

EPS (Rs.)



* To make the figures comparable, 2010 numbers are for 12 months ending November 30, 2010

Strong pillars **of philosophy**

Vision

To be the world's premier health care company

Mission

To be an admired organization and a leader in our core therapy areas by shaping the Continuum of Care and be amongst the 3 fastest growing companies through 2015

Strategy

- Institutionalize the Continuum of care model as the central strategic foundation driving market creation activities
- Strengthen Brand marketing skills and scale up self generating demand models for patient capture launched in 2010
- Strengthen leadership capabilities and implement HR practices that will inspire and empower employees to contribute to organizational development over time
- Promote productivity improvement lead growth
- Shape KOL management programs and invest in building a scientific platform for dialogue with target customers
- Integrate legacy Solvay operations with those of Abbott

Dedication

To customers, shareholders, employees, suppliers and other stakeholders

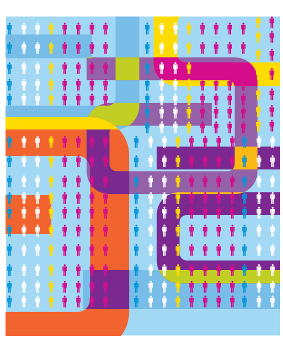
Backed by rich parentage

1888

Abbott was founded by a young Chicago physician, Dr Wallace Calvin Abbott

90,000+

People form a part of the Abbott family



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Countries where Abbott has its footprint

Abbott, is a company that focuses on turning science into caring – **ABBOTT, A Promise for Life.** For more than a century, Abbott has been working to advance health care for people around the world.

Abbott has evolved globally into a diversified health care company that discovers, develops, manufactures and markets innovative pharmaceutical, diagnostic, nutritional and hospital products. Products and services of Abbott span the Continuum of Care, from prevention and diagnosis, to treatment and cure.

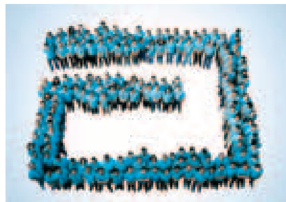
Abbott India

1910

Abbott established presence in India

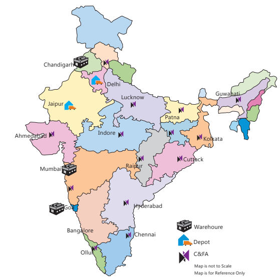
1,750+

People form a part of the Abbott India family



India

Headquarters in Mumbai
Presence across India



Business divisions

Primary Care

Markets products in the areas of Pain Management, Gastroenterology, with well-known brands like Brufen, Digene, Cremaffin

Specialty Care

Catering to the areas of Metabolics and Urology, providing solutions in the field of Thyroid, Diabetes and Benign Prostatic Hyperplasia. Neuroscience has a varied portfolio, with specialty products in the Neurology and Psychiatry segments

Hospital Care

Offers products in the field of Anesthesiology and Neonatology, namely Forane, Sevorane and Survanta

Super Specialty Care

Markets products in the therapy area of liver care. Heptral is the first and only brand of Ademetionine (SD4 salt) which has been approved in India as a drug by the DCGI

Prominent brands

Brufen, Cremaffin and Digene are some of the heritage brands which have become household names in India. Epilex, Ganaton, Prothiaden, Sevorane, Survanta, Thyronorm and Zolfresh are among the other prominent market-leading brands.

Extensive presence

Abbott India, today has strong brand equity and commands esteem in the market place. It has a network of **17 distribution points, which cater to 4,000 stockists and 100,000 retailers.** Behind Abbott India's success, is a team of competent, committed people, driven by the principles of value-based management, and aided by strong alliances and partnerships.

Go Go Go **The Journey of Transformation**

Vivek Mohan
Managing Director

At the dawn of the 100th year of presence in this great country, Abbott decided to accelerate business growth by actively shaping the market opportunities in India. Your leadership team did a great job of first creating a blueprint for driving higher levels of growth and then translating the plan into reality through an intense focus on performance management and efficient execution of strategies. Their impact can be gauged from the fact that the business grew by more than 20% over the preceding period. This growth rate happens to be the highest Abbott has recorded in the last decade. The key driver of growth has been our ability to optimize and leverage investments in people, products, processes and programs. The business also benefited from the expansions in market coverage, introduction of new models for demand generation and enhancement of organizational capabilities.

I take great pride in informing you that over the course of the year a new dynamism emerged within your company - one that learnt to challenge the status quo. The rallying cry of "Go Go Go" epitomized the new organizational philosophy of making things happen. The performance of the teams has been exemplary, be it in terms of the record number of new product introductions, improving field force productivity, hiring of about 500 sales personnel or making one of the finest new product introductions in the Indian Pharmaceutical Market (IPM). In essence, 2010 marked the beginning of Abbott's transformational journey in India from "manpower to mindpower" as a key lever for driving growth.

Some of the disease areas in which Abbott operates are woefully underserved: like hypothyroidism, sleep disorders and epilepsy. Market creation is thus an imperative for driving brand growth. Armed with a deep understanding of the market dynamics for chronic ailments, the Company's leadership teams conceptualized and implemented a holistic business framework for market creation called the Continuum of Care paradigm. The central tenet of the Continuum of Care model is the active creation of a patient pool by increasing awareness, and a single platform for facilitating detection and diagnosis, treatment and compliance. We collaborated and partnered with doctors and healthcare providers to operationalize this approach aimed at improving patients' lives. Brands such as Thyronorm and Zolfresh recorded extraordinary growths of 44% and 23% respectively, with Thyronorm breaking into the elite league table of the top 100 brands in the IPM.

ActivationTEAM
Shaping Thyroid & Obesity Therapy

Our heritage brands were successfully driven through innovative lifecycle management efforts, which revitalized the brands' identity and reenergized their relevance to doctors and patients as best-in-class therapies. As a result, our heritage brands such as Digene and Cremaffin grew by 19% and 17% respectively.

The year 2011 promises to be another landmark year of accelerated business growth. We will continue to drive the transformational agenda which we began last year to prepare the organization to meet the challenges for our next century in India. We look forward to another exciting year.

Best Regards,

Vivek Mohan

Transforming **for Tomorrow**

Products - **Transformed for Tomorrow**

Digene: Providing reliable and fast relief from hyperacidity

Digene

- Digene is leading the antacid market for the last six decades and enjoys the numero uno position *(Source: ORG IMS),* thanks to ceaseless innovation aligned to customer aspirations
- First brand to offer a coating protection to the patients by adding sodium carboxy methyl cellulose, in response to consumer needs
- First brand to introduce different flavours, to provide taste options for consumers
- Introduced unique international packagings to remain contemporary
- Selected among the top ten health brands by Synovate, an independent research agency
- Also selected among the top 100 power brands in India
- Digene Fast Melt (dissolves in mouth and relieves acidity instantly) launched in August 2010
- These scientific and consumer-friendly innovations have been acclaimed by external agencies like the Indian Medical Association

Frontrunner

- The first antacid to demonstrate anti-flatulent activity
- The first antacid to provide coating protection

Prothiaden

- Prothiaden operates in the category of anxieolytic antidepressants in the CNS market
- Was launched in 1987 and leading this market ever since with a promising future
- The leadership was maintained through incremental prescriptions in anxiety and depression from psychiatrists and physicians
- Rejuvenating itself through the launch of new sales pack like Prothiaden 50 and Prothiaden compliance pack
- Obtained approval for promotion in chronic pain, which will open up new growth opportunities

Brufen

- Launched in 1974 and the franchise has progressed from medicine to Paincare in last two decades
- Brufen is one of the largest selling non-steroidal anti-inflammatory drugs (NSAIDs) in India
- Offers powerful analgesic and anti-inflammatory action for speedy relief from pain and inflammation
- Has emerged as one of the top five analgesics, a testimony to its trusted and time-tested efficacy and safety
- Recommended for its analgesic and anti-inflammatory effect in the treatment of articular, non-articular, rheumatic conditions and soft tissue injuries
- Brufen's progression in Paincare reflects a wide product diversity: Bruspaz, Brugel, Brufen junior, Brufen MR

Cremaffin

- Cremaffin is the No. 1 laxative in India, launched in 1952; available in two variants: Cremaffin and Cremaffin Plus
- Launched Cremalax, a stimulant laxative to treat biscodyl and senna cause abdominal pain, watery stools and loss of electrolytes
- Cremaffin Plus is indicated in treatment to avoid straining in patients with anorectal disorders in haemorrhoid, anal fissures, weak and bedridden and pre- and post-operative cases
- Cremadiet, a Fibre Supplement, is used for the treatment and prevention of constipation in the elderly, pregnant women, patients with cardiovascular disease and irritable bowel syndrome
- Launched Cremagel, a gel for the treatment of anal fissures and Cremahep, a Lactitol monohydrate indicated in treatment of chronic constipation to capitalize on growing Lactulose market

Primary **Care**

Key products

Cremaffin

- The Cremaffin range is the leader in Laxatives market; the Company added two new launches, Cremagel and Cremahep.

Surbex (XT)

- Treatment of Vitamin B complex deficiency states; helps to meet the increased demands of the body during illness and aids recovery during convalescence.

Ganaton

- Treatment of gastrointestinal symptoms of gastric fullness, upper abdominal pain, anorexia, heartburn, nausea and vomiting in non-ulcer dyspepsia or chronic gastritis.

Brufen

- Brufen is indicated for its analgesic and anti-inflammatory effect in the treatment of rheumatoid arthritis, spondylitis, frozen shoulder, low-back pain and soft-tissue injuries, such as sprains and strains. Brufen is also indicated for the relief of muscular pain, neuralgia and for the reduction of fever.

Brugel

- Brugel is a topical analgesic anti-inflammatory preparation for the relief of acute and chronic backache, muscular pain, bursitis, tendinitis, sprains, strains and contusions.

Hospital **Products Division**

Key products

Sevorane / Sevoflurane

- For induction and maintenance of general anaesthesia in adult and paediatric patients, for in-patient and outpatient surgery. Sevorane provides smooth, rapid induction as well as rapid emergence from anaesthesia.

Forane

- Forane may be used for the induction and maintenance of general anaesthesia. Forane can also be used for sedation of ventilated patients in Intensive therapy units for upto 48 hours.

Survanta

- SURVANTA is indicated for prevention and treatment (rescue) of Respiratory Distress Syndrome (RDS) (Hyaline Membrane Disease) in premature infants. SURVANTA significantly reduces the incidence of RDS, mortality due to RDS and air leak complications.

Anetol IV

- Anetol is indicated for pain management after surgical procedure in operating room.

Specialty **Care**

Metabolics

Thyroid care

Thyrocab

- Thyrocab is carbimazole indicated for the management of hyperthyroidism.
- It is available in three different strengths (5, 10 & 20 mg tablets.

Thyronorm

- Normalises thyroid function, restores the pace of life.
- Thyronorm is available in the widest range of 11 SKU's.
- Thyronorm is the flag bearer for the division and continues to drive the market through pioneering initiatives, precise dosing being one of them.

Thyrowel

- Multivitamin, with Minerals and L-tyrosine
- Thyrowel is indicated in management of micronutrient deficiencies in thyroid disorder.

Diabetes care

Obimet

- Obimet is the first choice antidiabetic for obese diabetics. Obimet minimises the risk of hypoglycaemia.

Obimet GX

- Superior glycemic control with extra advantage
- Obimet-GX is the first choice anti-diabetic in cases of inadequate diabetes control with monotherapy. It reduces Insulin resistance and has beneficial effects on lipid profile.

Triobimet

- A triple drug combination is targeted at helping uncontrolled diabetics achieve tight glycemic control.
- For this category of patients, Hba1c which is the gold standard for measuring glycemic control is being provided at a very affordable price to enable better glycemic control.

Specialty **Care**

Neuroscience

Zolfresh

- Zolfresh is indicated for the short-term treatment of insomnia.
- A specific sleep restoring therapy for a good night's sleep and a fresh morning

Epilex

- Epilex represents Abbott in the Epilepsy segment
- Abbott India since then has launched new SKUs and new formulations to keep it market relevant
- Epilex 500 launched in 1999 and Epilex Chrono (the controlled release formulation) in 2000
- Thanks to our continued focus on Contninuum of Care, Epilex Chrono is today the No 3 brand in its category
- It continues to be a key focus brand for Abbott and a key driver for our Epilepsy franchise

Consumer **Healthcare (OTC Products)**

Digene

- No. 1 antacid in India with a market share of 35% *(Source: ORG IMS)*
- Registered tremendous growth of 16% in 2010
- Available in both tablet and liquid form; and in different flavors Mint, Orange, Mixed Fruit and Strawberry
- Launch of a new SKU (100 ml) for the mixed fruit flavor; aimed at penetrating the interior and rural markets

Digene Fastmelt

- Available in the form of mouth dissolving granules.
- Available in two flavors; Lime Lemon Twister and Jeera Blackcurrant
- Does not require water and gives a refreshing soothing taste with a cool feeling

Super Specialty **Care**

Abbott forayed into the liver care sector by launching the Hepatic care division in 2010. The Company endeavours to establish a long-term scientific partnership with gastroenterologists and other stakeholders engaged in liver care. Abbott took the first step towards this objective by introducing Heptral - our leading international hepatoprotector. Heptral's initial market response has been very positive, and has made it one of the best product launches in the century-old history of Abbott India. Heptral is the first and only brand of Ademetionine (SD4 salt) approved in India by the DCGI. With our commitment serving patients and doctors in this therapy area, we aspire to become a market leader in liver care.

Initiatives taken in Hepatic care comprise:

- Setting up of the Hepatic care division with recruiting and training programs
- Launch of national and regional advisory boards; five advisory board meetings held
- Three-city international speaker tour with Dr. S. Barve from the University of Louisville

New **Launches**

With the launch of its Super Specialty Care division in 2010 Abbott has entered the therapy area of liver care. Abbott's endeavour is to establish a long term scientific partnership with gastroenterologists and other stakeholders engaged in liver care.

The first step towards this objective was taken with the launch of Heptral - Abbott's leading international hepatoprotector.

Heptral is the first and only brand of Ademetionine (SD4 salt) which has been approved in India as a drug by the DCGI.

Abbott is committed to serving patients and doctors in this therapy segment and is taking steps towards being the market leader in liver care.

Digene Fastmelt

Digene Fastmelt melts in one's mouth without water, providing instant relief from acidity. It is available in two flavours: Lime Lemon Twister and Jeera Blackcurrant. Fastmelt has a herbal formulation and primarily targets young people who lead frenetic and stressful lives. It won the 'Best Packaging' award from the Indian Institute of Packaging.

Cremagel and Cremahep

- Cremaffin range is leader in laxatives.
- As a therapy shaping initiative, primary care added two new launches; Cremagel and Cremahep.
- Cremagel aimed at treating Anal Fissures, extends the Crema equity into a new market.
- Cremahep is the new age laxative for customers who seek newer drugs; Cremahep promises to manage chronic constipation.

Surbex Osteo

- Surbex Osteo: Expanding the equity of trusted vitamins formulations Surbex XT, Surbex Osteo, is Primary Care's initiative to enter chronic therapy, management of Osteoporosis /Osteopaenia.

People

Our People are our Future

As India's leading pharmaceutical company, we hire
best-in-class people
with talent, passion and integrity.

At Abbott, people are our priority;
we empower them to excel and develop
to the full extent of their potential.


SMAC

Processes

The Lakshya Connect initiative reflects our sensitivity towards our people:

- First and only Company in India to distribute Net Books to the entire field force
- Fastest rollout encompassing 1100 Representatives and Managers – a benchmark in the Indian pharmaceutical industry and amongst all Abbott affiliates
- SFA-compliant database of over 200,000 doctors and 150,000 retailers
- Release of SEED (Sales Force Automation E Education Interactive CD) to facilitate training
- Setting up of Local Training Server for ease of SFA training
- Launch of Lakshya Connect Newsletter series

Class A is an esteemed benchmark, which involves synergies between People, Processes and Tools

- All time high re-certification score of 4.3 / 5 in July 2010
- Abbott India ranked 1st in Asia and 2nd globally across all AI pharma affiliates
- Significant improvement across almost all parameters of process recertification

The organization has decided to go for business processes re-engineering and implement SAP ERP Package to replace fragmented IT systems which so far were sufficient to take care of the business needs but going forward will not be able to support the information flow and timelines required to support the Company's aggressive growth and expansion plans.

CFA Performance Evaluation:

To establish a Performance Evaluation and Monitoring System, which will aim at instilling a performance excellence culture, for all the CFA's in the logistics & distribution network.

CFA Performance Evaluation - Top 5 CFAs

2008			2009		
Rank	Location	Percentile	Rank	Location	Percentile
1	Lucknow	94.0%	1	Ahmedabad	99.0%
2	Guwahati	93.8%	2	Guwahati	97.7%
3	Ahmedabad	93.4%	3	Patna	96.7%
4	Secunderabad	93.1%	4	Bangalore	96.7%
5	Patna	91.4%	5	Lucknow	96.1%

Expense Control & Monitoring System

Expense Control & Monitoring System is a tailor-made application designed to meet our complex requirement of Actual Expense tracking w.r.t its Plan/Update.

This Application provides with various analytics, dashboards & MIS reports leading to easy monitoring, increased visibility & enhanced delivery schedule.

Corporate **Social Responsibility**

The Chairman of Rotary's India National PolioPlus Committee, Deepak Kapur, said:

"We are truly overjoyed to be in a strong partnership with Abbott India in hosting the Mega Wellness Camps throughout the country. For the past year and a half, alongside Rotary, Abbott India has dedicated its resources to help make medical health treatments accessible to various communities in need throughout India. Our partnership with Abbott is an extension of Rotary's overall public health initiatives in India and one we believe will be in place for a long time to come."





Shaping the **Continuum of Care**

Col. (Retd.) R S Vishwen, Chief Executive, Life Line Express, Impact India Foundation, said:

"Abbott Neurosciences tremendous support in promoting the epilepsy detection and treatment camps has helped bring epilepsy out of the shadow for hundreds of families in the remote towns of Babrala, Umaria, Dahanu, Sasaram etc. They have continuously strived to dispel myths and improve the quality of life of people with epilepsy ably supported by patient education, counseling and free medications to the needy patients. We look forward to more such initiatives in the field of Epilepsy."

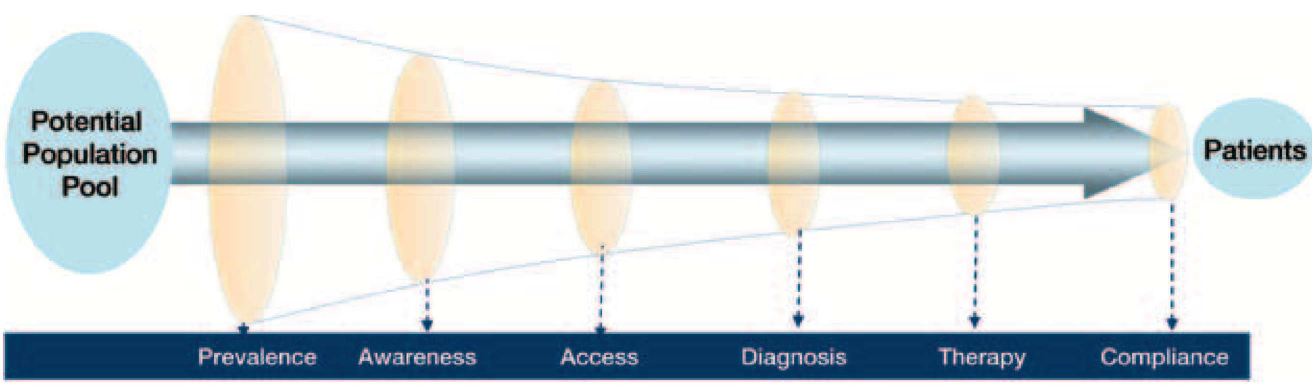










Ten Years **Financial Highlights**

	2001 *	2002	2003	2004
Operating Results				
Sales And Other Income	326,00.42	369,43.83	390,55.78	462,60.95
Materials	191,37.63	210,97.90	221,82.82	249,01.89
Salaries, Bonus And Staff Welfare	18,57.12	20,36.33	22,81.00	24,38.88
Manufacturing, Administrative and Selling Expenses	46,88.28	47,88.03	46,37.48	47,41.86
Depreciation	4,47.88	5,31.59	4,38.60	4,16.99
Interest	12.31	12.53	10.93	16.76
Profit Before Tax And Extraordinary Item	64,57.20	84,77.45	95,04.95	137,44.57
Extraordinary Item - Expenditure/(Income)	-	3,14.46	-	-
Provision For Taxation	15,88.02	25,94.21	27,07.50	35,19.25
Profit After Tax And Extraordinary Item	48,69.18	55,68.78	67,97.45	102,25.32
Retained Earnings	30,83.94	36,24.78	5,29.27	41,78.36
Earnings Per Share - Basic & Diluted (Rs)	30.06	33.88	43.39	66.92
Dividend Per Share (Rs)	10.00	12.00	35.00	35.00
Financial Summary				
Assets Employed				
Fixed Assets (At Cost)	72,95.56	64,24.96	64,87.35	64,24.52
Fixed Assets (Net)	41,70.39	36,01.91	33,45.91	32,51.56
Current Assets (Net)	89,84.69	133,39.82	115,23.42	157,94.82
Total Assets	131,55.08	169,41.73	148,69.33	190,46.38
Financed By				
Share Capital	16,20.00	16,20.00	15,28.01	15,28.01
Reserves And Surplus	112,96.61	150,86.63	131,21.24	172,99.60
Total Shareholders' Funds	129,16.61	167,06.63	146,49.25	188,27.61
Borrowings	2,38.47	2,35.10	2,20.08	2,18.77
Debt : Equity	-	-	-	-
Number Of Shareholders	14,699	14,356	13,747	14,792

Rs. in Lakhs

2005	2006	2007	2008	2009	2010 #
459,52.97	530,77.50	620,28.97	691,43.31	790,20.59	102,587,.06
295,75.89	353,33.25	408,48.19	454,61.40	504,15.59	64,730.74
25,01.94	28,18.73	35,34.58	48,92.16	62,37.01	11,119.65
47,64.54	57,26.71	68,92.50	86,54.36	97,07.96	16,193.27
3,97.83	4,43.58	5,65.55	6,98.39	9,01.41	1,125.03
2.19	12.43	1.58	2.23	20.25	3.87
87,10.58	87,42.80	101,86.57	94,34.77	117,38.37	9,414.50
-	-	-	-	-	-
27,94.19	27,56.85	33,43.11	31,48.32	39,87.35	3,320.98
59,16.39	59,85.95	68,43.46	62,86.45	77,51.02	6,093.52
28,16.20	29,36.90	39,66.18	40,46.55	50,31.13	3,382.61
38.72	39.18	46.01	43.62	56.68	44.56
17.50	17.50	17.50	14.00	17.00	17.00
67,61.46	70,59.11	80,05.19	98,71.65	107,10.36	11,820.78
31,17.21	31,52.91	36,30.83	50,62.92	49,14.73	5,056.98
187,08.32	215,68.55	195,74.06	171,37.85	222,40.89	25,481.25
218,25.53	247,21.46	232,04.89	222,00.77	271,55.62	30,538.23
15,28.01	15,28.01	14,47.27	13,67.52	13,67.52	1,367.52
201,15.80	230,52.71	216,54.93	207,56.97	257,88.10	29,170.71
216,43.81	245,80.72	231,02.20	221,24.49	271,55.62	30,538.23
1,81.72	1,40.74	1,02.69	76.28	-	-
-	-	-	-	-	-
14,029	14,905	14,152	13,689	13,422	14,461

* Figures in 2001 are for 11 months
# Figures in 2010 are for 13 months

While we cherish diverse traditions,
at Abbott we believe in only one tradition
Tradition of Pioneering

While we speak different languages,
at Abbott we speak only one language
Language of Achieving

While we may come from diverse cultures,
At Abbott we are driven by only one culture
Culture of Caring

While we have been in India
for 100 years, we consider this as
the beginning of a journey
A Commitment to Enduring

While we come from different backgrounds,
at Abbott we all become One Abbott
And therefore we can proudly say

I am Abbott

I am the Future

Notice

Notice is hereby given that the Sixty-Seventh Annual General Meeting of Abbott India Limited will be held at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021 on Wednesday, April 27, 2011 at 10.30 a.m. to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at December 31, 2010 and the Profit and Loss Account for the Thirteen months period 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 a Director in place of Mr Thomas Dee, who retires by rotation and, being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business:

6. To appoint a Director in place of Mr Ramon F Neira Hoyos, who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting, but being eligible offers himself for appointment.
7. To appoint a Director in place of Mr Kaiyomarz Marfatia, who was appointed as an Additional Director and holds office up to the date of this Annual General Meeting, but being eligible offers himself for appointment.
8. 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 Kaiyomarz Marfatia as a Whole-time Director of the Company for a period of five (5) years from March 01, 2011 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 authorised 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 Kaiyomarz Marfatia.

By Order of the Board

Mumbai,
February 28, 2011

Krupa Anandpara
Company Secretary

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 Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from April 21, 2011 to April 27, 2011 (both days inclusive).

iii. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before May 26, 2011 to the Members whose names appear on the Register of Members as on April 27, 2011 and to the Beneficial Owners of the shares as on April 20, 2011, as per details furnished by the Depositories for this purpose.

iv. 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.

v. As per RBI Notification, the remittance of money through ECS has been replaced by National Electronic Clearing Service (NECS). NECS essentially operates on the new and unique bank account number, allotted by banks. In order to avail the facility of NECS, Members holding shares in physical form are requested to furnish 10–digit Bank Account Number allotted to you by your bank, in the requisite form sent herewith, alongwith a photocopy of a cheque pertaining to the concerned account.

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.

vi. 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 November 30, 2002 has been transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants for the year ended November 30, 2003 or thereafter are requested to write to the Company/Registrars & Share Transfer Agents for issue of demand drafts for the same.

vii. The Company, in compliance with new Clause 5AII of the Listing Agreement, will send reminders in respect of shares which are lying unclaimed with the Company. The same shall be transferred to Unclaimed Suspense Account in case no response is received after sending three reminders at the address given and shall be dematerialised.

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.

By Order of the Board

Krupa Anandpara
Company Secretary

Mumbai,
February 28, 2011

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No 6

Mr Ramon F Neira Hoyos was appointed as an Additional Director with effect from March 09, 2011. 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 Neira as a Director of the Company liable to retire by rotation.

Mr Neira joined Abbott Laboratories ("Abbott") in 2001 as Finance Director, Colombia, Abbott International. He has held several positions at Abbott including Finance Director, Switzerland, Area Finance Director, Puerto Rico, GPO.

Mr Neira assumed his current role as Area Finance Director, AI-RICC in Singapore in November 2008. Prior to joining Abbott, he held positions as Finance Director for Sony Music Columbia and Manager, Finance for Pfizer/Warner Lambert Inc, Puerto Rico.

Mr Neira has a Bachelor Degree in Industrial Engineering and attended Virginia Tech, The R.B. Pamplin College of Business where he received his Masters in Business Administration.

In view of rich experience of Mr Neira in the finance stream, which will be of immence help to the Company, the Board recommends his appointment.

None of the Directors, except Mr Ramon F Neira Hoyos is concerned or interested in the resolution at Item No 5 of the accompanying Notice.

Item Nos 7 & 8

Mr Kaiyomarz Marfatia was appointed as an Additional Director and Whole-time Director of the Company with effect from March 01, 2011. 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 Marfatia as a Director of the Company not liable to retire by rotation.

Mr Marfatia is a qualified law professional from Government Law College, Mumbai. He has over 30 years of experience in the legal and compliance streams, of which almost 15 years have been with Abbott India Limited.

Mr Marfatia joined the Company (then known as Knoll Pharmaceuticals Ltd) in June 1996 and is currently heading the Legal & Secretarial Division of the Company. He is in charge of the statutory compliance for the Company and also two other Abbott Group Companies in India. He has overall responsibility of pharmaceutical business. He advises and provides strong legal support to various other Abbott businesses in India. He has played a vital role in the acquisition of various brands and businesses and handled cross functional projects such as manufacturing reconfiguration / optimisation and corporate restructurings.

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

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

1. Mr Marfatia shall serve the Company for a period of five years commencing from March 01, 2011 as Director – Legal & Secretarial, subject to the employment being previously determined in pursuance of any of the provisions of this Agreement.
2. As Whole-time Director, Mr Marfatia 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. During his employment pursuant to this Agreement, Mr Marfatia 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. During the period of his employment with the Company, Mr Marfatia shall, whenever required to by the Managing Director and/or the Board, undertake to travel in India and elsewhere as the Managing Director / the Board may direct.
5. In consideration of the performance of his duties to the Company, Mr Marfatia shall be entitled to the following remuneration:
   a) Salary and allowances: Rs. 34 Lakhs per annum with such increments as may be decided by the Board from time to time, subject to a ceiling as provided in Sections 309, 310 and other applicable provisions of the Companies Act, 1956; 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 Marfatia to be entitled for electricity, company maintained car, medical reimbursement, leave travel assistance, 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 Marfatia's tenure under this Agreement shall not be included in the computation of the above 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 Marfatia may be entitled as aforesaid.

10. Notwithstanding anything contained in this Agreement, where in any financial year during the tenure of Mr Marfatia, the Company has no profits or its profits are inadequate, the remuneration payable to Mr Marfatia shall be subject to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956 or any other law or enactment for the time being or from time to time in force.

11. During the continuance of this Agreement, Mr Marfatia 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 Marfatia to hold share or shares of any other company or companies.

12. So long as he functions as Whole-time Director, Mr Marfatia 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.

13. Mr Marfatia shall not, during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr Marfatia 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 Marfatia under this Agreement 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 the demise of Mr Marfatia during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month and other dues together with any such further sum as the Board in its sole discretion may determine.

16. Notwithstanding anything contained to the contrary in this Agreement, either party shall be entitled to determine this Agreement by giving not less than three months' notice in writing in that behalf to the other party without the necessity of showing any cause. However, the Company shall have the option to terminate the employment by giving 3 months' remuneration including salary, allowances, benefits / perquisites in lieu of notice. In such event, the appointment of Mr Marfatia as director shall cease as provided in Section 283(1) (l) of the Companies Act, 1956 and simultaneously his employment with the Company shall also come to an end.

17. This Agreement represents the entire Agreement between the parties hereto in relation to the terms and conditions of Mr Marfatia's employment with the Company and cancels and supersedes all prior agreements, arrangements or understandings, if any, whether oral or in writing, between the parties hereto on the subject matter hereof.

This may be treated as an Abstract of Terms and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

Draft Agreement to be entered into with Mr Marfatia 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 Marfatia as Whole-time Director of the Company.

None of the Directors, except Mr Kaiyomarz Marfatia is concerned or interested in the resolutions at Item Nos. 7 & 8 of the accompanying Notice.

By Order of the Board

Mumbai,
February 28, 2011

Krupa Anandpara
Company Secretary

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

Details of the Directors seeking Appointment / Re-appointment at 67th Annual General Meeting

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

Name of Director	Mr Ashok Dayal	Mr Thomas Dee	Mr Kaiyomarz Marfatia	Mr Ramon F Neira Hoyos
Date of Birth	June 02, 1937	September 12, 1963	November 22, 1956	July 09, 1964
Date of Appointment/ Reappointment*	*March 17, 2009	*April 08, 2008	March 01, 2011	March 09, 2011
Expertise in specific Functional Area	Mr Dayal is a fellow member 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 Dee has held several treasury and finance positions with Abbott Laboratories, He has rich and varied experience as well as financial expertise.	Mr Marfatia has over 30 years of experience in the legal and compliance streams, of which almost 15 years have been with Abbott India Limited.	Mr Ramon has held several positions at Abbott Laboratories including Finance Director, Switzerland, Area Finance Director, Puerto Rico, GPO.
Qualifications	B.A. (Hons) AIB (Part I) Fellow of the Indian Institute of Bankers Fellow of the Royal Geographic Society (London).	B.S. Accountancy from Northern Illinois University, Certified Public Accountant, MBA Kellogg School of Management Northwestern University.	B.Com, L LB (Gen.) from Government Law College, Mumbai	Bachelor Degree in Industrial Engineering and Masters in Business Administration from R.B. Pamplin College of Business.
No. of Shares held in the Company (* in person / by relatives)	NIL	NIL	NIL	NIL
Other Directorships in Indian Cos.	Delhi Safe Deposit, Akzo – Nobel Coatings India Ltd.	-	-	-
Chairman/Member of the Board Committees of other companies	-	-	-	-

Directors' **Report**

To The Members

Your directors have pleasure in presenting the Sixty-Seventh Annual Report and Audited Accounts of the Company for the thirteen months period ended December 31, 2010.

Financial Results

Rupees in Lakhs

	Thirteen Months period ended December 31, 2010	Year ended November 30, 2009
Sales	**989,88**	*760,93*
Profit Before Tax	**94,15**	*117,38*
Profit After Tax	**60,94**	*77,51*
Balance brought forward	**235,71**	*193,15*
Profit available for appropriation	**296,65**	*270,66*
Appropriations:		
Dividend (Proposed)	**23,25**	*23,25*
Corporate Dividend Tax	**3,86**	*3,95*
Transfer to Reserves	**6,09**	*7,75*
Balance carried forward	**263,45**	*235,71*

Dividend

Your Directors recommend a dividend of Rs. 17.00 per share on 1,36,75,240 fully paid-up Equity Shares of Rs. 10 each of the Company for the period ended December 31, 2010. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of Rs. 23,25 Lakhs (Previous year : Rs. 23,25 Lakhs) and Corporate Dividend Tax of Rs. 3,86 Lakhs. The Corporate Dividend Tax is provided at the rate applicable on the day on which the Accounts were approved by the Board of Directors.

Reserves

The total Reserves as on December 31, 2010 amounted to Rs. 291,71 Lakhs comprising of Amalgamation Reserve Rs. 38 Lakhs, Capital Reserve Rs. 5,23 Lakhs, Capital Redemption Reserve Rs. 2,52 Lakhs, Revenue Reserve Rs. 20,13 Lakhs and Surplus as per Profit & Loss Account amounting to Rs. 263,45 Lakhs.

Fixed Deposits

No fixed deposits were accepted during the period.

Directors' Responsibility Statement

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.

2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period ended December 31, 2010, and of the Profit of the Company for that period, except for the following:

As per the practise consistently followed by the Company, the depreciation on computers, photocopiers, facsimile machines, modems and appliances is provided at the rate of 80%. Fixed Assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition. (See Schedule 15 - 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 the 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 period ended December 31, 2010, on a going concern basis.

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 Zahirali Lavji resigned as Director of the Company effective December 31, 2010. The Board placed on record its sincere appreciation for support rendered by him.

The Board at its meeting held on February 28, 2011 appointed Mr Kaiyomarz Marfatia as Additional/ Whole-time Director and Mr Ramon F Neira Hoyos as Additional Director effective March 01, 2011 and March 09, 2011 respectively. In terms of Section 260 of the Companies Act, 1956, they hold office upto the date of forthcoming Annual General Meeting and being eligible offer themselves for appointment.

Mr Ashok Dayal and Mr Thomas Dee retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors have pleasure in recommending their appointment.

Auditors

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

Health, Safety and Environment

Health, Safety and Environment are always prime areas of concern for the Company. Compliance with relevant regulation and effective management of these issues is an integral part of the Company's operating philosophy.

i. Environment

Out of the total plot area of approximately 35,000 sq. meters, about 14,600 sq. meters is a green area which constitutes approximately 42% of the total area. The Company has planted over 4000 trees within the factory premises.

During the year the plant reduced the carbon footprint by reducing 398 tons of $CO2$ emission by implementing various electricity saving projects such as, replacing old chillers with energy efficient screw chillers, installation of Variable Frequency Drives (VFDs) for various equipment, replacing existing lights with energy efficient lights & replacement of common wet scrubber with individual dry dust collectors & liquid cooling line automation with installation of pressure transmitter

The plant has established vermi-composting unit to convert canteen waste into organic manure, which is used in the lawns and plantation inside the premises.

The Goa plant is a "ZERO" discharge plant. The Company has in place a modern the state of art effluent treatment plant at the Goa unit, treating and discharging wastewater with parameters of treated effluent well below the limits set by the local Pollution Control Board. Water recycling activities have continuously 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. The treated water from waste water treatment plant is recycled for horticulture within the site.

The Company continuously endeavors to improve on environmental management to minimize the adverse environmental impact.

ii. Health and Safety

Our SHE program includes the policy on safety, health and environment, well defined EHS organizational structure, EHS SOP's & EHS specific programs. The Company is committed to promoting health and safety of its employees. All our new medical representatives have received training on safe driving. A video on safe driving was also made and shown to our existing field staff as well as provided to OPPI (Organisation of Pharmaceutical Producers of India) for dissemination among other member companies. The Company has dedicated a Safety Officer and a Safety Committee in place, which includes representation from workmen and meets regularly to review issues impacting plant safety and employee health. Various key measures like conducting training programmes on various health and safety issues including dealing with epidemics, ergonomics work safety, road safety, first-aid, etc have been implemented. Regular health check up (twice a year) of the Plant employees is carried out. Automatic External Defibrillators are installed at the Plant and Headquarter Offices and training has been imparted to the employees for its use. Detailed first-aid training by certified agencies like Indian Red Cross Society has also been imparted to the employees.

The plant has a well-equipped first aid room with a full - time nurse and part time Occupational Health Physician catering to employee needs. Sphygmo Nanometer, Spirometer, Audiometric Cabin and Otoscope are also established at the plant besides regular first aid equipment.

A cross-functional team for Employee Health and Safety (EHS) and Emergency Action Plan (EAP) is in place.

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

Technology Absorption and Development

Development of new formulations and modification of existing ones for lifecycle management, cost containment and improved productivity is an ongoing process. The Company is constantly engaged in activities of development. The Research and Development Centre of the Company at Goa, which is approved by the Department of Scientific and Industrial Research carries out these development activities. The Research and Development centre is also the technical monitor and coordinator for all outsourced development projects. It has continued to make significant contributions towards its assigned goals of product and process development, cost reduction and new vendor development. The Company has continued to accelerate the pace of new products introduction in 2010 in its core therapeutic areas, with the introduction of Levilex (Antiepileptic), Digene fastmelt with Lime/Lemon, Jeera/Black Currant flavour, (Antacid), Surbex Osteo (Osteoporosis Management), Heptral (Hepato Protector), Cremahep (Laxative), Cremagel (Anal Fissures). The laboratory is currently working on new products, line extensions and also on quality improvement of existing products.

The Research and Development centre has played a key role in developing some of the above new products.

Employees

Relations with the employees remained cordial throughout the year. Your Board records its appreciation for the significant contribution made by employees across the Company through their continued commitment and dedication.

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 and Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto.

For and on behalf of the Board

Mumbai,	Vivek Mohan	R A Shah
February 28, 2011	*Managing Director*	*Director*

Annexure 1

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:

Replacing wet common scrubber with individual dust collector will result in an estimated saving of 56,877 KWH.

Variable frequency drive (VFD) for FBD Blowers resulting in total energy saving of 37,500 KWH.

Saving in furnace oil by modifying the steam lines would save 2 KL / Month of furnace oil.

Light fitting at the site were reviewed and energy efficient light fittings were installed.

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:

Installation of Dust collectors VFDs, furnace oil saving and change of light fittings has resulted in significant power savings.

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

	For the period ended December 31, 2010	*Year ended November 30, 2009*
A. Power & Fuel Consumption:		
a) Electricity		
i) Purchased (Unit in Millions)	**3.70**	*3.20*
Total amount (Rs. in Lakhs)	**4,11**	*2,93*
Rate/Unit (Rs.)	**10.96**	*9.16*
ii) Own Generation (through Diesel Generator)	Cost of 'own generation' is not comparable as the generator sets were operated only for trial runs.	
Through Steam turbine/ Generator	**N.A.**	*N.A.*
b) Coal	**N.A.**	*N.A.*
c) Furnace Oil	**2,79.20**	*1,96.60*
Quantity (kilo ltrs)		
Total amount (Rs. in Lakhs)	**83**	*45*
Average rate (Rs.)	**29.61**	*22.83*
d) Others/Internal Generation		

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

Efforts made in Technology Absorption.

A. Following were the achievements of the Company's Research and Development 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 Research and Development Centre worked on new pharmaceutical products in the areas of liquid orals and tablets. 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 Research and Development.

A well-focused Research and Development 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. Research and Development work has also resulted in improving the stability of some of the products.

C. Future plan of action.

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

D. Expenditure on Research and Development.

	Rupees in Lakhs
a) Capital	17
b) Recurring	1,69
c) Total	1,86
d) Total Research and Development expenditure as a % of Total turnover	0.2%

E. Technology absorption, adaptation and innovation

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

The Company interacts with Abbott Laboratories Intl, Co. USA, on an ongoing basis 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 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. 12,33 Lakhs, which includes Rs. 7,43 Lakhs towards exports and Rs. 4,90 Lakhs towards amount recovered from the affiliates.

II) Total foreign exchange used and earned.

A. Total foreign exchange used

	Rupees in Lakhs
a) On import of raw materials, finished goods, consumable stores and capital goods	40,54
b) Expenditure in foreign currencies for commission on export sales, business travel, etc.	3,48
c) Remittance during the year in foreign currency on account of dividend	16,03

B. Total foreign exchange earned 12,33

For and on behalf of the Board

Mumbai,	Vivek Mohan	R A Shah
February 28, 2011	*Managing Director*	*Director*

Report on **Corporate Governance**

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

a) The Board comprises 8 Directors including 1 Executive and 7 Non-Executive Directors, of which 4 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board.

b) The composition of the Board of Directors as on date, their attendance at the Board Meetings held during the period under review and at the last Annual General Meeting along with the number of directorships and memberships held in various committees in other companies as on December 31, 2010, are given in the table below:

Name of Director	Category of Directorship	Attendance at		Number of directorships in other Companies*	Number of Committee positions held in other companies**
		Board Meetings	Annual General Meeting (March 12, 2010)		
Mr Munir Shaikh Chairman of the Board	Non-Executive, Independent Director	6	Yes	-	-
Mr Vivek Mohan Managing Director	Executive	7	Yes	-	-
Mr R A Shah	Non-Executive, Independent Director	8	Yes	22	10 (includes Chairmanship of 5 companies)
Mr Ashok Dayal	Non-Executive, Independent Director	6	No	2	-
Mr Ranjan Kapur	Non-Executive Independent Director	8	Yes	14	
Mr Thomas Dee	Non-Executive Director	1	Yes	-	-
Mr Neil Aylward	Non-Executive Director	4	Yes	-	-
Mr Laurent Van Lerberghe	Non-Executive Director	3	No	-	-
Mr Zahirali Lavji (Resigned effective December 31, 2010)	Non-Executive Director	1	Yes	-	-

* Excluding directorships in Associations, Section 25 companies and foreign companies but including private companies and alternate/additional directorships.

** Memberships/Chairmanships of Audit Committee and Shareholders'/Investors' Grievance Committees.

c) Mr Kaiyomarz Marfatia has been appointed as an Additional Director and also Whole-time Director for a term of 5 years effective March 01, 2011 and Mr Ramon F Neira Hoyos has been appointed as an Additional Director effective March 09, 2011.

d) During the period December 01, 2009 to December 31, 2010, 8 Board Meetings were held on the following dates :

December 15, 2009, February 01, 2010, March 12, 2010, March 30, 2010, June 29, 2010, September 28, 2010, November 24, 2010 and December 21, 2010.

e) 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.

3. Audit Committee

The Audit Committee comprises of 4 Non-Executive Directors namely, Mr Ashok Dayal (Chairman), Mr R A Shah, Mr Ranjan Kapur and Mr Munir Shaikh. All the above Members are Independent Directors. Ms Krupa Anandpara, Company Secretary is the Secretary of the Audit Committee.

The composition, role, terms of reference as well as powers of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The terms of reference *inter alia*, include oversight of the Company's financial reporting process, reviewing the financial statements with the Management, recommending appointment/reappointment of auditors, fixation of audit fees, reviewing the adequacy of internal audit function, periodic discussions with auditors about their scope and adequacy of internal control systems, discussion on any significant findings made by internal auditors and follow up action. The Committee also reviews various information prescribed under Clause 49(II)(E) of the Listing Agreement with the Bombay Stock Exchange Limited.

During the period under review, the Committee met 6 times on the following dates:

December 15, 2009, February 01, 2010, March 30, 2010, June 29, 2010, September 28, 2010 and December 21, 2010.

Mr Ashok Dayal and Mr Munir Shaikh attended 5 meetings each, Mr Ranjan Kapur and Mr R A Shah attended all meetings. The Director - Finance (Head of Finance) generally remains present at the meetings. The Statutory, Internal and Cost Auditors are also invited to the meetings, as required. Mr Ashok Dayal, Chairman of the Audit Committee could not attend the Annual General Meeting held on March 12, 2010 due to illness. Mr Ranjan Kapur was appointed as the Chairman of the Audit Committee Meeting in his absence and he attended the Annual General Meeting in compliance with provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

4. Shareholders' / Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises of 2 Directors, namely, Mr Ashok Dayal, Non-Executive and Independent Director as Chairman and Mr Vivek Mohan, Managing Director, which looks into the redressal of shareholder and investor complaints. Ms Krupa Anandpara, Company Secretary, is the Compliance Officer.

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

February 01, 2010, September 28, 2010 and December 21, 2010.

A summary of complaints received from shareholders/investors and resolved by the Company during the period December 01, 2009 to December 31, 2010 is given below:

Particulars	Received	Resolved
Non receipt of share certificates duly transferred	-	-
Non receipt of dividend warrants	14	*14*
Miscellaneous		
-Non receipt of Annual Report	07	*07*
-Related to Buy-back	02	*02*

During the period under review, the Company received 3 letters relating to investor grievance from Bombay Stock Exchange Limited and 1 letter from SEBI, which were duly replied.

As on December 31, 2010, there were no pending share transfers. Barring certain cases pending over a long period of time 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

The Executive Directors are paid remuneration in accordance with the limits prescribed under the Companies Act, 1956 with the approval of the Board of Directors, Shareholders and Central Government, wherever required.

Details of remuneration and perquisites paid to Mr Vivek Mohan, Managing Director, for the period December 01, 2009 to December 31, 2010 are as follows:

Terms of Agreement	Mr Vivek Mohan (Managing Director)
Period of appointment	5 years
Date of appointment	November 01, 2009
Salary & Other Allowances (Rs.)	1,87,68,000
Perquisites (Rs.)	67,18,939
Contribution to Provident Fund & Group Gratuity Scheme (Rs.)	24,53,893
Performance Linked Incentive (Rs.)	17,14,843
Notice Period	Three months
Severance Fees	There is no separate provision for payment of severance fees.
Stock Option	The Company does not have any Stock Option Plan for its employees. However, Managing Director is entitled to Stock Option of Abbott Laboratories, USA under its "Incentive Stock Option Program" and is also eligible to purchase shares of Abbott Laboratories, USA, under its "Affiliate Employee Stock Purchase Plan". Details as regards the same are disclosed in Note B 25 - Schedule 15 to the Accounts in the Annual Report.

b) Non-Executive Directors

Mr Munir Shaikh, Mr R A Shah, Mr Ashok Dayal and Mr Ranjan Kapur were paid sitting fees amounting to Rs. 1,80,000/-, Rs. 2,80,000/-, Rs. 2,50,000/- and Rs. 2,80,000/- respectively, for attending Board meetings and various Committee Meetings held during the period December 01, 2009 to December 31, 2010.

None of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company other than the sitting fees received by them.

Mr R A Shah is a partner of M/s Crawford Bayley & Co. The quantum of professional fees received by M/s Crawford Bayley & Co. from the Company forms a very small portion of the total revenues of M/s Crawford Bayley & Co and less than a fraction of the total revenues of the Company.

c) None of the Non-Executive Directors / their relatives holds any shares of the Company except for Mr R A Shah and his relatives who hold 5,098 shares.

6. General Body Meetings

Financial Year	Date	Time	Location	No. of Special Resolutions
2007	April 08, 2008	10.30 a.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021	-
2008	March 17, 2009	10.30 a.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021	-
2009	March 12, 2010	10.30 a.m.	Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai-400 021	01 (Subject : Approving the change in the place of keeping its Registers and Index of Members and copies of Annual Return at the office premises of the Company's Registrar & Share Transfer Agents

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

7. Disclosures

a) There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the period under review, that may 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 for approval as required by law. Transactions with related parties are disclosed in Note B 23 - Schedule 15 to the notes forming part of the Accounts in the Annual Report.

b) Pursuant to the disclosures received from the Senior Management Personnel of the Company to the Board, there were no material, financial and commercial transactions, which could have potential conflict with the interest of the Company at large.

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

d) In terms of requirement of Clause 49 (V) of the Listing Agreement, the Managing Director (CEO) and Director - Finance (CFO) have made a certification to the Board of Directors in the prescribed format for the period under review, which has been reviewed by the Audit Committee and taken on record by the Board.

e) The Board of Directors of the Company has a Code of Business Conduct, which lays down various principles of ethics and compliances. The Code has been posted on the Company's website.

f) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

Compliance with Non Mandatory requirements;

i. The Code of Business Conduct adopted by the Company provides a mechanism for employees to report to the Management about unethical behaviour, actual or suspected fraud or violation of the Code. Copies of the Code are provided to each employee and also available on the Company's intranet site.

ii. For the period December 01, 2009 to December 31, 2010, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

8. Means of Communication

a) The quarterly, half yearly and annual results are published in one English daily newspaper (Free Press Journal) circulating in the country and one Marathi newspaper (Navshakti) published from Mumbai. The quarterly results/shareholding pattern is also made available on the website of the Company (www.abbott.co.in).

b) During the period, 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.

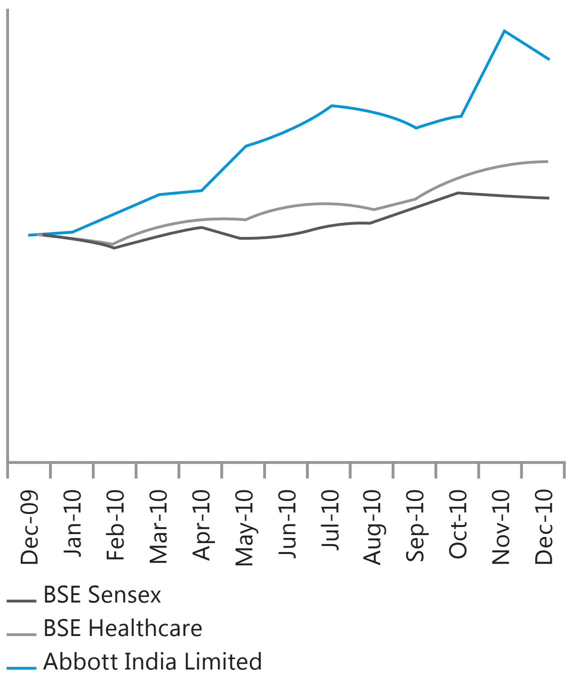
9. General Shareholder Information:

i	Annual General Meeting	:	Webnesday, April 27, 2011 at 10.30 a.m. Y B Chavan Auditorium General Jagannath Bhosale Marg Mumbai 400 021
ii	Thirteen months period	:	December 01, 2009 - December 31, 2010 (The Company has changed its financial year from year ended November 30 to year ended December 31. Accordingly the annual accounts are made for a period of 13 months from December 01, 2009 to December 31, 2010)
iii	Date of Book Closure	:	Thursday April 21, 2011 to Wednesday April 27, 2011 (both days inclusive)
iv	Dividend Payment Date	:	On or before May 26, 2011
v	Listing on Stock Exchange	:	Bombay Stock Exchange Limited (BSE)
vi	Stock Code	:	500488

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

Month	High	Low
December 2009	815.00	706.05
January 2010	825.00	730.00
February 2010	941.00	735.65
March 2010	935.00	860.00
April 2010	952.00	869.00
May 2010	1210.00	903.25
June 2010	1210.55	1009.00
July 2010	1264.00	1123.50
August 2010	1217.00	1120.00
September 2010	1174.00	1060.00
October 2010	1210.00	1100.00
November 2010	1699.90	1190.00
December 2010	1460.00	1245.30

viii Performance in comparison to broad based indices: December 01, 2009 - December 31, 2010



ix Registrars and Share Transfer Agents

Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka, Andheri (East),
Mumbai - 400 072.

Telephone No.: +91-22-67720400/67720300

Fax: +91-22-28591568

Email: sharepro@shareproservices.com

Investors Relation Centre

912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai - 400 021.

Telephone No.: +91-22-66134700

Fax: +91-22-22825484

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 Registrars & Share Transfer Agents 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 December 31, 2010

Number of Equity Share-holdings	Number of Share holders	% of Share-holders	Number of Shares	% of Share-holding
1-50	7336	50.73	155791	1.14
51-100	2638	18.24	224868	1.64
101-500	3157	21.83	763796	5.58
501-1000	723	5.00	527692	3.86
1001-5000	550	3.81	1116142	8.16
5001-10000	35	0.24	248240	1.82
10001 & above	22	0.15	10638711	77.80
Total	14461	100.00	13675240	100.00

Shareholding Pattern as on December 31, 2010

Sr. No.	Category of Shareholders	No. of shares held	% to total
1.	Promoters	9428184	68.94
2.	Banks	5240	0.04
3.	Foreign Institutional Investors	16916	0.12
4.	Insurance Companies	304976	2.23
5.	Mutual Funds	446904	3.27
6.	Domestic Companies	366798	2.68
7.	Non Resident Indians	63542	0.47
8.	Directors & Relatives	5098	0.04
9.	Others	3037582	22.21
	Total	13675240	100.00

xii. Dematerialisation of Shares as on December 31, 2010

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on December 31, 2010, 1,29,42,979 shares representing 94.65% of the Company's total paid-up share capital (including 68.94% held by the Promoter) were held in dematerialised mode.

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
investor.relations@abbott.co.in

Sharepro Services (India) Private Limited

1 13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072.
Telephone No.: +91-22-67720400/67720300
Fax: +91-22-28591568
Email: sharepro@shareproservices.com

2 Investors Relation Centre
912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai - 400 021.
Telephone No.: +91-22-66134700
Fax: +91-22-22825484

For and on behalf of the Board

Mumbai,	Vivek Mohan	R A Shah
February 28, 2011	*Managing Director*	*Director*

Declaration under Clause 49 I (D) of the Listing Agreement

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 thirteen months period ended December 31, 2010.

For and on behalf of the Board

Mumbai
February 28, 2011

Vivek Mohan
Managing Director

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 ("the Company") for the period December 01, 2009 to December 31, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, Mumbai.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied 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
(Registration No.117366W)

K. A. Katki
Partner
(Membership No. 038568)

Mumbai
February 28, 2011

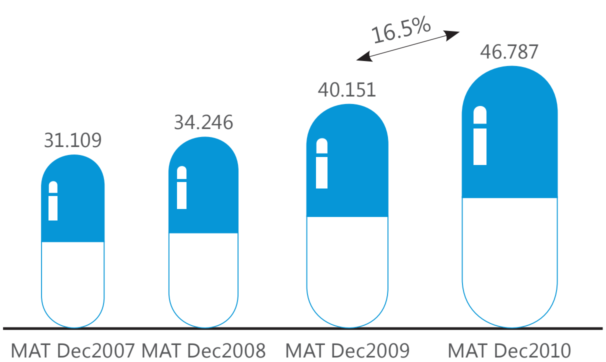
Management Discussion **& Analysis Report**

1 Industry Structure and Developments

Market growth

The Indian pharmaceutical market grew by 16.5% for the 12 month period ending December 2010. This performance comes on the back of a stronger 17.2% growth over a similar period in the previous year *(Source: IMS MAT Dec 2010)*. The Indian economy has demonstrated strong resilience in weathering the global financial crisis. Patients' willingness to continue spending on healthcare has prevented the pharmaceutical market from declining. Increasing household spend on healthcare is expected to continue driving pharmaceutical market growth in the coming decade.

Market growth



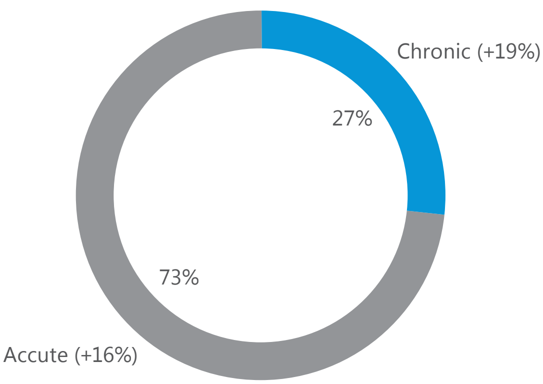
(Source: IMS MAT Dec 2010)

80% of the overall growth for the year 2010 was driven by volume increases with price and new products contributing in equal measure for the rest. This is a significant change compared to the growth composition in the preceding years where new product introduction was the single largest contributor to growth.

Chronic therapy segment realizing strong growth

The chronic therapy segment, which accounts for about 27% of the total market, continues to grow faster at 19% as compared to the larger acute therapies segment (comprising 73% of the total market), which is growing at 15.7%. In the chronic therapy segment, Anti-diabetic, Neurology/ Psychiatry and Cardiovascular therapies have outperformed the overall market, while Gastroenterology along with Vitamins and Minerals segments have performed well in the acute category.

Chronic therapy segment realizing strong growth



(Source: IMS MAT Dec 2010)

Competitive intensity increasing

Competition is increasingly becoming fragmented and regionalized especially in the acute therapies. Energized by the success in regional markets, a few players are going national. These players, who predominantly have had a low price strategy, are putting greater pressure on the incumbent leaders to deliver a superior value proposition to the customer. The new competitive dynamic has been positive for the healthcare sector as companies have developed innovative models of patient and doctor engagement in order to further differentiate their brand. In essence, the patient has benefited as a result of greater awareness, better diagnostic methods, greater treatment options and stronger compliance programs.

The market also witnessed companies taking clear positions within therapy areas through focused investments, scaling/ sizing of the field organization and sheer intensity of customer engagement program.

Some national players are aggressively pushing penetration in selective Tier II –VI and rural markets through new business models. As demand in these markets picks up, driven largely by increasing disposable incomes, availability of healthcare and market shaping by incumbent companies, these business models are expected to be scaled up.

2 Opportunities and Threats

Market growth to continue at ~14%-16% over the next 5 years

Industry experts expect the Indian pharmaceutical market to continue growing at a CAGR of about 14% to 16% over the next 5 years. In essence, the industry is likely to double in size driven largely by increasing affordability and accessibility. Companies, both national and multinational, will drive market creation and growth to a significant extent through substantial investments in field force expansion, therapy shaping, and new product introductions. Penetration of health insurance is likely to aid the process of market expansion, as would the rapid proliferation of hospitals and clinics. Growth will, however, be constrained by the limitation in the number of treating physicians that are expected to join the profession. This limitation will be acutely felt in the specialty practices.

Growth is expected to be pervasive across geographies and therapies. Metros and Tier I markets will continue to contribute in large measure to incremental growth.

The Indian pharmaceutical market is quite fragmented due to the large number of brands in each therapeutic segment. It is becoming increasingly difficult to create new brands. Thus, it is critical to leverage the strong equity associated with reputed brands and focus on growing the brands through life-cycle management, and by extending the brand franchise into newer areas. While the industry has shown robust growth in recent years, the number of new product introductions, including line extensions, has diminished considerably. This trend is expected to continue further and will make companies focus on brand building initiatives to insulate themselves from competitive attacks and price erosion.

There is also an increasing trend towards self-medication on the part of patients in recent times. This opens a significant opportunity for increasing awareness with patients for OTC solutions.

There has been a sharp increase in the number of corporate hospital chains which are providing world-class medical facilities in India. The increasing disposable income of the middle class has resulted in a larger patient pool for corporate hospitals. This is also encouraging medical tourism in the country which, due to affordability and higher benefit to cost ratio, will continue to grow strongly.

Another potential opportunity is National Rural Health Mission program, the government's flagship healthcare program focused on patients below the poverty line, which has, in recent times, received larger funding and expansion in scope in terms of coverage.

Tapping into growth opportunities will require innovation in business model and marketing practices

A key challenge that the healthcare industry faces is the low level of awareness among the population of many diseases/ disorders. In areas such as epilepsy and hypothyroidism, to name just two, the level of awareness is abysmally low. Companies have implemented innovative models of patient engagement which includes among other things awareness creation to enhance the patient pool.

The growth of the diagnostics sector augurs well for the pharmaceutical industry as lack of diagnostic facilities has been a key bottleneck in correct management of certain disorders/diseases. The increased proliferation of diagnostic chains and the willingness of the patient to invest in getting the necessary diagnostic tests done as against seeking empirical treatment will support the development of the pharmaceutical industry. Pharmaceutical companies will need to collaborate with diagnostic companies and even healthcare providers to tap some of the emerging opportunities.

Major investments have been made by companies in expanding field forces for promoting products. Increasing productivity will be a key priority for companies. Technology solutions such as SFA (Sales Force Automation) have been used successfully in improving performance of field forces by providing critical data and information to enable better decisions.

Making new product launches successful will be a key capability of the winning organizations of tomorrow. Identifying new product opportunities, developing innovative formulations, operationalizing efficient and high quality manufacturing solutions, penetrating trade channels expediently and commercializing well, will all be critical in succeeding.

Expansion of the scope of price control will negatively impact the pharmaceutical industry. The current restrictive pricing environment significantly impacts profitability of businesses. Year-on-year limits for price increases, increasingly challenging cost-based pricing system, high inflation rates and rising input costs translate into reduced margins. Attrition also remains a challenge in the pharmaceutical industry with top talent becoming more mobile between industries such as FMCG, Insurance, Banking and IT.

In order to position Abbott India to succeed in the market, transformational programs were implemented taking into account the above-mentioned opportunities and threats, in the areas of People, Products, Processes and Programs. These new programs, combined with an invigorating philosophy of empowerment and accountability, will drive business growth to newer heights.

3 Segment wise performance

The Company operates only in the pharmaceutical segment. During the course of the year, the Company significantly outperformed the market, and its nearest rivals, in the core therapy areas in which it operates. Moreover, as per IMS MAT Dec 2010, the market in which Abbott participates grew by 18.4% versus Abbott's growth at 25.8%. This strong sales growth was a clear indication of the positive impact of the transformations underway at the Company.

Growth was fueled in part by investments in selectively expanding into geographies to increase penetration and access to key target doctors segments. Overall headcount increased by about 35%.

The Metabolics Business Unit continues to be driven by exceptional +44% growth of Thyronorm, which is now among the top 100 brands in the Indian pharmaceutical market. The withdrawal of Sibutramine globally, which was marketed by Abbott in India under the brand name Leptos, negatively impacted this business.

In the CNS Business Unit, Zolfresh grew at almost 4 times the market growth rate. Zolfresh has been at the forefront of implementing the *Continuum of Care* approach, which has helped in accelerating brand growth. Strong lifecycle management was effected for Prothiaden, extending the franchise into geriatrics and new indications of chronic pain.

In the Primary Care Business Unit, Cremaffin and Ganaton delivered strong performances. The revitalization program for Cremaffin, which included among other things, improving the aesthetic appeal of the brand, helped grow sales by expanding the prescriber base and sustained support from specialists in the face of new competition. Ganaton grew on the back of scientific programs. Despite the entry of a plethora of new products, Brufen continues to perform well relative to its market. The introduction of line extensions, such as Brugel, is aimed at growing the brand by entering into the fast-growing topical analgesics market.

In the Hospital Products Business Unit, Sevorane effectively countered generic competitors by engaging anesthetists through the novel end tidal campaign and the installation of vaporisers to penetrate operating theaters in the nursing homes segment.

The launch of the OTC Business Unit helped Digene record strong performance. The mass media campaigns were successful in driving volume growth of both the tablets and the gels category. Furthermore, the introduction of Digene Fast Melt created new excitement around the brand.

4 Outlook

2011 will be a year to take forward the transformational agenda started in 2009 and 2010 to prepare the organization for tomorrow.

Important new programs aimed at driving business growth at above market rates will be implemented. Revenue growth for the Company would be driven through organic and inorganic programs which potentially includes in-licensing and acquisitions. Organic growth entails, among other things, ramping up and sustaining investments in sales force expansion and excellence, new product launches, life cycle management programs for heritage brands, clinical development to strengthen brands by making them contemporary and relevant to the target market, leadership developmental programs and adapting the organizational structures to the changing market dynamics.

Embedding the *Continuum of Care* paradigm in the core of our marketing efforts will help consolidate leadership of the brands. In specific, Zolfresh and Thyronorm are two brands that will drive growth by stimulating multiple triggers along the *Continuum of Care*.

While keeping the focus on achieving robust sales objectives, the Company will continue to work on cost related efficiencies in the areas of Supply Chain and Non-Commercial areas. It continues to refine the manufacturing network through total cost of acquisition as a strategic lever and plans to be a critical facilitator in enabling new product launches during the year. Additionally, the Company will reengineer core processes and systems with the implementation of an enterprise resource planning (ERP) system.

The focus through the year is to build operational excellence to increase efficiency and commercial responsiveness and impact by:

a. Streamlining decision making processes

b. Simplifying and strengthening empowerment parameters

On completion of the proposed merger of Solvay Pharma India Limited with the Company, Abbott would further strengthen its strong Gastroenterology portfolio of Digene, Cremaffin and Ganaton. By the addition of Duphalac, Creon and Udiliv Abbott would become the number one company in this segment. Additionally, Abbott would gain access to the growing Women's Health segment through a strong branded portfolio comprising Duphaston and Duvadilan. Importantly, it would also cement its position in the CNS arena with the addition of Vertin, a market leader in the vertigo segment.

Finally, focus on building organizational capabilities will help drive all round growth.

5 Risks and Concerns

Some of the key risks that your Company is facing / addressing proactively to achieve its objective of sustainable value creation are -.

Drugs Policy : Lack of clarity on the Government's future policy, especially in relation to price control, continues to be an area of major concern for the industry.

Inflation & liquidity : CPI and food price inflation poses serious risk to growth. Tightening liquidity and the rising interest costs may have an impact in terms of lower purchases by the trade who are keen to lower inventory levels.

Counterfeiting : Cases of counterfeiting of pharmaceuticals in India have been reported and is a serious concern. We have implemented anti-counterfeiting measures for many of our products, and have increased vigilance for our brands in the marketplace.

Cost Escalation : Sustained high levels of inflation have pushed up the input cost in much larger proportions than in past years. Furthermore, many competitors – even from other industries - have been targeting top talent for recruitment. The fight for talent and strategies to decrease attrition calls for, among other things, improvement in compensation and benefits to attract new talent and retain existing ones. Escalating input costs coupled with increase in manpower costs cause a significant adverse impact on profits of the Company.

Patents Regime : The slow pace of patent grants, multiple opportunities for opposition, rejection of patents for incremental innovations and the absence of Data Exclusivity / Data Protection remain concern areas for the Industry.

6 Internal Control Systems and their adequacy

The 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 the company's policies and the generally accepted accounting principles.

The internal policies and control systems are well documented with clearly defined authority limits commensurate with the level of responsibility and standard operating procedures specific to each functional area. These are designed to ensure accuracy and reliability of accounting data, promotion of operational efficiency and adherence to the prescribed management policies.

These policies and control systems are regularly reviewed and updated to meet the current business environment and are tested through the robust internal audit programs. Internal Audit partners work with the business to conduct a risk-based auditing with a view to not only ensure the adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Their audit program is agreed upon with the Audit Committee. Internal Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

7 Discussion on Financial Performance with respect to Operational Performance

During the period under review, Sales grew over 20% (over previous year on a proportionate 12 months basis), to Rs. 989,88 Lakhs. The Company achieved significant volume growth in each of its therapeutic segments. Metabolics Business Unit registered 35% growth, Hospital Products Business Unit 24%, Gastroenterology 17%, CNS 17% and Heptral registered a highest ever sales for a new product of over Rs. 3 Crores within just 4 months of its launch.

Your Company has been able to contain its material cost at 65% of sales as against 66% in the previous year. A number of initiatives were taken to derive greater cost efficiencies, prominent amongst them being the extensive use of e-auctions as a tool for competitive price discovery.

The continued strategic investments in significantly expanding the field force to improve market coverage and enhanced promotional efforts to increase market share resulted in a strong increase in sales, however, they have also impacted the near term results. Moreover, as the Company changed its financial year from the year ending November 30 to the year ending December 31, the tail month was used as a transitioning month to focus on merger-related activities and preparation for the 5-year vision. The Profit Before Tax is lower at Rs. 94,14 Lakhs as compared to Rs. 117,38 Lakhs.

During the year, the Company augmented its staff strength (increased by 35%) leading to significant increase in staff cost and travel cost. One-time increases in staff fund due to the increase in the statutory gratuity limit have also partially contributed to the increase in these expenses. Your company also invested in on-boarding, training and development of not only the new recruits but also on up-gradation of existing talent.

The Advertising and Publicity expenses doubled on account of Digene consumerization, mass media roll out, awareness campaigns for certain specialty care products, launch of new products and market studies. This investment will provide a strong foundation to your company for sustainable value creation in the years to come.

During the year, the Company continued to invest in Bank Deposits, with a view to safeguarding the principal and maintaining liquidity, while also achieving reasonable return on investments. The Company has an investment portfolio of Rs. 151,25 Lakhs generated out of operating surplus. The investment strategy is reviewed periodically by the Audit Committee.

Despite near term pressure on profits, your Board of Directors has recommended maintaining dividend at Rs. 17 per equity Share.

8 Material developments in Human Resources

The year 2010 saw Abbott rapidly accelerating business growth. The theme of the year, "Go Go Go", became a rallying cry to galvanize the organization towards superior sales performance. HR partnered with the business in designing and executing work-streams focused on productivity improvement, capability building, sales force expansion, change management and employee engagement.

There was continued focus and heavy investment in building organization capability through various globally reputed programs customised for India and the pharmaceutical business. Strategic HR initiatives like Talent Management Review, Succession Planning, Abbott Talent Development Program were deployed to identify existing talent, identify gaps in the context of future needs and design action plans to ensure availability of key talent and skill sets

A major expansion in the sales force was seen in 2010. The field vacancy fill times were reduced by 36%. Major initiatives such as employment branding, called 'Passion for Life', and innovative talent sourcing strategies such as SMS campaigns, E-mailers, E Banner on National Job boards helped in hiring quality talent within required timelines.

Various mechanisms like New Employee Orientation (induction program), strengthened on-boarding, employee forums, HR forums, reward and recognition programs, cross-functional teams for projects and face-to-face meetings with Leaders ensured a high engagement level with employees resulting in a creditable score of 83% in the Abbott Performance Culture survey, a once in two years survey carried out across the organization.

As on December 31, 2010 the total employee strength of the Company stood at 1,767 employees spread across India.

For and on behalf of the Board

Mumbai,	Vivek Mohan	R A Shah
February 28, 2011	*Managing Director*	*Director*

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 31st December, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the period from 1st December, 2009 to 31st December, 2010, both 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) 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 in paragraph 3 above, we report as follows:
   a) 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;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2010;

      ii) In the case of the Profit and Loss Account, of the profit of the Company for the period from 1st December, 2009 to 31st December, 2010; and

      iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the period from 1st December, 2009 to 31st December, 2010.

5. On the basis of written representations received from Directors as on 31st December, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st December, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

K. A. Katki
Partner
(Membership No. 038568)

MUMBAI, February 28, 2011

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

i. Having regard to the nature of the Company's business/ activities/result, clauses x, xi, xii, xiii, xiv, xv, xvi, xviii, xix and xx of CARO are not applicable.

ii. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii. In respect of its inventory:

a) As explained to us, the inventories were physically verified during the period 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 were 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 no material discrepancies were noticed on physical verification.

iv. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

v. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vi. 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.

vii. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the period within the meaning of the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956. There are no unclaimed deposits as at the period end.

viii. In our opinion, the internal audit functions carried out during the period by an external entity appointed by the Management have been commensurate with the size of the Company and the nature of its business.

ix. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of formulations and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. 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.

x. According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed 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 other material statutory dues applicable to it with the appropriate authorities, except for certain dues in respect of Profession Tax as is stated in Para x (b) below.

b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st December, 2010 for a period of more than six months from the date they became payable, except dues of Rs. 4.23 lakhs payable in respect of Profession Tax under the Assam Professions Trades, Callings and Employments Taxation Act, 1947 as at 31st December, 2010. Of the above amount of Rs. 4.23 lakhs, an amount of Rs. 3.77 Lakhs (including Interest of Rs. 1.42 Lakhs) is outstanding for a period of more than 6 months as at 31st December, 2010.

c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st December, 2010 on account of disputes are given below :

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. In Lakhs)
Income Tax Act, 1961	Disputed Income Tax Demand.	ITAT	A.Y.2005-2006	23.90
	Disputed Income Tax Demand	Dispute Resolution Panel (DRP)	A.Y.2007-2008	1,36.92
Central Excise Act, 1944	Classification dispute	Commissioner (Appeals)	1991- 1992	3.20
	Modvat credit availed on inputs	Commissioner	1993-1994	0.93
	Modvat credit availed on capital goods	Assistant Commissioner	1994-1995	0.33
	Recovery of amount allegedly refunded erroneously	Assistant Commissioner	2000	1.00
	Reversal of credit for Cremaffin & Furamide brought back for re-labeling.	Commissioner	1994-1995	2.63
	Denial of Modvat credit on material received beyond the stipulated period of six months from the date of invoice-Jejuri	Assistant Commissioner	1997-1998	0.64
	Demand for excise duty on empty plastic containers	Assistant Commissioner	1998- 2002	0.54
	Classification dispute	CESTAT	2005	24.27
		CESTAT	2006	2.33
The Bombay Sales Tax Act, 1959	Disputed Set off	Deputy Commissioner of Sales Tax	1999-2000	39.87
	Disputed Set off	Maharashtra Sales Tax Tribunal	2000-2001	9.07
Uttar Pradesh Trade Tax Act, 1948	Enhancement of turnover	Joint Commissioner (Appeals)	1988-1989	1.59
	Breakages & Damages Claim Disallowed	Trade Tax Tribunal	1996-1997	0.26
	Seizure of Consignment by mobile squad	Joint Commissioner (Appeals)	2008-2009	0.72
	Seizure of Consignment by mobile squad	Additional Commissioner (Appeals)	2009-2010	0.80
	Disallowance of Credit Notes on goods returned	Deputy Commissioner	2010-2011	1.39
Central Sales Tax Act, 1956 (Uttar Pradesh)	Rejection of inter-State credit notes	Joint Commissioner (Appeals)	2007-2008	0.62

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. In Lakhs)
West Bengal Sales Tax Act, 1994	Breakages and Damages claim Disallowed	Revisional Authority, Commercial Taxes, West Bengal	2003-2004	10.17
	Disallowance of Bonus Claim and Sales Return	Appellate Revisional Board, Commercial Taxes, West Bengal	2004-2005	4.77
Central Sales Tax Act, 1956 (West Bengal)	Disallowance of declaration forms	Sr.Joint Commissioner of Commercial Taxes	2006-2007	2.28
West Bengal Value Added Tax Act, 2003	Non consideration of Challan of Rs. 2.68 Lakhs, Credit Note disallowance & Interest imposed.	Appellate & Revisional Board, Commercial `Taxes, West Bengal	2005-2006	4.17
	Disallowance of Credit Notes , Sales to institutions etc.	Sr. Joint Commissioner of Commercial Taxes	2006-2007	2.44
	Enhancement of Turnover	Additional Commissioner of Commerical Taxes	2007-2008	1,12.54
Kerala General Sales Tax Act, 1963	Tax on stock transfer treated as sales	Sales Tax Appellate Tribunal, Additional Bench	2002-2003	13.05
Central Sales Tax, 1956 (Goa)	Disallowance of Declaration Forms	Assistant Commissioner of Commercial Taxes, Margao, Goa.	2005-2006	2,92.43
	Disallowance of Branch Transfer Value.	Additional Commissioner of Commercial Taxes, Panaji,Goa	2006-2007	3,97.00
Goa Value Added Tax Act, 2005	Disallowance of Input Tax Credit	Additional Commissioner of Commercial Taxes, Panaji,Goa	2005-2006	0.31
	Disallowance of proportionate Input Tax Credit	Additional Commissioner of Commercial Taxes, Panaji, Goa	2006-2007	2.07
Customs Act, 1962	Demand for payment of differential duty	Commissioner (Appeals)	1996	4.43
Cenvat Credit Rules ,2004	Disallowance of Cenvat credit (Service Tax)	The Additional. Commissioner Customs & Central Excise, Goa.	April' 2006 to October' 2009	7.30
	Disallowance of Cenvat credit (Service Tax)	The Assistant Commissioner Customs & Central Excise, Goa.	November' 2009 to September' 2010	1.39

There were no disputed dues which remained unpaid in respect of Wealth Tax and Cess during the period.

xi. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the period for long- term investment.

xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117366W)

K. A. Katki
Partner
(Membership No. 038568)

MUMBAI, February 28, 2011

Balance Sheet

As at December 31, 2010

Rupees in Lakhs

	Schedule	As at December 31, 2010		As at November 30, 2009
I Sources of Funds				
1) Shareholders' Funds				
a) Share Capital	(1)	13,67.52		*13,67.52*
b) Reserves and Surplus	(2)	291,70.71		*257,88.10*
Total Shareholders' Funds			305,38.23	*271,55.62*
2) Deferred Tax Liability (Net)			18.94	*2,19.79*
(Refer Note B-17-Schedule 15)				
Total			305,57.17	*273,75.41*
II Application of Funds				
1) Fixed Assets				
a) Gross Block		118,20.78		*107,10.36*
b) Less : Depreciation/ Amortisation		68,50.18		*58,31.22*
c) Net Block		49,70.60		*48,79.14*
d) Capital Work-in-Progress		86.38		*35.59*
Total Fixed Assets	(3)		50,56.98	*49,14.73*
2) Current Assets, Loans and Advances				
a) Inventories	(4)	128,58.62		*102,37.66*
b) Sundry Debtors	(5)	65,27.61		*44,39.75*
c) Cash and Bank Balances	(6)	188,51.41		*175,60.91*
d) Other Current Assets	(7)	1,20.49		*42.97*
e) Loans and Advances	(8)	19,28.09		*16,12.23*
		402,86.22		*338,93.52*
Less : Current Liabilities and Provisions				
a) Current Liabilities	(9A)	97,96.20		*57,89.87*
b) Provisions	(9B)	49,89.83		*56,42.97*
		147,86.03		*114,32.84*
Net Current Assets			255,00.19	*224,60.68*
Total			305,57.17	*273,75.41*
Significant Accounting Policies and Notes to the Accounts	(15)			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A Katki
Partner

Place : Mumbai
Date : February 28, 2011

For and on behalf of the Board

Vivek Mohan *Managing Director*
R A Shah *Director*
Ashok Dayal *Director*
Krupa Anandpara *Company Secretary*

Place : Mumbai
Date : February 28, 2011

Profit and Loss Account

For the period December 01, 2009 to December 31, 2010

Rupees in Lakhs

	Schedule	For the period December 01, 2009 to December 31, 2010		Year ended November 30, 2009
I Sales and Other Income				
a) Sales : Gross		1042,97.04		800,28.06
Less : Excise Duty (Refer Note B-21-Schedule 15)		6,09.74		5,72.35
Sales Tax/ VAT		46,99.22		33,63.07
Net Sales		989,88.08		760,92.64
b) Other Income	(10)	35,98.98		29,27.95
			1025,87.06	790,20.59
II Expenditure				
a) Raw and Packing Materials Consumed	(11)	44,18.72		46,11.71
b) Purchase of Finished Goods		628,19.54		468,82.08
c) (Increase) / Decrease in Work-in-Progress and Finished Goods	(12)	(25,07.52)		(10,78.20)
d) Manufacturing, Administrative and Selling Expenses	(13)	273,12.92		159,44.97
e) Depreciation / Amortisation		11,25.03		9,01.41
f) Interest	(14)	3.87		20.25
			931,72.56	672,82.22
III Profit Before Tax			94,14.50	117,38.37
IV Provision For Taxation				
Income Tax :				
Current Tax				
[Includes Wealth Tax Rs. 5 Lakhs *(2009 : Rs. 5 Lakhs)*]		33,90.00		40,80.00
Deferred Tax - (Credit) - (net)		(2,00.85)		(1,59.84)
Prior year tax adjustment		1,31.83		38.83
Fringe Benefit Tax		-		28.36
			33,20.98	39,87.35
V Profit After Tax			60,93.52	77,51.02
VI Balance Brought Forward From Previous Year			235,71.43	193,15.40
			296,64.95	270,66.42
VII Appropriations				
a) Proposed Dividend			(23,24.79)	(23,24.79)
b) Corporate Dividend Tax				
For the period ended December 31, 2010			(3,86.12)	-
For the year ended November 30, 2009			-	(3,95.10)
c) Revenue Reserve			(6,09.35)	(7,75.10)
VIII Balance Carried Forward			263,44.69	235,71.43
Earnings per share - Basic and Diluted			Rs. 44.56	Rs. 56.68
Face Value per Share			Rs. 10.00	Rs. 10.00
Profit After Tax available to Equity Shareholders			60,93.52	77,51.02
Weighted Average Number of Shares used in computing Earnings Per Share - Basic and Diluted			1,36,75,240	1,36,75,240
Significant Accounting Policies and Notes to the Accounts	(15)			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A Katki
Partner

Place : Mumbai
Date : February 28, 2011

For and on behalf of the Board

Vivek Mohan — *Managing Director*
R A Shah — *Director*
Ashok Dayal — *Director*
Krupa Anandpara — *Company Secretary*

Place : Mumbai
Date : February 28, 2011

Cash Flow Statement

For the period December 01, 2009 to December 31, 2010

Rupees in Lakhs

	For the period December 01, 2009 to December 31, 2010		Year ended November 30, 2009	
A Cash flow from operating activities :				
Net Profit before tax		94,14.50		117,38.37
Adjustments for :				
Depreciation / Amortisation	11,25.03		9,01.41	
Loss on sale of Fixed Assets (net)	14.14		21.63	
Unrealised Gain on Foreign exchange	(10.08)		(18.06)	
Provision for doubtful debts	79.63		67.19	
Provision for Replacement of Goods	1,31.57		23.84	
Interest Income (net of payment)	(6,82.98)		(5,61.33)	
		6,57.31		4,34.68
Operating Profit before working capital changes		100,71.81		121,73.05
Adjustments for :				
Trade and other receivables	(22,81.39)		(12,53.47)	
Inventories	(26,20.96)		(10,24.77)	
Trade Payables and other liabilities	43,40.99		(23,56.79)	
		(5,61.36)		(46,35.03)
Cash generated from operations		95,10.45		75,38.02
Direct taxes paid net of refund		(49,04.07)		(38,22.28)
Net cash generated from operating activities		46,06.38		37,15.74
B Cash flow from investing activities :				
Purchase of fixed assets		(12,13.52)		(7,92.51)
Proceeds from sale of fixed assets		12.07		10.21
Interest Received		6,09.33		6,10.05
(Investment in)/ Maturity of Fixed Deposits having maturity beyond 3 months (net)		(9,82.71)		88.91
Net cash used in investing activities		(15,74.83)		(83.34)
C Cash flow from financing activities :				
Repayment of long term borrowings		-		(76.28)
Interest Paid		(3.87)		(20.25)
Dividends paid (Includes corporate dividend tax)		(27,19.89)		(22,39.90)
Net cash used in financing activities		(27,23.76)		(23,36.43)
D Net increase in cash and cash equivalents (A+B+C)		3,07.79		12,95.97
E Cash and cash equivalents at the beginning of the period		69,21.49		56,25.52
F Cash and cash equivalents at the close of the period (D+E)		72,29.28		69,21.49

Cash Flow Statement

For the period December 01, 2009 to December 31, 2010 *(Contd)*

Rupees in Lakhs

Notes to the Cash Flow Statement for the period December 01, 2009 to December 31, 2010

		For the period December 01, 2009 to December 31, 2010	*Year ended November 30, 2009*
1	Cash and Bank balances at the end of the period (Refer Schedule 6)	**188,51.41**	*175,60.91*
	Less : Deposits having maturity beyond 3 months #	**116,22.13**	*106,39.42*
	Cash and Cash equivalents @	**72,29.28**	*69,21.49*

- Includes an amount of Rs. 1,97.13 Lakhs *(2009 : Rs. 1,89.42 Lakhs)* placed as security against tender deposit / guarantees provided by the Bank.

@ - Includes an amount of Rs. 1,91.53 Lakhs *(2009 : Rs. 1,89.63 Lakhs)* being balance in Unclaimed Dividend Accounts

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

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

K A Katki
Partner

Place : Mumbai
Date : February 28, 2011

For and on behalf of the Board

Vivek Mohan — *Managing Director*
R A Shah — *Director*
Ashok Dayal — *Director*
Krupa Anandpara — *Company Secretary*

Place : Mumbai
Date : February 28, 2011

Schedules

Annexed to and forming part of the Balance Sheet as at December 31, 2010

Rupees in Lakhs

		As at December 31, 2010	As at November 30, 2009
1 Share Capital			
Authorised:			
1,62,00,000 *(2009 : 1,62,00,000)* Equity Shares of Rs. 10 each		**16,20.00**	*16,20.00*
58,00,000 *(2009 : 58,00,000)* Unclassified Shares of Rs. 10 each		**5,80.00**	*5,80.00*
		22,00.00	*22,00.00*
Issued and Subscribed:			
1,36,75,240 *(2009 : 1,36,75,240)* Equity Shares of Rs. 10 each fully paid up ..		**13,67.52**	*13,67.52*
Per Balance Sheet		**13,67.52**	*13,67.52*
[94,28,184 *(2009 : 94,28,184)* Equity Shares are held by Abbott Capital India Ltd., UK] the holding company, which is subsidiary of Abbott Laboratories, USA]			
Of the above (before Buy-back of Shares)			
a) 99,995 *(2009 : 99,995)* Equity Shares were allotted as fully paid pursuant to a contract without payment being received in cash.			
b) 1,50,99,570 *(2009 : 1,50,99,570)* Equity Shares were issued as fully paid Bonus Shares by capitalisation of Share Premium and Revenue Reserve			
c) 25,000 *(2009 : 25,000)* Equity Shares were allotted to the financial institutions on conversion of 5% of Debentures into Equity shares			
2 Reserves and Surplus			
Amalgamation Reserve :			
Balance as per last Balance Sheet		**37.82**	*37.82*
Capital Reserve :			
Balance as per last Balance Sheet		**5,22.62**	*5,22.62*
Capital Redemption Reserve :			
Balance as per last Balance Sheet		**2,52.48**	*2,52.48*
Revenue Reserve :			
Balance as per last Balance Sheet	**14,03.75**		*6,28.65*
Add : Transferred from Profit and Loss Account	**6,09.35**		*7,75.10*
		20,13.10	*14,03.75*
Surplus as per Profit and Loss Account		**263,44.69**	*235,71.43*
Per Balance Sheet		**291,70.71**	*257,88.10*

Schedules

Annexed to and forming part of the Balance Sheet as at December 31, 2010

3 FIXED ASSETS

Rupees in Lakhs

	GROSS BLOCK AT COST				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at December 01, 2009	Additions during the period December 01, 2009 to December 31, 2010	Disposals during the period December 01, 2009 to December 31, 2010	As at December 31, 2010	*As at December 01, 2009*	For the period December 01, 2009 to December 31, 2010	On Disposals during the period December 01, 2009 to December 31, 2010	As at December 31, 2010	**As at December 31, 2010**	*As at November 30, 2009*
Leasehold Land	47.62	-	-	47.62	7.39	0.54	-	7.93	**39.69**	*40.23*
Leasehold Improvements	1,37.21	-	-	1,37.21	82.63	34.97	-	1,17.60	**19.61**	*54.58*
Buildings	36,49.49	15.42	-	36,64.91	18,99.58	1,26.95	-	20,26.53	**16,38.38**	*17,49.91*
Machinery and Equipment	49,25.26	6,35.66	48.05	55,12.87	25,25.19	5,15.00	31.84	30,08.35	**25,04.52**	*24,00.07*
Furniture, Fittings and Office Equipment	16,39.28	5,82.33	56.62	21,64.99	11,73.85	3,99.85	53.05	15,20.65	**6,44.34**	*4,65.43*
Vehicles	3,11.50	9.29	27.61	2,93.18	1,42.58	47.72	21.18	1,69.12	**1,24.06**	*1,68.92*
	107,10.36	**12,42.70**	**1,32.28**	**118,20.78**	**58,31.22**	**11,25.03**	**1,06.07**	**68,50.18**	**49,70.60**	*48,79.14*
Previous year	*98,71.65*	*10,19.56*	*1,80.85*	*107,10.36*	*50,78.82*	*9,01.41*	*1,49.01*	*58,31.22*		
Capital Work-in-Progress and Advances there against, at cost									**86.38**	*35.59*
Per Balance Sheet									**50,56.98**	*49,14.73*

Notes : 1 Included in buildings is an amount of Rs. 2,450 *(2009 : Rs. 2,450)* representing value of shares in co-operative housing societies, of which share certificates of Rs. 500 *(2009 : Rs. 500)* are yet to be received.

2 Included in Machinery & Equipments are Anesthetic equipments installed at various Hospitals free of cost, with the intention of procuring business, for the Company's products.

The related values in respect of such Anesthetic equipments are as under :

(Rupees in Lakhs)

Class of Asset	Gross Carrying Amount	Depreciation for the period	Accumulated Depreciation
Machinery & Equipment	23,14.97	2,72.53	11,81.65
	(19,42.06)	*(2,51.12)*	*(9,27.36)*

Previous year figures are in brackets.

Rupees in Lakhs

	As at December 31, 2010	*As at November 30, 2009*
4 Inventories		
Stock-in-Trade :		
Raw Materials	**3,47.12**	*2,09.06*
Packing Materials	**1,04.87**	*1,29.49*
Work-in-Progress	**72.36**	*87.55*
Finished Goods (Refer Note B-16(b)-Schedule 15)	**123,34.27**	*98,11.56*
Per Balance Sheet	**128,58.62**	*102,37.66*

Schedules

Annexed to and forming part of the Balance Sheet as at December 31, 2010

Rupees in Lakhs

	As at December 31, 2010		*As at November 30, 2009*
5 Sundry Debtors - Unsecured			
Debts outstanding for a period exceeding six months :			
Considered Good	**89.63**		*56.44*
Considered Doubtful	**2,87.35**		*3,28.25*
	3,76.98		*3,84.69*
Less : Provision for Doubtful Debts	**2,87.35**		*3,28.25*
		89.63	*56.44*
Other Debts :			
Considered Good	**64,37.98**		*43,83.31*
Considered Doubtful	**15.89**		*4.39*
	64,53.87		*43,87.70*
Less : Provision for Doubtful Debts	**15.89**		*4.39*
		64,37.98	*43,83.31*
Per Balance Sheet		**65,27.61**	*44,39.75*
6 Cash And Bank Balances			
Cash and Stamps on Hand		**0.95**	*0.62*
With Scheduled Banks :			
On Current Accounts		**35,28.34**	*46,20.87*
On Deposit Accounts #		**153,22.12**	*129,39.42*
Per Balance Sheet		**188,51.41**	*175,60.91*
7 Other Current Assets			
Interest accrued but not due on Bank Deposits		**1,20.49**	*42.97*
Per Balance Sheet		**1,20.49**	*42.97*

Includes an amount of Rs. 1,97.13 Lakhs *(2009 : Rs. 1,89.42 lakhs)* placed as security against tender deposit / guarantees provided by the Bank.

Schedules

Annexed to and forming part of the Balance Sheet as at December 31, 2010

Rupees in Lakhs

		As at December 31, 2010	As at November 30, 2009	
8 Loans and Advances				
(Unsecured, Considered Good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received (Refer Note B-4-Schedule 15)		**6,82.90**		*6,28.44*
Sundry Deposits		**5,20.52**		*4,60.21*
Balances with Customs and Excise on Current Account		**2.74**		*3.58*
Advance Income Tax [net of provision of Rs. 139,04.78 Lakhs *(2009 : Rs. 113,47.08 Lakhs)*]		**7,21.93**		*5,20.00*
Per Balance Sheet		**19,28.09**		*16,12.23*
9 Current Liabilities and Provisions				
A Current Liabilities :				
Sundry Creditors				
Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note B-27-Schedule 15)	**77.73**		*66.98*	
Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises.	**56,97.60**		*42,43.74*	
Unclaimed Dividends (Refer Note B-28-Schedule 15)	**1,91.53**		*1,89.63*	
Other Liabilities	**38,29.34**		*12,89.52*	
		97,96.20		*57,89.87*
B Provisions :				
For Taxation :				
Current Income Tax [net of advance tax of Rs. 264,02.12 Lakhs *(2009 : Rs. 242,60.92 lakhs)*]	**11,30.08**		*23,02.06*	
Fringe Benefit Tax [net of advance tax of Rs. 5,55.16 Lakhs *(2009 : Rs. 5,54.92 Lakhs)*]	**18.48**		*26.80*	
For Proposed Dividend	**23,24.79**		*23,24.79*	
For Corporate Dividend Tax	**3,86.12**		*3,95.10*	
For Employees' Benefits	**9,30.92**		*5,26.35*	
For Replacement of goods (Refer Note B-18 -Schedule 15)	**1,99.44**		*67.87*	
		49,89.83		*56,42.97*
Per Balance Sheet		**147,86.03**		*114,32.84*

Schedules

Annexed to and forming part of the Profit and Loss Account for the period December 01, 2009 to December 31, 2010

Rupees in Lakhs

		For the Period December 01, 2009 to December 31, 2010	*Year ended November 30, 2009*
10 Other Income			
Input Tax Credit		**2,99.30**	*1,68.54*
Insurance, Customs and Carriers Claims		**45.33**	*37.84*
Profit on sale of Fixed Assets		**4.88**	*5.61*
Income from Fellow Subsidiaries [Tax deducted at source Rs. 1,39.72 Lakhs *(2009 : Rs. 35.97 Lakhs)*] (Refer Note B-15-Schedule 15)		**16,67.11**	*10,92.03*
Interest received on Deposits and others [Tax deducted at source Rs. 48.75 Lakhs *(2009 : Rs. 1,24.47 lakhs)*]		**6,86.85**	*5,81.58*
Miscellaneous Income		**8,95.51**	*10,42.35*
Per Profit and Loss Account		**35,98.98**	*29,27.95*
11 Raw and Packing Materials Consumed			
Opening Stock			
Raw Materials	**2,09.06**		*2,85.76*
Packing Materials	**1,29.49**		*1,06.22*
		3,38.55	*3,91.98*
Add : Purchases			
Raw Materials	**28,86.94**		*31,38.22*
Packing Materials	**16,45.22**		*14,20.06*
		45,32.16	*45,58.28*
		48,70.71	*49,50.26*
Less : Closing Stock			
Raw Materials	**3,47.12**		*2,09.06*
Packing Materials	**1,04.87**		*1,29.49*
		4,51.99	*3,38.55*
Per Profit and Loss Account		**44,18.72**	*46,11.71*
12 (Increase) / Decrease in work-in-progress and finished goods			
Opening Stock			
Work-in-Progress	**87.55**		*44.42*
Finished Goods	**98,11.56**		*87,76.49*
		98,99.11	*88,20.91*
Less : Closing Stock			
Work-in-Progress	**72.36**		*87.55*
Finished Goods	**123,34.27**		*98,11.56*
		124,06.63	*98,99.11*
Per Profit and Loss Account		**(25,07.52)**	*(10,78.20)*

Schedules

Annexed to and forming part of the Profit and Loss Account for the period December 01, 2009 to December 31, 2010

Rupees in Lakhs

	For the Period December 01, 2009 to December 31, 2010		*Year ended November 30, 2009*
13 Manufacturing, Administrative and Selling Expenses			
Salaries, Wages and Bonus		**96,22.08**	*55,33.25*
Contribution to Provident and Other Funds		**9,16.85**	*3,54.49*
Workmen and Staff Welfare Expenses		**5,80.72**	*3,49.27*
Consumption of Stores		**1,72.11**	*1,81.28*
Power and Fuel		**6,97.00**	*5,10.26*
Repairs and Maintenance			
Buildings		**57.88**	*29.15*
Machinery		**98.67**	*50.21*
Others		**5,37.87**	*4,23.55*
Rent		**5,72.69**	*4,25.02*
Insurance		**91.31**	*56.39*
Rates and Taxes		**4,00.78**	*2,69.73*
Loss on Fixed Assets Sold / Discarded		**19.02**	*27.24*
Advertising and Publicity		**48,69.66**	*23,85.91*
Forwarding Charges		**14,26.29**	*11,18.44*
Travelling Expenses		**27,19.77**	*15,64.05*
Commission to C&F Agents		**4,25.31**	*3,53.66*
Export Commission		**71.80**	*53.04*
Exchange Loss (Net)		**25.68**	*13.28*
Bad Debts written off	**1,09.03**		*22.23*
Less : Adjusted against earlier year's provision	**1,09.03**		*22.23*
		-	*-*
Provision for Doubtful Debts		**79.63**	*67.19*
Excise Duty (Refer Note B-21-Schedule 15)		**87.39**	*44.04*
Legal & Professional fees		**6,69.67**	*2,53.12*
Miscellaneous Expenses		**31,70.74**	*18,82.40*
Per Profit and Loss Account		**273,12.92**	*159,44.97*
14 Interest			
On Duties/Taxes		**2.26**	*15.50*
Others		**1.61**	*4.75*
Per Profit and Loss Account		**3.87**	*20.25*

Significant Accounting Policies and Notes to the accounts

15. Significant Accounting Policies and Notes to the accounts annexed to and forming part of the Balance Sheet as at December 31, 2010 and Profit and Loss account for the period December 01, 2009 to December 31, 2010

A Significant Accounting Policies

1 Basis of Accounting

The financial statements are prepared under historical cost convention on an accrual basis and comply with the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006.

2 Use of Estimates

The preparation and 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 results 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/ Amortisation

All Fixed Assets are stated at Cost of Acquisition less Accumulated Depreciation / Amortisation 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%, included in Furniture, Fittings and Office Equipments. 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 / Improvement 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 currencies 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 differences arising on settlement / translation are recognised in the Profit & Loss Account.

7 Investments

Long term Investments are carried at cost less provision, if any, for other than temporary diminution in value of such investments. Current Investments are stated at lower of cost and fair value.

Significant Accounting Policies and Notes to the accounts

A Significant Accounting Policies (Contd.)

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, where applicable.

9 Research and Development

Capital expenditure on Research and Developement is capitalised as Fixed Assets and depreciated in accordance with the depreciation policy of the Company. The Revenue expenditure on Research and Developement is charged to Profit & Loss Account in the year in which it is incurred.

10 Employee benefits

i) Post-employment Benefits

a) Defined Contribution Plans :

The Company has Defined Contribution Plans for post employment benefits, charged to Profit and Loss Account, in the form of

- Provident Fund/ Employees' Pension Fund administered by the Regional Provident Fund Commissioner, Mumbai;
- Superannuation Fund as per Company policy administered by Life Insurance Corporation of India, Mumbai ;
- Employees' Deposit Linked Insurance Scheme, 1976 under Employees' Provident Fund and Miscellaneous Provisions Act, 1952, administered by Life Insurance Corporation of India, Mumbai ; and
- Group Life Insurance cover, as per Company policy.

b) Defined Benefit Plans:

Funded Plan : The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through trust, funded with Life Insurance Corporation of India, Mumbai.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Compensated Absences(CA), Long Service Benefits (LSB) and Post Retirement Medical Benefits (PRMB) as per Company policy.

Liability for the above defined benefit plans is provided on the basis of actuarial valuation, for the period end carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

ii) The actuarial gains and losses arising during the year are recognised in the Profit and Loss Account for the period.

11 Excise Duty

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

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Significant Accounting Policies and Notes to the accounts

A Significant Accounting Policies (Contd.)

In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Fringe Benefit Tax has been calculated in accordance with the provisions of the Income Tax Act, 1961 and Guidance Note on Fringe Benefit Tax issued by the Institute of Chartered Accountants of India. Pursuant to enactment of the Finance Act, 2009, Fringe Benefit Tax (FBT) stands abolished w.e.f. April 01, 2009.

14 Provisions, Contingent Liabilities & Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and 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 possible.

Contingent assets are not recognised in Financial Statements as they may never be realised.

B Notes to the Accounts

1 With effect from current financial year the Company has changed its accounting year from year ended November 30 to year ended December 31. Accordingly these financial statements are prepared for a period of 13 months from December 01, 2009 to December 31, 2010. Hence the figures for the current accounting period are not comparable with those of the previous accounting year.

2 The Board of Directors of the Company has, at its meeting held on November 24, 2010, unanimously approved the draft Scheme of Amalgamation ("Scheme") of Solvay Pharma India Limited into Abbott India Limited under Sections 391 to 394 of the Companies Act, 1956. The swap ratio for the merger is 2 : 3 i.e. every two shares of Solvay Pharma India Limited will entitle their holder to three shares of Abbott India Limited. The scheme has been filed with and approved by the stock exchange and is subject to the shareholders and other statutory approvals. On receipt of the necessary approvals, the scheme of merger will be effective January 01, 2011. Accordingly the effect of the scheme will be reflected in the accounts for the year beginning January 01, 2011.

3 **Contingent Liabilities :**

a) In February 1996, the Government had made a tentative claim for a sum of Rs. 11,11.66 Lakhs to be paid into the Drugs Prices Equalisation Account (DPEA) on account of unintended benefit allegedly enjoyed by the Company during the period May 01, 1981 to August 25, 1987. This was contested by the Company and subsequently during the year ended November 30, 2005, a final demand was received for Rs. 3,46.64 Lakhs (including interest of Rs. 1,90.39 Lakhs upto March 31, 2004). The Company, being aggrieved of the said demand and based on legal advice obtained in this regard, contested the above final demand of Rs. 3,46.64 Lakhs and filed a Writ Petition before the Bombay High Court to restrain the Government from recovering the said amount. The Bombay High Court has admitted the Writ Petition and granted stay of the recovery of the amount of Rs. 3,46.64 Lakhs subject to the Company furnishing a Bank Guarantee in respect of the principal amount of Rs. 1,56.25 Lakhs.

The said Bank Guarantee has been furnished. The Company however, out of abundant caution and based on its understanding of the facts and circumstances of the case provided for a sum of Rs. 83.51 Lakhs *(2009 : Rs. 79.29 Lakhs)* including interest liability till date.

Notes to the accounts

Rupees in Lakhs

	As at December 31, 2010	*As at November 30, 2009*
b) Claims against the Company, not acknowledged as debts in respect of :		
i) Income Tax demand under appeals principally on account of disallowance of advertisement expenditure	**-**	*2,23.18*
ii) Sales Tax/ Service Tax Disallowances on account of disputed setoff	**5,28.01**	*9.16*
iii) Reimbursement claimed by third party	**47.84**	*47.84*
c) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	**1,14.22**	*87.91*
d) In respect of the guarantees issued by the banks.	**2,41.63**	*2,56.65*
4 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 period Rs. 14.84 Lakhs *(2009 : Rs. 14.84 Lakhs)*}	**-**	*14.84*
ii) Abbott Healthcare Pvt Ltd., India {Maximum amount due during the period Rs. 2,24.69 Lakhs *(2009 : Rs. 1,20.83 Lakhs)*}	**25.53**	*93.01*
iii) Abbott International Ltd, USA {Maximum amount due during the period Rs. 77.90 Lakhs *(2009 : Rs. 1,17.06 Lakhs)*}	**31.10**	*32.09*
iv) Abbott Laboratories S.A., DAFZ (Dubai Airport Free Zone) {Maximum amount due during the period Rs. 11.92 Lakhs *(2009 : Rs. Nil)*}	**10.19**	*-*
v) Abbott Korea Ltd, Korea {Maximum amount due during the period Rs. 11.69 Lakhs *(2009 : Rs. 11.63 Lakhs)*}	**-**	*11.63*
vi) Abbott Mature Products International Limited, Ireland {Maximum amount due during the period Rs. 78.01 Lakhs *(2009 : Rs. Nil)*}	**-**	*-*
vii) Solvay Pharma India Ltd., India {Maximum amount due during the period Rs. 91.73 Lakhs *(2009 : Rs. Nil)*}	**-**	*-*
b) Amount recoverable from directors, managers and officers of the Company {Maximum amount due during the period Rs. Nil *(2009 : Rs. 37.75 Lakhs)*} (refer note 23-b-II of Schedule 15 (B))	**-**	*32.00*

Notes to the accounts

Rupees in Lakhs

			For the Period December 01, 2009 to December 31, 2010	*Year ended November 30, 2009*
5	**Payments to Directors :**			
	a) Salary, other allowances and performance linked bonus		**2,04.83**	*1,92.12*
	b) Contribution to PF & other funds [including provision for the actuarially valued liability in respect of future payment of gratuity amounting to Rs. 11.49 Lakhs *(2009 : Rs. Nil)*]		**24.54**	*11.40*
	c) Perquisites		**67.19**	*60.06*
	d) Directors' Fees		**9.90**	*4.60*
	Previous year figures include remuneration paid to Managing Director, subsequent to the date of re-appointment i.e November 01, 2009, amounting to Rs. 16.87 Lakhs which has been approved by members of the Company at the Annual General Meeting on March 12, 2010.			
6	**Auditors' Remuneration (including Service Tax) :**			
	a) As Auditors		**52.37**	*38.27*
	b) Tax Audit		**3.58**	*3.31*
	c) Tax Services*		**6.80**	*5.52*
	d) Certifications		**8.44**	*2.92*
	e) Reimbursement of out-of-pocket expenses		**0.76**	*1.03*
	* Includes payment for taxation matters to an affiliated firm Deloitte Haskins and Sells, Baroda covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India			
7	**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. The registered / licensed capacities for formulations produced by the Company have therefore not been specified.			
	b) Installed Capacities :			
	Pharmaceutical Formulations :	Unit	**Quantity**	Quantity
	Tablets	Million	**1,455**	*1,455*
	Liquids	Kilo Litre	**4,880**	*4,880*
	The installed capacities are as on the last day of the Accounting year and are certified by the management of the Company.			
	The installed capacity for period ending December 31, 2010 is considered on an annual basis.			
	c) Actual Production :			
	Pharmaceutical Formulations :			
	Tablets	Million	**1,212**	*1,334*
	Liquids	Kilo Litre	**3,982**	*3,316*
	Note : Actual production includes quantities produced in the factories of third parties on loan licences.			

Notes to the accounts

8 Information in respect of Opening Stock, Closing Stock, Sales and Purchase of Finished Goods:

	Class of Goods	Unit	Opening Stock Quantity	Opening Stock Rupees in Lakhs	Closing Stock Quantity	Closing Stock Rupees in Lakhs	Sales Quantity	Sales Rupees in Lakhs
i)	Pharmaceutical Formulations :							
	Tablets	Million	**495.34**	**18,70.06**	**568.56**	**22,17.51**	**2,425.97**	**266,31.63**
			(187.93)	*(8,66.58)*	*(495.34)*	*(18,70.06)*	*(1,987.85)*	*(205,85.17)*
	Capsules	Million	**19.78**	**1,84.69**	**16.38**	**1,38.30**	**72.73**	**24,43.72**
			(23.03)	*(1,98.35)*	*(19.78)*	*(1,84.69)*	*(66.43)*	*(20,88.23)*
	Liquids	Kilo Litre	**730.86**	**18,50.79**	**977.15**	**19,95.95**	**5,239.45**	**170,50.25**
			(406.67)	*(10,22.82)*	*(730.86)*	*(18,50.79)*	*(4,402.97)*	*(133,49.43)*
	Ointments	Tonne	**3.58**	**26.57**	**17.21**	**1,36.62**	**26.79**	**4,58.52**
			(7.62)	*(65.15)*	*(3.58)*	*(26.57)*	*(14.35)*	*(2,37.49)*
	Injectables	Thousand	**2,939.11**	**56,37.88**	**4,185.02**	**74,24.28**	**31,128.43**	**511,27.40**
			(3,339.56)	*(63,58.95)*	*(2,939.11)*	*(56,37.88)*	*(25,284.70)*	*(389,85.19)*
	Powder	Tonne	**-**	**-**	**7.60**	**1,23.28**	**8.02**	**2,75.11**
			(-)	(-)	(-)	(-)	*(0.13)*	*(0.76)*
ii)	Others			**1,40.02**		**1,87.99**		**10,01.45**
				(1,98.70)		*(1,40.02)*		*(8,46.37)*
	Excise Duty			**1,01.55**		**1,10.34**		**-**
				(65.94)		*(1,01.55)*		*(-)*
	Total			**98,11.56**		**123,34.27**		**989,88.08**
				(87,76.49)		*(98,11.56)*		*(760,92.64)*

Note : Figures for the previous year are in brackets.

	Purchase of Finished Goods	Unit	**For the period December 01, 2009 to December 31, 2010** Quantity	**For the period December 01, 2009 to December 31, 2010** Rupees in Lakhs	*Year ended November 30, 2009* Quantity	*Year ended November 30, 2009* Rupees in Lakhs
i)	Pharmaceutical Formulations:					
	Tablets	Million	**1,444.89**	**54,47.10**	*1,080.81*	*40,31.81*
	Capsules	Million	**79.44**	**7,65.20**	*75.20*	*7,23.17*
	Liquids	Kilo Litre	**2,024.29**	**52,22.10**	*1,697.58*	*49,42.93*
	Ointments	Tonne	**55.62**	**4,57.96**	*17.92*	*1,56.56*
	Injectables	Thousand	**32,426.89**	**496,13.12**	*24,891.66*	*362,63.04*
	Powder	Tonne	**17.39**	**2,83.50**	*0.13*	*0.53*
ii)	Others			**10,30.56**		*7,64.04*
	Total			**628,19.54**		*468,82.08*

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.

Notes to the accounts

9 Consumption of Raw Materials and Packing Materials+ :

		For the period December 01, 2009 to December 31, 2010		*Year ended November 30, 2009*	
Item	Unit	Quantity	Rupees in Lakhs	*Quantity*	*Rupees in Lakhs*
Active Bulk Ingredients	Tonne	**2,753.17**	**21,69.06**	*2,450.06*	*27,16.19*
	Kilo Litre	**84.99**	**42.23**	*64.82*	*32.24*
Foils	Tonne	**257.66**	**3,60.82**	*393.50*	*3,61.24*
Miscellaneous			**18,46.61**		*15,02.04*
Total			**44,18.72**		*46,11.71*

+ Consumption has been arrived by adding purchases to opening stock and deducting closing stock therefrom.

Rupees in Lakhs

			For the Period December 01, 2009 to December 31, 2010	*Year ended November 30, 2009*
10	**Value of Imports calculated on C.I.F. basis :**			
	a)	Capital Goods	**1,60.77**	*73.48*
	b)	Finished Goods	**35,87.81**	*37,94.59*
	c)	Raw Materials	**40.86**	-
	d)	Consumable stores	**8.66**	*25.21*
	e)	Purchase of Raw Material for Resale	**2,55.41**	-
11	**Expenditure in foreign currencies for :**			
	a)	Export Commission	**71.78**	*53.04*
	b)	Travel	**1,43.57**	*60.81*
	c)	Training	**2.96**	*47.22*
	d)	Material for Product Development	**8.01**	*52.94*
	e)	Reimbursement for Market Development Expenses	**41.99**	*17.38*
	f)	Others	**79.37**	*25.10*
12	**a)**	**Consumption of Raw and Packing Materials :**		
		Indigenous - 98.8% *(2009 : 100.0%)*	**43,65.84**	*46,11.71*
		Imported - 1.2 % *(2009 : 0.0%)*	**52.88**	-
		Total	**44,18.72**	*46,11.71*
	b)	**Consumption of Stores :**		
		Indigenous - 92.3 % *(2009 : 81.7%)*	**1,58.92**	*1,48.05*
		Imported - 7.7 % *(2009 : 18.3%)*	**13.19**	*33.23*
		Total	**1,72.11**	*1,81.28*

Notes to the accounts

Rupees in Lakhs

		For the Period December 01, 2009 to December 31, 2010	*Year ended November 30, 2009*
13	**Remittances during the period in foreign currency on account of dividend :**		
	Number of non-resident Shareholders 1 *(2009 : 1)*		
	Equity Shares held on which dividend remitted 9,428,184 *(2009 : 9,428,184)*		
	Dividend remitted for the year ended November 30, 2009 *(2009 : November 30, 2008)*	**16,02.79**	*13,19.95*
	The Company does not have any information as to the extent to which remittances, if any, in foreign currency on account of dividend have been made by non-resident shareholders.		
14	**Earnings in Foreign Exchange :**		
	a) Goods exported on FOB basis	**7,42.72**	*4,40.24*
	b) Reimbursement of Insurance and Freight on Exports	**-**	*1.51*
	c) Reimbursement of Expenses and Earnings from Affiliates	**4,90.09**	*4,13.58*
15	**Income from fellow subsidiaries includes :**		
	a) Shared services rendered to Abbott Healthcare Private Limited	**11,84.73**	*7,40.43*
	b) Sales Force Support Services rendered to Solvay Pharma India Ltd.	**1,48.36**	*-*
	c) Support Services to Abbott Laboratories Intl. Co., USA	**3,23.62**	*3,51.60*
	d) Support Services to Abbott Laboratories S.A., DAFZ (Dubai Airport Free Zone)	**10.40**	*-*
16	a) Materials cost, Purchase of Finished Goods and Manufacturing, Administrative and Selling Expenses include medical samples manufactured/purchased which, are valued at standard cost, amounting to	**13,44.18**	*10,29.12*
	b) Inventory of Finished Goods includes medical samples which are valued at actual cost, amounting to	**4,93.36**	*3,53.91*

Rupees in Lakhs

		As at December 31, 2010	*As at November 30, 2009*
17	**DeferredTax Asset/ (Liability) consists of :**		
	Book / Tax depreciation difference	**(4,09.62)**	*(5,04.51)*
	Provision for compensated absences	**1,07.39**	*76.61*
	Provision for doubtful debts	**1,00.73**	*1,13.07*
	Disallowance under section 43B and 40(a)(ia) of the Income Tax Act, 1961	**1,82.56**	*95.04*
	Total	**(18.94)**	*(2,19.79)*

Notes to the accounts

		Rupees in Lakhs	
		As at December 31, 2010	*As at November 30, 2009*
18	**Disclosure as per Accounting Standards (AS 29) for provisions is as under:**		
	The Company, based on prevailing trade practices, makes provision for the net cost of replacement for likely sales returns, date expired and damaged products subject to certain terms and conditions. It is made based on the best estimates of the management taking into consideration the type of products sold, the likely returns and the likely net costs required to be incurred for such replacements.		
	Carrying Amount at the beginning of the period	**67.87**	*44.03*
	Add : Amount provided / (utilised) during the period (net)	**1,31.57**	*23.84*
	Carrying Amount at the end of the period	**1,99.44**	*67.87*

		As at December 31, 2010		
		Currency Unit		**Rupees in Lakhs**
19	**Information regarding Forward Contracts**			
	a) Forward contracts outstanding at the Balance Sheet date	**USD - Buy**	**20,29,008.92**	**9,23.97**
			(20,01,346.70)	*(9,31.03)*
	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 on account of the following :			
	- As reimbursement of expenses	**USD**	**91,830.11**	**41.30**
			(94,874.57)	*(44.14)*
		CHF	-	-
			(4,922.00)	*(2.30)*
		EURO	-	-
			(400.00)	*(0.28)*
		SGD	-	-
			(44,008.09)	*(14.84)*
	- Others	**USD**	**1,70,807.15**	**76.81**
			(5,14,058.10)	*(2,39.14)*
	Amounts payable in foreign currency on account of the following :			
	- Import of goods	**USD**	**2,11,126.78**	**94.94**
			(1,96,040.18)	*(91.20)*

Notes to the accounts

	As at December 31, 2010		
	Currency Unit		Rupees in Lakhs
- As reimbursement of expenses	**USD**	**57,532.77**	**25.87**
		(28,235.86)	*(13.14)*
	AUD	**-**	**-**
		(3,556.80)	*(1.81)*
	EURO	**5,894.21**	**3.53**
		(35,719.20)	*(24.97)*
	GBP	**13,975.37**	**9.72**
		(-)	*(-)*
- Others	**USD**	**2,70,320.90**	**1,21.56**
		(1,13,420.34)	*(52.76)*
	GBP	**60,383.92**	**41.98**
		(-)	*(-)*

Note : Previous year figures are in bracket.

20 Disclosure for Operating leases:

a) The Company has obtained various residential/ office premises (including furniture and fittings, therein as applicable) under operating lease or leave and license agreements. These are generally not non - cancellable and range between 11 months to 5 years under leave and licence, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.

b) Lease payments are recognised in the Profit and Loss Account under "Rent" in Schedule 13 - Manufacturing, Administrative and Selling Expenses.

21 Excise duty deducted from turnover represents amount of excise duty collected by the Company on sale of goods manufactured by the Company. Excise duty of Rs. 87.39 Lakhs (2009 : Rs. 44.04 lakhs) included under Schedule 13 Manufacturing, Administrative and Selling Expenses represents the difference in amount of excise duty on closing stock and opening stock of finished goods and excise duty paid on the goods distributed as free goods/ medical samples.

22 The Company operates in one reportable business segment i.e "Pharmaceuticals" and one reportable geographical segment i.e. "Within India". Hence, no separate information for segment wise disclosure is applicable.

23 Related Party Disclosure

a Parties where control exists :

Ultimate Holding Company	Abbott Laboratories, USA
Holding Company	Abbott Capital India Ltd., UK

b Other related parties with whom transactions have taken place during the period

I. Fellow subsidiaries :	Abbott Logistics BV, Netherlands
	Abbott Laboratories S.A., USA
	Abbott GmbH & Co. KG, Germany
	Abbott Laboratories (Singapore) Pte Ltd, Singapore
	Abbott Laboratories Intl. Co., USA
	Abbott Australasia Pty. Ltd., Australia

Notes to the accounts

Abbott Laboratories Ltd., Thailand
Abbott Healthcare Pvt. Ltd., India
Abbott Korea Ltd., Korea
Abbott SA NV, Belgium
Abbott Laboratories S.A., China
Abbott Laboratories Ltd., UK
Abbott Mature Products International Ltd., Ireland
Abbott Laboratories S.A., DAFZ (Dubai Airport Free Zone), Dubai
Abbott Japan Co Ltd., Japan
Solvay Pharma India Ltd., India

II. Key Management personnel :

Mr V Mohan	- Managing Director
Mr R Sonalker	- Director - Finance
Mr S Vasudevan (w.e.f February 02, 2009)	- Director - Marketing
Mr A Bhatt	- Regional Human Resources Director
Mr U D Chiniwala	- Director - Risk & Financial Controlling
Mr K M Marfatia	- Director - Legal & Secretarial
Mr L N Neti	- Director - Supply Chain
Dr Z Madan (upto November 30, 2009)	- Director - Medical
Mr V M Nagesh	- Head -Quality
Mr Arun Khedkar (upto February 28, 2009)	- Director - Business Development

The Company has decided that effective December 01, 2009, Key Management Person for this purpose shall include only the Managing Director.

c Transactions during the period :

Rupees in Lakhs

Nature of Transactions	**For the Period December 01, 2009 to December 31, 2010**	*Year ended November 30, 2009*
Transactions with the Holding Company during the period		
Dividend Remitted		
Abbott Capital India Ltd., UK	**16,02.79**	*13,19.95*
Transactions with the Fellow subsidiaries during the period		
Purchase of Goods		
Abbott Logistics BV, Netherlands	**33,57.14**	*34,75.31*
Abbott Laboratories Intl. Co., USA	**4,86.08**	*3,19.28*
Abbott Healthcare Pvt. Ltd., India	**41.43**	*13.68*
Abbott Japan Co Ltd, Japan	**40.86**	*-*
Purchase of Capital Goods		
Abbott Laboratories Ltd., UK	**-**	*19.50*
Abbott Laboratories Intl. Co., USA	**58.88**	*-*

Notes to the accounts

Rupees in Lakhs

Nature of Transactions	**For the Period December 01, 2009 to December 31, 2010**	*Year ended November 30, 2009*
Purchase of Consumables		
Abbott Laboratories Intl. Co., USA	-	*0.23*
Abbott Logistics BV, Netherlands	-	*24.98*
Towards shared services		
Abbott Laboratories Intl Co., USA	**323.62**	*3,51.60*
Abbott Healthcare Pvt Ltd., India	**11,84.73**	*7,40.43*
Solvay Pharma India Ltd., India	**1,48.36**	-
Reimbursement of professional fees, travel and other expenses		
From Fellow Subsidiaries		
Abbott Laboratories Intl Co., USA	**77.61**	*35.21*
Abbott Laboratories (Singapore) Pte Ltd., Singapore	**2.75**	*15.14*
Abbott Korea Ltd., Korea	-	*11.63*
Abbott Healthcare Pvt. Ltd., India	**4.33**	*1.63*
Abbott Mature Products International Ltd, Ireland	**75.70**	-
Abbott Laboratories S.A., DAFZ (Dubai Airport Free Zone), Dubai	**10.40**	-
Solvay Pharma India Ltd., India	**38.71**	-
Reimbursement of Travel, professional fees, MIS charges and other expenses		
To Fellow Subsidiaries		
Abbott Laboratories Intl. Co., USA	**25.45**	*18.96*
Abbott Australasia Pty. Ltd., Australia	-	*1.81*
Abbott Laboratories S.A., China	-	*4.23*
Abbott Laboratories S.A., USA	**14.16**	-
Abbott SA NV, Belgium	**8.87**	*0.69*
Abbott GmbH & Co. KG, Germany	-	*2.84*
Abbott Laboratories (Singapore) Pte Ltd., Singapore	**39.39**	-
Abbott Laboratories Ltd., UK	**9.68**	-
Abbott Laboratories Ltd, Thailand	**4.84**	-
Transactions with the Key Management Personnel & their Relatives during the period		
Remuneration		
Mr V Mohan	**2,96.56**	*2,63.58*
Mr R Sonalker	-	*57.02*
Mr S Vasudevan (previous year w.e.f February 02, 2009)	-	*59.03*
Others	-	*2,42.37*
(refer note 23-b-II above)		
Rent		
Mr U D Chiniwala	-	*0.96*
(refer note 23-b-II above)		

Notes to the accounts

d Outstanding as on December 31, 2010

Rupees in Lakhs

	As at December 31, 2010	*As at November 30, 2009*
Payable to		
Fellow Subsidiaries		
Abbott Laboratories Intl. Co., USA	**32.34**	*12.28*
Abbott Logistics BV, Netherlands	**9,93.85**	*10,47.19*
Abbott Laboratories (Singapore) Pte Ltd., Singapore	**0.72**	-
Abbott Laboratories Ltd., Thailand	**4.68**	-
Abbott SA NV, Belgium	**3.53**	-
Abbott Laboratories Ltd.,UK	**9.72**	-
Abbott Laboratories S.A., USA	**1.68**	*0.86*
Abbott Healthcare Pvt Ltd., India	**1,92.57**	-
Abbott Australasia Pty. Ltd., Australia	**-**	*1.81*
Receivables/Deposits from		
Fellow Subsidiaries		
Abbott Laboratories Intl. Co., USA	**31.10**	*32.09*
Abbott Healthcare Pvt Ltd., India	**25.53**	*93.01*
Abbott Korea Ltd., Korea	**-**	*11.63*
Abbott Laboratories (Singapore) Pte Ltd., Singapore	**-**	*14.84*
Abbott Laboratories S.A., DAFZ (Dubai Airport Free Zone), Dubai	**10.19**	-
Key Management Personnel & their Relatives		
Mr U D Chiniwala	**-**	*28.50*
Mr K M Marfatia	**-**	*3.50*
(refer note 23-b-II above)		

24 Employee Benefits :

The Accounting Standard-15 'Employee Benefits' as notified in the Companies (Accounting Standards) Rules 2006, has been adopted by the Company.

The Company has classified the various benefits provided to employees as under :

I. **Defined Contribution Plans**

a. Provident Fund/ Employees' Pension Fund

b. Superannuation Fund

c. Employees' Deposit Linked Insurance Scheme

d. Group Life Insurance Cover

Notes to the accounts

During the period, the Company has recognised the following amounts in the Profit and Loss Account :

Rupees in Lakhs

	For the Period December 01, 2009 to December 31, 2010	*Year ended November 30, 2009*
- Employer's Contribution to Provident Fund/ Employees' Pension Fund	**3,98.67**	*2,66.66*
- Employer's Contribution to Superannuation Fund	**1,02.94**	*84.54*
- Employer's Contribution to Employees' Deposit Linked Insurance Scheme	**4.05**	*3.33*
- Premium paid in respect of Group Life Insurance Cover	**7.48**	*5.74*

The above amounts are included in Contribution to Provident and Other Funds and Workmen and Staff Welfare Expenses (Schedule 13 - Manufacturing, Administrative and Selling Expenses)

II. Defined Benefit Plans

a. Contribution to Gratuity Fund

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

b. Provision for Post Retirement Medical Benefits (PRMB)

Under this scheme, select group of senior employees and their spouse are covered for hospitalization benefit after the employee has retired from the Company. The cover is available to these beneficiaries until they are alive. The Company has procured a group hospitalization cover from an insurance company for providing these benefits to these beneficiaries. The insurance premium payable in respect of each of the beneficiary covered under this scheme is directly paid by the Company to the insurer. The insurance cover and premium varies from one beneficiary to another.

c. Provision for Compensated Absences (CA)

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

d. Provision for Long Service Benefits (LSB)

Under this scheme, long service benefit accrues to the employee, while he is in service and is payable to him upon completion of stipulated service with the Company.

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

Notes to the accounts

A) Changes in Defined Benefit Obligation

Rupees in Lakhs

	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	December 31, 2010	*November 30, 2009*	**December 31, 2010**	*November 30, 2009*
Defined Benefit Obligation at the beginning of the period	**6,78.87**	*7,35.17*	**1,57.00**	*1,85.08*
Current Service Cost	**55.38**	*37.03*	**1.61**	*1.51*
Interest Cost	**60.04**	*54.40*	**13.33**	*14.58*
Past Service Cost	**2,58.62**	-	**-**	-
Benefits Paid	**(1,07.68)**	*(1,49.44)*	**(6.71)**	*(8.50)*
Actuarial (Gain)/Loss on Obligations	**1,10.58**	*1,05.42*	**(43.07)**	*(19.96)*
Write Back on account of updation of discount rate at the Balance Sheet date	**-**	*(1,03.71)*	**-**	*(15.71)*
Defined Benefit Obligation at the end of the period	**10,55.81**	*6,78.87*	**1,22.16**	*1,57.00*

B) Changes in the Fair Value of Plan Assets for Gratuity (Funded Scheme)

Rupees in Lakhs

	December 31, 2010	*November 30, 2009*
Fair Value of Plan Assets at the beginning of the period	**6,92.97**	*6,85.29*
Expected Actual Return on Plan Assets	**54.90**	*47.62*
Actuarial Gains / (Losses)	**23.14**	*48.42*
Contributions	**1,61.78**	*61.08*
Benefits Paid	**(1,07.68)**	*(1,49.44)*
Assets Distributed on Settlement	**-**	-
Fair Value of Plan Assets at the end of the period	**8,25.12**	*6,92.97*

C) Amount recognised in the Balance Sheet

Rupees in Lakhs

	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	December 31, 2010	*November 30, 2009*	**December 31, 2010**	*November 30, 2009*
Defined Benefit Obligation as at end of the period	**10,55.81**	*6,78.87*	**1,22.16**	*1,57.00*
Fair Value of Plan Assets as at end of the period	**(8,25.12)**	*(6,92.97)*	**-**	-
Amount not recognised as an Asset (limit in Para 59 (b))	**-**	-	**-**	-
Liability/(Asset) recognised in the Balance Sheet - Included in Provisions (Schedule 9B)	**2,30.69**	*(14.10)*	**1,22.16**	*1,57.00*

Notes to the accounts

Rupees in Lakhs

	CA (Non - Funded Scheme)		LSB (Non - Funded Scheme)	
	December 31, 2010	*November 30, 2009*	**December 31, 2010**	*November 30, 2009*
Defined Benefit Obligation as at end of the period	**4,33.20**	*2,92.72*	**69.83**	*29.96*
Fair Value of Plan Assets as at end of the period	**-**	*-*	**-**	*-*
Amount not recognised as an Asset (limit in Para 59 (b))	**-**	*-*	**-**	*-*
Liability/(Asset) recognised in the Balance Sheet - Included in Provisions (Schedule 9B)	**4,33.20**	*2,92.72*	**69.83**	*29.96*

D) Expenses recognised in the Profit and Loss Account

Rupees in Lakhs

	Gratuity (Funded Scheme)		PRMB (Non-Funded Scheme)	
	For the period December 1, 2009 to December 31, 2010	*Year ended November 30, 2009*	**For the period December 1, 2009 to December 31, 2010**	*Year ended November 30, 2009*
Current Service Cost	**55.38**	*37.03*	**1.61**	*1.51*
Past Service Cost	**2,58.62**	*-*	**-**	*-*
Interest Cost	**60.04**	*54.40*	**13.33**	*14.58*
Expected Return on Plan Assets	**(54.90)**	*(47.62)*	**-**	*-*
Curtailment/ Settlement cost/(credit)	**-**	*-*	**-**	*-*
Net actuarial (gain)/loss recognised in the period	**87.44**	*57.00*	**(43.07)**	*(19.96)*
Effect of the limit in Para 59(b) of Accounting Standard 15	**-**	*(0.81)*	**-**	*-*
One Year Renewable Term Assurance (OYRTA) Premium	**4.61**	*3.67*	**-**	*-*
Write Back on account of updation of discount rate at the Balance Sheet date	**-**	*(1,03.71)*	**-**	*(15.71)*
Total Expenses recognised in the Profit and Loss Account included in Manufacturing, Administrative and Selling Expenses (Schedule 13)	**4,11.19**	*(0.04)*	**(28.13)**	*(19.58)*

E) Category of Plan Assets

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

F) Actuarial Assumptions

In accordance with Accounting Standard-15, actuarial valuation as at the period end was performed in respect of the aforesaid defined benefit plans based on the following assumptions :

Notes to the accounts

		December 31, 2010	*November 30, 2009*
a.	Discount rate (per annum)	**8.15%**	*8.00%*
b.	Average Salary increase rate		
	- for Management	**6.00%**	*6.00%*
	- for Non-management	**5.00%**	*5.00%*
c.	Rate of Return on Plan Assets (for funded scheme)	**7.50%**	*7.50%*
d.	Expected Retirement age of employees (years)	**58/ 60 years; as applicable**	*58/ 60 years; as applicable*
e.	Annual Increase in Healthcare Costs (per annum)	**6.00%**	*6.00%*
f.	Increase in Cost of Award (LSB)	**6.00%**	*6.00%*
g.	Mortality rates considered are as per the published rates in the Life Insurance Corporation (1994-96) Mortality table.		

h. Sensitivity of Results to Medical Inflation Rate (for PRMB)

Rupees in Lakhs

Effect of	1% increase		1% decrease	
	December 31, 2010	*November 30, 2009*	**December 31, 2010**	*November 30, 2009*
On Aggregate of Service Cost & Interest Cost	**1.44**	*1.70*	**(1.19)**	*(1.42)*
On Defined Benefit Obligation	**14.97**	*18.55*	**(12.46)**	*(15.47)*

i. Rates of leaving service at specimen ages are shown as under:

Age (Years)	Rates	
	December 31, 2010	*November 30, 2009*
21-44	**2.00%**	*2.00%*
45 & Above	**1.00%**	*1.00%*

j. Leave Availment Pattern

5.00% *(2009 : 5.00%)* of the leave balance as at the valuation date and each subsequent year following the valuation date will be availed by the employee. The balance leave is assumed to be available for encashment on separation from the Company.

k. The estimates of future salary increases, considered in the actuarial valuation, is primarily based on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

l. As this is the fourth year in which the Accounting Standard - 15 has been applied, the amounts of the present value of the obligation, fair value of plan assets, surplus or deficit in the plan and experience adjustment arising on plan liabilities and plan assets of past three years are as below:

Notes to the accounts

Rupees in Lakhs

	Period Ended			
	November 30, 2007	*November 30, 2008*	*November 30, 2009*	**December 31, 2010**
Defined Benefit Obligation	*6,15.90*	*6,31.46*	*6,78.87*	**10,55.81**
Plan Assets	*6,78.53*	*6,85.29*	*6,92.97*	**8,25.12**
Surplus / (Deficit)	*62.63*	*53.83*	*14.10*	**(2,30.69)**
Experience Adjustments on Plan Liabilities	*63.36*	*31.38*	*55.55*	**1,25.81**
Experience Adjustments on Plan Assets	*43.23*	*(21.57)*	*48.42*	**23.14**

m. Expected Employer's contribution for the next year Rs. 75.00 Lakhs *(2009 : Rs. 40.00 Lakhs)*

25 A) International Stock Ownership Plan (Stocks of the Abbott Laboratories, USA)

Abbott Laboratories, USA has an "Affiliate Employee Stock Purchase Plan" (employee share purchase plan) whereby all permanent eligible employees of the Company have been given a right to purchase shares of the Company i.e. Abbott Laboratories, USA. Every employee who opts for the scheme contributes, by way of payroll deductions, up to 10% of his cash remuneration (i.e. basic salary for Officers and basic salary & dearness allowance for Staff category) towards purchase of shares on a monthly basis over the purchase cycle of 6 months.

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

In view of the above, no stock compensation expenses are incurred by the Company. During the period December 01, 2009 to December 31, 2010, 334 shares *(2009 : 287)* were purchased by employees at weighted average fair value of US$ 39.90 *(2009 : US$ 42.06)* per share.

B) Employees Stock Options Plan (Stocks of the Abbott Laboratories, USA)

Abbott Laboratories, USA has a "Incentive Stock Option Program" whereby the employees covered by the plan are granted an option to purchase shares of the Abbott Laboratories, USA at a fixed price (grant price),which shall be atleast 100% of the Fair Market Value of the common share for a fixed period of time. Accordingly, no options compensation expenses are incurred by the Company during the period. The shares of Abbott Laboratories, USA are listed with Securities Exchange Commission of USA. The Grants issued are vested in one third instalments over a three years period and have a 10 years contractual life.

Notes to the accounts

	For the period December 01, 2009 to December 31, 2010		*Year ended November 30, 2009*	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	**1,28,694**	**US$ 49.28**	*1,40,152*	*US$ 49.50*
Granted during the period	**-**	**NA**	*-*	*NA*
Forfeited during the period	**2,800**	**US$ 55.56**	*9,066*	*US$ 53.77*
Exercised during the period	**5,931**	**US$ 44.72**	*2,392*	*US$ 45.51*
Expired during the period	**-**	**NA**	*-*	*NA*
Outstanding at the end of the period	**1,19,963**	**US$ 49.36**	*1,28,694*	*US$ 49.28*
Exercisable at the end of the period	**1,10,663**	**US$ 48.83**	*1,00,127*	*US$ 47.73*

The weighted average share price at the date of exercise for stock options exercised during the period was US$ 51.96 *(2009: US$ 51.24)* and weighted average remaining contractual life is 4.86 years *(2009 : 5.86 years)*

C) **Employees Restricted Stock Options Plan (Stocks of the Abbott Laboratories, USA)**

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

	For the period December 01, 2009 to December 31, 2010		*Year ended November 30, 2009*	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	**9,050**	**NA**	*-*	*NA*
Granted during the period	**9,475**	**NA**	*9,550*	*NA*
Forfeited during the period	**433**	**NA**	*500*	*NA*
Exercised during the period	**3,034**	**NA**	*-*	*NA*
Expired during the period	**-**	**NA**	*-*	*NA*
Outstanding at the end of the period	**15,058**	**NA**	*9,050*	*NA*
Exercisable at the end of the period	**-**	**NA**	*-*	*NA*

The weighted average share price at the date of exercise for stock options exercised during the period was US$ 54.10 *(2009 : US$ Nil)*

NA - Not Applicable

Notes to the accounts

26 The Company has Bank Overdraft arrangement secured by hypothecation of all stocks and book debts.

27 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 :

a) An amount of Rs. 84.93 Lakhs *(2009 : Rs. 66.98 Lakhs)* and Rs. Nil *(2009 : Rs. Nil)* was due and outstanding to suppliers as at the end of the accounting period on account of Principal and Interest respectively.

b) No interest was paid during the period.

c) No interest is payable at the end of the period other than interest under Micro, Small and Medium Enterprises Development Act, 2006.

d) No amount of interest was accrued and unpaid at the end of the accounting period.

The above information and that given in Schedule 9 - "Current Liabilities and Provisions" regarding Micro, Small and Medium Enterprises 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.

28 In respect of the amounts as mentioned under section 205C of the Companies Act, 1956, no dues are required to be credited to the Investor Education and Protection Fund as on December 31, 2010.

29 The revenue expenditure on Research and Development is Rs. 1,68.74 Lakhs *(2009 : Rs. 1,11.08 Lakhs)*

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

Signatures to Schedules 1 to 15 which form an integral part of the Accounts.

For and on behalf of the Board

Vivek Mohan	*Managing Director*
R A Shah	*Director*
Ashok Dayal	*Director*
Krupa Anandpara	*Company Secretary*

Place : Mumbai
Date : February 28, 2011

Balance Sheet Abstract and General Business Profile

I Registration Details

Registration No.	7330	State Code	11	(Refer Code List)
Balance Sheet Date	31 (Date) 12 (Month) 2010 (Year)			

II Capital raised during the year (Amount in Rs. Lakhs)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

III Position of Mobilisation and deployment of Funds (Amount in Rs. Lakhs)

Total Liabilities	45343.20	Total Assets	45343.20

Sources of Funds

Paid - up Capital	1367.52	Reserves & Surplus	29170.71
Secured Loans	NIL	Unsecured loans	NIL

Application of Funds

Net Fixed Assets	5056.98	Investments	NIL
Net current assets	25481.25	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. Lakhs)

Total Income	102587.06	Total Expenditure	93172.56
Profit/(Loss) Before Tax	9414.50	Profit/(Loss) After Tax	6093.52
Earning per Share in Rs.	44.56	Dividend Rate (%)	170

V Generic Names of three Principal Products / Services of Company (As Per Monetary Terms)

Item Code No. (ITC Code)	300431 10	Product Description	Insulins
Item Code No. (ITC Code)	300390 35	Product Description	Antacid
Item Code No. (ITC Code)	300390 22	Product Description	Laxatives

For and on behalf of the Board

Vivek Mohan — *Managing Director*
R A Shah — *Director*
Ashok Dayal — *Director*
Krupa Anandpara — *Company Secretary*

Place : Mumbai
Date : February 28, 2011

Notes

Notes

Corporate **Information**

Board of **Directors**

Munir Shaikh, **Chairman**

Vivek Mohan, **Managing Director**

R A Shah

Ashok Dayal

Ranjan Kapur

Neil Aylward

Thomas Dee

Laurent Van Lerberghe

Ramon F Neira Hoyos

Kaiyomarz Marfatia, *Whole-time Director*

Corporate **Management**

Vivek Mohan, Managing Director

S Vasudevan, Director – Marketing

R Sonalker, Director – Finance

L Neti, Director – Operations

A Bhatt, Regional Human Resource Director

Dr B Nair, Director – Medical

U D Chiniwala, Director – Risk & Financial Controlling

K M Marfatia, Director – Legal & Secretarial

V Nagesh, Head – Quality

Swati Dalal, Director – Commercial Development

Deepshikha Mukerji, Director – Business HR

Company **Secretary**

Krupa Anandpara

Bankers

Standard Chartered Bank

BNP Paribas

HDFC Bank Ltd

Auditors

Deloitte Haskins & Sells

Solicitors

Wadia Ghandy & Co.

Crawford Bayley & Co.

Registered Office

3-4 Corporate Park

Sion-Trombay Road

Mumbai 400 071

Factory

L-18/19, Verna Industrial Estate, Goa

Registrars & Share Transfer Agents

Sharepro Services (India) Private Limited

13A/B 2nd Floor, Samhita Warehousing Complex,

Behind Sakinaka Telephone Exchange,

Andheri Kurla Road, Sakinaka, Andheri (East)

Mumbai 400 072

Abbott India Limited
3-4 Corporate Park, Sion-Trombay Road, Chembur, Mumbai - 400 071

Abbott
A Promise for Life

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